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Smooore International Holdings Limited

思摩爾國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6969)

DISCLOSEABLE TRANSACTION PURCHASE OF STRUCTURED DEPOSIT

PURCHASE OF STRUCTURED DEPOSIT

Reference is made to the announcement of the Company dated 11 October 2022 in relation to the subscription of structured deposit products which have matured on 28 December 2022.

On 5 January 2023, Smooore Shenzhen renewed the Structured Deposit Agreements with BOC, pursuant to which Smooore Shenzhen agreed to purchase two structured deposits of RMB3,500,000,000 in aggregate (i.e. RMB1,760,000,000 and RMB1,740,000,000 for each) after redeeming RMB1,500,000,000 due to its maturity on 28 December 2022. The subscriptions are funded by its existing available cash reserves and free cash flow of the Group.

LISTING RULES IMPLICATIONS

As the First Structured Deposit Agreement and the Second Structured Deposit Agreement were entered into with the same bank within 12 months, they were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Structured Deposit Agreements exceeds 5% but all of the applicable percentage ratios are less than 25%, the purchase of structured deposit under the Structured Deposit Agreements as mentioned above constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

BACKGROUND

The Board announced that on 5 January 2023, Smoore Shenzhen renewed the Structured Deposit Agreements with BOC, pursuant to which Smoore Shenzhen agreed to purchase two structured deposits of RMB3,500,000,000 in aggregate (i.e. RMB1,760,000,000 and RMB1,740,000,000 for each) after redeeming RMB1,500,000,000 due to its maturity on 28 December 2022. The subscriptions are funded by its existing available cash reserves and free cash flow of the Group.

THE STRUCTURED DEPOSIT AGREEMENTS

The principal terms of the First Structured Deposit Agreement are set out as follows:

- (1) Date of subscription: 5 January 2023
- (2) Parties:
 - (i) BOC
 - (ii) Smoore Shenzhen
- (3) Name of the product: Linked Structured Deposit Product (掛鈎型結構性存款)
- (4) Type of return: Principal-guaranteed with variable return
- (5) Subscription amount: RMB1,760,000,000. The Board believes that the consideration of such subscription was determined on the basis of arm's length commercial terms.
- (6) Term of deposits: 25 days (from 6 January 2023 to 31 January 2023)
- (7) Expected annualized rate of return: 1.40%–4.63%
- (8) Scope of investment: The principle shall be included in the internal funds of BOC for unified operation and management. The derivative embedded in the product is invested in the exchange rate derivatives market of EUR against USD. The final performance of the product depends on the exchange rate of EUR against USD.
- (9) Observation period/
Observation timing: 14:00 on 19 January 2023 (Beijing time)
- (10) Risk level: Low-risk product

- (11) Guarantee from the bank: BOC commits to guarantee the principal and the minimum return based on the minimum expected annualized rate of return, to keep abreast of the market conditions and observe the exchange rate of EUR against USD during the observation period on arm's length and equitable basis, and to pay the return to the Company strictly in accordance with the agreed guaranteed return rate and conditions stated in the agreement.
- (12) Redemption: Prior to the maturity date of the product, neither BOC nor the Company shall have the right to early terminate the product unilaterally, except in the event of major changes in laws and regulations and regulatory provisions or force majeure, which require early termination of the product.
- (13) Payment of principal and return: Upon maturity of the product, all product returns shall be paid in one lump sum and the principal of the product subscription shall be returned in full.

The principal terms of the Second Structured Deposit Agreement are set out as follows:

- (1) Date of subscription: 5 January 2023
- (2) Parties: (i) BOC
(ii) Smoore Shenzhen
- (3) Name of the product: Linked Structured Deposit Product (掛鈎型結構性存款)
- (4) Type of return: Principal-guaranteed with variable return
- (5) Subscription amount: RMB1,740,000,000. The Board believes that the consideration of such subscription was determined on the basis of arm's length commercial terms.
- (6) Term of deposits: 25 days (from 6 January 2023 to 31 January 2023)
- (7) Expected annualized rate of return: 1.39%–4.62%

- (8) Scope of investment: The principle shall be included in the internal funds of BOC for unified operation and management. The derivative embedded in the product is invested in the exchange rate derivatives market of EUR against USD. The final performance of the product depends on the exchange rate of EUR against USD.
- (9) Observation period/
Observation timing: 14:00 on 19 January 2023 (Beijing time)
- (10) Risk level: Low-risk product
- (11) Guarantee from the bank: BOC commits to guarantee the principal and the minimum return based on the minimum expected annualized rate of return, to keep abreast of the market conditions and observe the exchange rate of EUR against USD during the observation period on arm's length and equitable basis, and to pay the return to the Company strictly in accordance with the agreed guaranteed return rate and conditions stated in the agreement.
- (12) Redemption: Prior to the maturity date of the product, neither BOC nor the Company shall have the right to early terminate the product unilaterally, except in the event of major changes in laws and regulations and regulatory provisions or force majeure, which require early termination of the product.
- (13) Payment of principal and return: Upon maturity of the product, all product returns shall be paid in one lump sum and the principal of the product subscription shall be returned in full.

INFORMATION ON THE PARTIES

The Company

The Company is an investment holding company and the Group is principally engaged in research, design, manufacturing and sales of vaping devices and vaping components.

Smoore Shenzhen

Smoore Shenzhen is a wholly owned subsidiary of the Company and is principally engaged in research, design, manufacturing and sales of vaping devices and vaping components.

BOC

BOC is a company listed on the Hong Kong Stock Exchange (stock code: 03988) and the Shanghai Stock Exchange (stock code: 601988) and mainly provides commercial banking, investment banking, insurance, asset management and other financial services. To the best of the Directors' knowledge, information and belief, BOC and its ultimate beneficial owners are parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PURCHASE OF STRUCTURED DEPOSIT

The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Company, which is consistent with the core objectives of the Group to ensure capital safety and liquidity. The impact of risk factors on the expected rates of return of the Structured Deposit Agreements is relatively low, but the Group could get a higher return as compared with fixed term deposit in commercial banks in the PRC.

The Directors consider that the terms of the Structured Deposit Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the First Structured Deposit Agreement and the Second Structured Deposit Agreement were entered into with the same bank within 12 months, they were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Structured Deposit Agreements exceeds 5% but all the applicable percentage ratios are less than 25%, the purchase of structured deposit under the Structured Deposit Agreements as mentioned above constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms used herein have the following meanings:

“Board”	the board of Directors
“BOC”	Bank of China Limited (中國銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC. Its shares are listed on the Hong Kong Stock Exchange (stock code: 03988) and the Shanghai Stock Exchange (stock code: 601988)

“Company”	Smooore International Holdings Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6969)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the director(s) of the Company
“First Structured Deposit Agreement”	the structured deposit agreement entered into between Smooore Shenzhen and BOC dated 5 January 2023 in relation to the purchase of the first structured deposit
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Second Structured Deposit Agreement”	the structured deposit agreement entered into between Smooore Shenzhen and BOC dated 5 January 2023 in relation to the purchase of the second structured deposit
“Shareholder(s)”	shareholder(s) of the Company
“Smooore Shenzhen”	Shenzhen Smooore Technology Co., Ltd.* (深圳麥克韋爾科技有限公 司), a company established in the PRC with limited liability and is a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Structured Deposit
Agreements”

the First Structured Deposit Agreement and the Second Structured
Deposit Agreement

“%”

per cent.

By Order of the Board
Smooore International Holdings Limited
Mr. Chen Zhiping
Chairman of the Board

Hong Kong, 5 January 2023

As at the date of this announcement, the executive Directors are Mr. Chen Zhiping, Mr. Xiong Shaoming, Mr. Wang Guisheng and Ms. Wang Xin; the non-executive Director is Ms. Jiang Min; and the independent non-executive Directors are Mr. Zhong Shan, Mr. Yim Siu Wing, Simon and Dr. Liu Jie.

* *For identification purpose only*