THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Smoore International Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Smoore

Smoore International Holdings Limited

思摩爾國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 06969)

PROPOSED RE-ELECTION OF DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES
AND
ADJUSTMENT MECHANISM FOR THE PERFORMANCE TARGETS OF THE PERFORMANCE-LINKED OPTIONS
AND
PROPOSED AMENDMENTS TO SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting of Smoore International Holdings Limited to be held at Theatre 1, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 22 May 2026 at 3:00 p.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 3:00 p.m. on Wednesday, 20 May 2026 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.smooreholdings.com).

24 April 2026

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Annual General Meeting"	the annual general meeting of the Company to be held at Theatre 1, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 22 May 2026 at 3:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 42 to 46 of this circular, or any adjournment thereof
"Articles of Association"	the articles of association of the Company that are currently in force
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"CCASS"	the Central Clearing and Settlement System established and operated by the HKSCC
"close associate"	has the meaning ascribed to it under the Listing Rules
"Company"	Smoore International Holdings Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Eligible Participant(s)"	the eligble participant(s) of the Share Option Scheme
"EVE Energy"	EVE Energy Co., Ltd. (惠州億緯鋰能股份有限公司), a company established in the PRC in December 2001, listed on the Shenzhen Stock Exchange (stock code 300014), a Controlling Shareholder of the Group
"Group"	the Company and its subsidiaries from time to time
"HKSCC"	Hong Kong Securities Clearing Company Limited

"Issue Mandate"	a general and unconditional mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares (including any sale or transfer of Treasury Shares out of treasury) of not exceeding 20% of the total number of issued Shares (excluding any Treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 7 of the notice of the Annual General Meeting
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the board committee of the Company comprising all independent non-executive Directors, namely, Mr. Zhong Shan, Mr. Yim Siu Wing, Simon and Dr. Wang Gao, being a committee established to make recommendations to the Independent Shareholders in respect of the adjustment mechanism for the performance targets of the Performance-linked Options
"Independent Shareholders"	the Shareholders excluding Mr. Chen, his associates and all core connected persons of the Company who must, under the Listing Rules, abstain from voting in favour of the proposed ordinary resolution contained in item 9 of the notice of the Annual General Meeting
"Latest Practicable Date"	17 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"Mr. Chen"	Mr. Chen Zhiping, chairman of the Board, executive Director and substantial shareholder of the Company
"Option-holder"	a person holding an option which was granted or to be granted under the Share Option Scheme (and, where relevant, includes his personal representatives)
"Performance-linked Options"	the 61,000,000 options conditionally granted to Mr. Chen on 27 December 2024 and approved by the Shareholders on 18 February 2025 under the Share Option Scheme

"Share Option Scheme"	the share option scheme first adopted by the Company on 15 June 2020 and subsequently amended by the Shareholders on 18 February 2025
"PRC"	the People's Republic of China
"Repurchase Mandate"	a general and unconditional mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares (excluding any Treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary share(s) of US$0.01 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Smoore Shenzhen"	Shenzhen Smoore Technology Co., Ltd. (深圳麦克韋爾科技有限公司) (formerly known as 深圳麦克韋爾股份有限公司 and 深圳市麦克韋爾科技有限公司), a company established in the PRC on 21 September 2009, and a wholly-owned subsidiary of the Company
"Somerley"	Somerley Capital Limited, licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders on the methodology proposed to determine the adjustments to the performance targets of the Performance-linked Options in the event of spin-offs by the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Takeovers Code"	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
"Treasury Shares"	treasury shares of the Company and has the meaning ascribed to it under the Listing Rules
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

Smoore International Holdings Limited
思摩爾國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 06969)

Executive Directors:
Mr. CHEN Zhiping *(Chairman and Chief executive officer)*
Mr. XIONG Shaoming
Mr. WANG Guisheng
Ms. WANG Xin

Non-executive Director:
Ms. JIANG Min

Independent Non-executive Directors:
Mr. ZHONG Shan *(Lead Independent Non-executive Director)*
Mr. YIM Siu Wing, Simon
Dr. WANG Gao

Registered Office:
Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Head Office in the PRC:
No. 16, Dongcai Industrial Zone
Gushu Community, Xixiang Street
Bao'an District, Shenzhen
Guangdong, China

Principal Place of Business in Hong Kong:
Office B, 28/F, EGL Tower
No. 83 Hung To Road
Kowloon
Hong Kong

24 April 2026

To the Shareholders

Dear Sirs or Madams,

PROPOSED RE-ELECTION OF DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES
AND
ADJUSTMENT MECHANISM FOR THE PERFORMANCE TARGETS OF THE PERFORMANCE-LINKED OPTIONS
AND
PROPOSED AMENDMENTS TO SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the Annual General Meeting to be held on 22 May 2026 for the purpose of considering, among other things, the passing of ordinary resolutions to re-elect certain Directors, grant the Repurchase Mandate and the Issue Mandate, extend the Issue Mandate, adopt the methodology proposed to determine the adjustment to the performance targets of the Performance-linked Options in the event of spin-offs by the Company and to amend the rules of the Share Option Scheme.

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 84 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. Accordingly, Mr. Wang Guisheng, Ms. Wang Xin and Mr. Zhong Shan shall retire from office at the Annual General Meeting and, being eligible, will offer themselves for re-election.

The Nomination Committee of the Company has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contributions of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board the re-election of Mr. Wang Guisheng and Ms. Wang Xin as executive Directors and Mr. Zhong Shan as an independent non-executive Director at the Annual General Meeting. The Nomination Committee considers that their respective educations, backgrounds, experience and qualifications allow each of them to provide valuable and relevant insights and contribute to the diversity of the Board.

The Company has also received written confirmation from Mr. Zhong Shan confirming that he had satisfied all factors set out in Rule 3.13(1) to (8) of the Listing Rules in assessing his independence. The Board is of the view that Mr. Zhong Shan is independent and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 23 May 2025, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to

approve the granting of the Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares (excluding any Treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting (i.e. a total of 619,520,418 Shares based on 6,195,204,183 Shares in issue as at the Latest Practicable Date and on the basis that (i) such number of Shares in issue remains unchanged on the date of passing of the proposed ordinary resolution; and (ii) the Company does not have any Treasury Shares on the date of the Annual General Meeting). As at the Latest Practicable Date, the Company has no immediate plan to repurchase any Shares pursuant to the proposed Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix II to this circular.

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 23 May 2025, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares (including any sale or transfer of Treasury Shares out of treasury) if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issue Mandate to the Directors to allot, issue or deal with additional Shares (including any sale or transfer of Treasury Shares out of treasury) of not exceeding 20% of the total number of issued Shares (excluding any Treasury Shares) as at the date of passing of the proposed ordinary resolution contained in item 7 of the notice of the Annual General Meeting (i.e. a total of 1,239,040,836 Shares based on 6,195,204,183 Shares in issue as at the Latest Practicable Date and on the basis that (i) such number of Shares in issue remains unchanged on the date of passing of the proposed ordinary resolution; and (ii) the Company does not have any Treasury Shares on the date of the Annual General Meeting). In addition, a separate ordinary resolution to extend the Issue Mandate by adding the number of Shares repurchased by the Company pursuant to the Repurchase Mandate will also be proposed at the Annual General Meeting. As at the Latest Practicable Date, the Company has no immediate plan to issue or allot any new Shares (including sale or transfer of Treasury Shares out of treasury) pursuant to the proposed Issue Mandate.

Subject to the passing of the relevant ordinary resolutions at the Annual General Meeting, the proposed Repurchase Mandate, Issue Mandate and extension to the Issue Mandate will continue to be in force for the period from the passing of such resolutions until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (iii) the date on which such authority is revoked or varied by ordinary resolution of the Shareholders at a general meeting of the Company.

5. ADJUSTMENT MECHANISM FOR THE PERFORMANCE TARGETS OF THE PERFORMANCE-LINKED OPTIONS

Introduction

Reference is made to the 61,000,000 options (i.e. the Performance-linked Options) conditionally granted to Mr. Chen on 27 December 2024 and approved by the Shareholders on 18 February 2025 pursuant to the Share Option Scheme. Details of the terms and conditions of the grant of the Performance-linked Options were set out in the Company's circular dated 8 January 2025. As at the Latest Practicable Date, none of the Performance-linked Options granted to Mr. Chen have vested.

As set out in the Company's circular dated 8 January 2025, the performance targets of the Performance-linked Options are as follows:

"*The Options may vest after the 12 months vesting period if during the period between 1 January 2025 and 31 December 2030:*

— *the average market capitalisation of the Company for any 15 consecutive Business Days first reaches or exceeds HK$300,000,000,000, 30% of the Options conditionally granted (18,300,000 Options) may vest;*

— *the average market capitalisation of the Company for any 15 consecutive Business Days first reaches or exceeds HK$400,000,000,000, 60% of the Options conditionally granted (36,600,000 Options) may vest;*

— *the average market capitalisation of the Company for any 15 consecutive Business Days first reaches or exceeds HK$500,000,000,000, all 100% of the Options conditionally granted (61,000,000 Options) may vest.*

In the event that the market capitalisation of the Company is affected by any spin-off or share alteration of the Company, the market capitalisation targets stated above may be adjusted upwards or downwards in such manner as the independent non-executive Directors of the Company determine, in writing, to be fair and reasonable. Any such adjustments will be announced as soon as practicable thereafter and be subject to approval by Shareholders in general meeting as contemplated under paragraph 18 in Appendix II of this circular.

For the avoidance of doubt:

— *in the event that the average market capitalisation of the Company for any 15 consecutive Business Days first reaches or exceeds a target market capitalisation and the Options granted had already been vested due to the same or other target milestone being met, the Options which are capable of being vested will be reduced accordingly (by way of example, if the HK$400,000,000,000 market capitalisation target is reached and Options vest, it is intended that 60% will vest if the*

HK$300,000,000,000 market capitalisation target was not met before; however, if the HK$300,000,000,000 market capitalisation target was achieved before and 30% of the Options had vested, only an additional 30% may vest if the HK$400,000,000,000 market capitalisation target is subsequently achieved);

— *the average market capitalisation of the Company for any 15 consecutive Business Days is to be calculated by dividing the sum of the market capitalisation of the Company for each of those 15 Business Day by 15; and*

— *the market capitalisation of the Company for a Business Day is to be calculated by multiplying the closing price of the Shares and the number of issued Shares (excluding Treasury Shares, if any) on that day.*

To the extent any of the performance targets is not met by 31 December 2030, the relevant Options shall lapse."

For the purpose of this part of this circular:

(1) the above performance targets of HK$300 billion, HK$400 billion and HK$500 billion of the Performance-linked Options will be referred to as the "**Market Capitalisation Performance Targets**"; and

(2) the original adjustment mechanism which requires (a) a determination by the independent non-executive Directors in writing that the adjustment is fair and reasonable, (b) announcement, and (c) approval by Shareholders in general meeting, will be referred to as the "**Original Adjustment Mechanism**".

Proposals to introduce methodology to the workings of the Original Adjustment Mechanism

In order to provide clarity and enhancing transparency on possible adjustments to the Market Capitalisation Performance Targets of the Performance-linked Options, the Company proposes to amend the terms of the Performance-linked Options to introduce the following methodology as to how the Original Adjustment Mechanism will be applied in the case of spin-offs by the Company:

Applicable events:

Events which involve separate listing on the Stock Exchange or elsewhere of the entity to be spun-off and a distribution in specie (the "**Distribution**") of the shares in the entity to be spun-off, after which the spun-off entity will no longer be a subsidiary of the Company.

The proposed adjustment mechanism:

To subtract from the Market Capitalisation Performance Targets an amount which represents the fair value of the distributed shares of the spun-off entity after completion of the Distribution as follows:

New Market Capitalisation Performance Targets = Market Capitalisation Performance Targets – P × N

where:

P = the fair value per share of the spun-off entity at time of Distribution determined as follows:

(a) if the Distribution is announced on a date before or within 20 trading days of an initial public offering ("**IPO**") of the spun-off entity, the IPO price per share will be considered the fair value per share of the spun-off entity at time of Distribution;

(b) if no IPO is involved or if the Distribution is otherwise announced on a date before the first anniversary of the separate listing of the spun-off entity, the fair value per share of the spun-off entity at time of Distribution shall be as follows:

(i) if the Distribution is announced before the separate listing of the spun-off entity or before the end of the 20th trading day from the date of the separate listing of the spun-off entity, the weighted average of the closing price of the shares of the spun-off entity for the first 20 trading days upon the separate listing of the spun-off entity; or

(ii) in other circumstances, the weighted average of the closing price of the shares of the spun-off entity for the 20 trading days immediately prior to the announcement by the Company of the Distribution;

provided that where a cash election is offered to Shareholders to receive cash from the Company in lieu of the shares of the spun-off entity, the fair value per share of the spun-off entity shall be the cash equivalent that the Shareholders will receive in lieu of a share of the spun-off entity.

N = the number of shares of the spun-off entity to be distributed by the Company under the Distribution, provided that where a cash election is offered to Shareholders to receive cash from the Company in lieu of the shares of the spun-off entity and where some Shareholders elect to receive cash, the number of shares which would have been distributed but for the cash election under the Distribution should also be included.

If the proposal to adopt the above methodology for adjustments to the Market Capitalisation Performance Targets in the case of spin-offs by the Company is approved by Independent Shareholders, to the extent applicable, such adjustments will be announced as soon as practicable thereafter after the relevant adjustment takes effect. For events other than spin-offs where the market capitalisation of the Company is affected, for example other share alterations of the Company, and for spin-offs which do not involve any Distribution, the provisions set out in the Original Adjustment Mechanism will continue to apply.

Reasons for the introduction of the proposed methodology to the Market Capitalisation Performance Targets

The purpose of Share Option Scheme is to incentivise and reward the Eligible Participants for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. As mentioned in the Company's circular dated 8 January 2025, the Company believes that it is appropriate to provide long term share incentives to Mr. Chen as Chairman of the Board and chief executive officer to better align his interest with the Shareholders' long term interest, and tying the Company's market capitalisation to the vesting of Mr. Chen's share options can further incentivise Mr. Chen to dedicate himself to leading the Company to greater heights amidst a competitive industry that is ripe for growth.

Post spin-offs involving a Distribution after which the spun-off entity will no longer be a subsidiary of the Company, the value of the spun-off business would no longer be reflected in the Company's market capitalisation. On one hand, the Shareholders would have benefited economically from the Distribution without the need to make further payment to subscribe for shares of the spun-off entity. On the other hand, Mr. Chen's efforts to develop the spun-off business should also be recognised when assessing his performance as he is responsible for the

overall management and business operation of the Group. Therefore, it is considered fair and reasonable for the Market Capitalisation Performance Targets be adjusted in such a way to reflect the value of the spun-off business.

The Original Adjustment Mechanism already contemplated adjustments to the Market Capitalisation Performance Targets in the event of spin-offs. The methodology proposed to effect adjustments to the Market Capitalisation Performance Targets in the event of spin-offs is intended to provide clarity and enhance transparency to the Shareholders and potential investors of the Company. Such clarification as to methodology will also provide clarity and certainty to Mr. Chen as to how his incentive under the Performance-linked Options will be calculated in the event of a spin-off. In this connection, the adoption of the IPO price per share of the spun-off entity (in the case where the Distribution is announced before or within 20 trading days of the IPO) or the weighted average of the closing price of the shares of the spun-off entity for 20 trading days (in the case where no IPO is involved or where the Distribution is announced after the first 20 trading days of the separate listing of the spun-off entity) is considered an appropriate method to measure the market value, and hence the fair value, of the shares of the spun-off entity, given the IPO prices are usually determined by underwriters through a process of valuation, investor roadshows/ book-buildings, and market demand assessment upon analysing the financial of the company, growth potential and comparable public companies, whereas the 20 trading days weighted average closing prices can mitigate the impacts of short term market fluctuations. Accordingly, while no comparable adjustment has been made to the performance targets constituting vesting conditions for share options issued by listed companies in the Hong Kong market over the past two years, it is considered fair and reasonable for the Market Capitalisation Performance Targets to be calculated and adjusted in the stipulated manner.

As at the Latest Practicable Date, the Company has no immediate plan to conduct any spin-off. As stated in the Company's announcement dated 17 March 2026 on the Company's annual results for the year ended 31 December 2025, looking ahead to 2026, the Group will maintain atomisation technology as its strategic core and deepen execution across heat-not-burn (HNB), electronic vaping, special purpose atomisation products, inhalation therapy, and beauty atomisation. The Group believes each of these businesses have substantial market potential. However, as the market and regulatory environment evolve across the globe, the Company may assess opportunities from time to time to maximise value for our Shareholders via capital markets transactions for appropriate businesses.

In view of the aforesaid, the Directors (including members of the Independent Board Committee upon receiving and considering the advice from Somerley, the independent financial adviser) are of the view that the adoption of the methodology to determine the adjustments to the Market Capitalisations Performance Targets in the event of spin-offs by the Company as set out above is fair and reasonable and in the interests of Shareholders as a whole.

Independent Board Committee

The letter from the Independent Board Committee to the Independent Shareholders as to their recommendations on whether or not to vote in favour of the methodology to determine the adjustments to the Market Capitalisations Performance Targets in the event of spin-offs by the Company, is set out at Appendix III to this circular.

Independent Financial Adviser

Somerley has been appointed as the independent financial adviser for the purpose of advising the Independent Board Committee in relation to the proposed methodology to determine the adjustments to the Market Capitalisations Performance Targets in the event of spin-offs by the Company set out above. The letter from Somerley to the Independent Board Committee and the Independent Shareholders is set out at Appendix IV to this circular.

Listing Rules implications

Pursuant to Note (2) to Rule 17.03(18) of the Listing Rules, any change to the terms of options granted to a participant must be approved by the board, the remuneration committee, the independent non-executive directors and/or the shareholders of the listed issuer (as the case may be) if the initial grant of the options or awards was approved by the board, the remuneration committee, the independent non-executive directors and/or the shareholders of the listed issuer (as the case may be).

More specifically, Note (1) to Rule 17.04 and Rule 17.04(4) of the Listing Rules provide that any change in the terms of options granted to a participant who is a director, chief executive or substantial shareholder of the listed issuer must be approved by shareholders of the issuer and the listed issuer must send a circular to its shareholders and the grantee, his/her associates and all core connected persons of the listed issuer must abstain from voting in favour of the change at such general meeting.

The rules of the Share Option Scheme as summarised in Appendix II to the Company's circular dated 8 January 2025 (at page II-10) is consistent with the abovementioned Listing Rules provisions:

> "*Any amendments to the terms of options granted may only be made with the approval of the Board, the Remuneration Committee, the independent non-executive Directors, or the Shareholders in general meeting (as the case may be) if the initial grant of options was approved by the Board, the Remuneration Committee, the independent non-executive Directors, or the Shareholders in general meeting (as the case may be) save where the amendments take effect automatically under the terms of the Share Option Scheme.*
>
> *Any amendments to the terms of options granted to an Option-holder who is a substantial Shareholder of the Company or an independent non-executive Director, or any of their respective associates, must be approved by the Shareholders in general*

meeting. The resolution to approve the amendment must be taken on a poll and any connected person of the Company must abstain from voting on the resolution to approve such amendment, except that such a connected person may vote against such resolution."

As Mr. Chen is a Director and a controlling shareholder of the Company, the introduction of the proposed adjustment mechanism must be approved by the Independent Shareholders in general meeting in the manner described in Rule 17.04(4), where Mr. Chen, his associates and all core connected persons of the Company must abstain from voting in favour of the resolution.

As at the Latest Practicable Date and to the best knowledge and information of the Directors after making reasonable enquiries, Mr. Chen, his associates and the core connected persons of the Company hold approximately 70.35% of the issued Shares (excluding Treasury Shares) and none of them have intention to vote against the resolution approving the introduction of the proposed adjustment mechanism. If any of these persons change his mind as to their voting intention and if the Company become aware of such change before the date of the Annual General Meeting, the Company will comply with Rule 13.40 of the Listing Rules and despatch a circular or publish an announcement to notify Shareholders of such change and, if known, the reason for such change. Pursuant to Rule 13.40 of the Listing Rules, if such circular is despatched or such announcement is published less than 10 Business Days before the Annual General Meeting, the Annual General Meeting must be adjourned to a date that is at least 10 Business Days from the despatch or publication of such circular or announcement.

6. PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

Introduction

The existing Share Option Scheme was adopted by the Shareholders on 15 June 2020 and amended on 18 February 2025. The purpose of the Share Option Scheme is to incentivise and reward the Eligible Participants for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company, and the Eligible Participants under the Share Option Scheme shall be an employee (whether full-time or part-time) or a director of the Company and any subsidiary of the Company. Details of the existing Share Option Scheme were set out in the Company's circular dated 8 January 2025 and a summary of its major terms are also available in pages 53 to 59 of the Company's Annual Report 2025.

Under the existing Share Option Scheme, where an Option-holder ceases to be an Eligible Participant by reason of, among others, his employer ceasing to be a member of the Group, then any outstanding offer of an option which has not been accepted and any unvested option will lapse and the Option-holder or his personal representatives (if appropriate) may exercise all his options (to the extent vested but not already exercised) within a period of three months of the date of cessation of employment. Any option not exercised prior to the expiry of this period shall lapse.

In the context of a spin-off where a member of the Group may cease to be part of the Group in connection with such spin-off ("**Applicable Spin-offs**"), the options granted to the employees of the spun-off entities will (1) to the extent not vested, lapse, and (2) to the extent vested but not exercised, remain exercisable for a period of three months after the spin-off.

The proposed changes to the Share Option Scheme

Taking into account that, in Applicable Spin-off, Option-holders will cease to be Eligible Participants solely because of a corporate action initiated by the Company, the Board believes that Eligible Participants' rights with respect to the options vested or unvested, as the case may be, before the spin-offs should not be prejudiced. In light of this, the Board proposes to amend the Share Option Scheme to cater for adjustments to terms of such options as follows: (1) in respect of options which have vested but remain unexercised, to allow the Board to extend the time of exercise of the relevant options up to the expiry of the original exercise period of such options, subject to such conditions as the Board deems appropriate; and (2) in respect of options granted but have not vested, to make such amendments as so authorised by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the relevant options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

The Board would also take this opportunity to update the Share Option Scheme to allow amendment to terms of options granted be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of such options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders (as the case may be) to align with the Listing Rules.

A summary of the proposed amendments to the Share Option Scheme is set out in Appendix V to this circular.

Listing Rules implications

As the proposed amendments to the provisions of the Share Option Scheme referred to above relates to matters set out in Rule 17.03 (namely, the period within which an option may be exercised by the Option-holders under the Share Option Scheme) to the advantage of participants, the proposed amendments are being put forward to this Annual General Meeting for Shareholders' approval.

The Board considers that the proposed amendments are in compliance with the requirements of Chapter 17 of the Listing Rules.

7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 42 to 46 of this circular. For determining the entitlement to attend and vote at the Annual General Meeting, the record date will be Friday, 22 May 2026 and the Register of Members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive, during which no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday,18 May 2026. For determining the entitlement for final dividend (subject to Shareholders' approval at the Annual General Meeting), the record date will be Thursday, 4 June 2026 and the Register of Members of the Company will be closed from Tuesday, 2 June 2026 to Thursday, 4 June 2026, both day inclusive, during which no transfer of Shares will be registered. In order to be eligible to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the address of the Company's branch share registrar in Hong Kong in the aforementioned manner not later than 4:30 p.m. on Monday, 1 June 2026.

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll results will be published by the Company on the websites of the Company and the Stock Exchange after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.smooreholdings.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 3:00 p.m. on Wednesday, 20 May 2026 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

9. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors, the granting of the Repurchase Mandate, the granting of the Issue Mandate, the extension of the Issue Mandate, the adoption of the methodology proposed to determine the adjustment to the performance targets of the Performance-linked Options in the event of spin-offs by the Company, and the proposed amendment to the Share Option Scheme are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

By order of the Board
Smoore International Holdings Limited
Mr. CHEN Zhiping
Chairman of the Board

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) **Mr. Wang Guisheng (王貴升) ("Mr. WANG"),** aged 56, is an executive Director, the chief financial officer and joint company secretary of the Group. Mr. WANG joined the Group in April 2018. Mr. WANG is primarily responsible for financial planning and management and company secretarial matters of the Group. Mr. WANG has over 30 years of experience in financial management, accounting, taxation and business management, and in particular, Mr. WANG has over 20 years of experience working as director and senior management for publicly listed companies on the Stock Exchange and other stock exchanges in the PRC.

In November 2010, Mr. WANG joined Man Wah Holdings Limited (敏華控股有限公司), a company listed on the Stock Exchange (stock code: 01999), where he was appointed as chief financial officer in January 2011 and also appointed as an executive director in May 2011 until he resigned in March 2018. Currently, Mr. WANG is an independent non-executive Director of Xinyi Electric Storage Holdings Limited (信義儲電控股有限公司), formerly known as Xinyi Automobile Glass Hong Kong Enterprises Limited, a company listed on Stock Exchange (stock code: 08328) since June 2016: an independent non-executive Director of Xuan Wu Cloud Technology Holdings Limited (玄武雲科技控股有限公司), a company listed on Stock Exchange (stock code: 02392) since February 2026. In addition, Mr. WANG was an independent Director of Sunshine Global Circuits Co., Ltd. (深圳明陽電路科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300739), until 8 February 2022.

Mr. WANG obtained a bachelor's degree in economics majoring in insurance from China Institute of Finance (中國金融學院) which was merged with and is currently known as University of International Business and Economics (對外經濟貿易大學) in July 1993 and an executive master's degree in business administration from China Europe International Business School (中歐國際工商學院), in August 2014. Mr. WANG is a Certified Public Accountant, a member of the Association of Chartered Certified Accountants and a member of the HKICPA.

So far as the Directors were aware, as at the Latest Practicable Date, Mr. WANG was interested in 16,003,486 Shares within the meaning of Part XV of the SFO, representing approximately 0.26% of the total number of Shares in issue.

Save as disclosed above, Mr. WANG (i) has no other relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) does not hold any positions with the Company or any of its subsidiaries; (iii) did not hold any directorships in other listed companies in the last three years; and (iv) does not have any interests in any shares of the Company within the meaning of Part XV of the SFO.

Mr. WANG entered into a service contract with the Company for a further fixed term of three years commencing from 29 June 2023, renewable on the expiry of such term, until termination in accordance with the terms of the service contract. He is subject to retirement and re-election at least once every three years in accordance with the Articles of Association. Mr. WANG is entitled to total fixed salary of RMB2,880,120 per annum determined with reference to his duties and responsibilities within the Company. In addition to the annual fixed salaries, Mr. WANG will be entitled to receive additional management bonuses for each completed year of service, the amount of which shall be determined by the Board and the remuneration committee of the Company (the "**Remuneration Committee**"). When determining the discretionary bonuses, the Board and the Remuneration Committee will consider the overall annual performance of the Group as well as Mr. WANG's annual performance and completed service period. He is also entitled to participant in the Group's share option, share award or other equity award or subscription schemes which may be adopted from time to time by the Company.

Save as disclosed above, there is no other information relating to Mr. WANG that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on the Stock Exchange and there are no other matters that need to be brought to the attention of the Shareholders.

(2) **Ms. Wang Xin (王鑫) ("Ms. WANG")**, aged 42, is an executive director and the vice president of the Group, and also serves as the vice president and general manager of the Strategic Marketing Department of the business division of the self-branded open system vaping devices or advanced personal vaporizers ("**APV**") of the Group. Ms. Wang joined the Group in February 2016. Ms. Wang is primarily responsible for APV business marketing and also responsible for coordinating strategy implementation and managing international affairs. This includes facilitating entry into key global markets and fostering international cooperation, among other duties.

Ms. WANG has approximately 20 years of experience in the consumer goods industry, including approximately 10 years of experience in the electronic vaping industry. Ms. WANG is currently the executive vice chairman (常務副理事長) of the Electronic Cigarette Professional Committee of China Electronics Chamber of Commerce (中國電子商會電子煙專業委員會), a member of the Board of Directors of Coalition of Manufacturers of Smoking Alternatives (CMSA), a member of the Board of Directors of Vapor Technology Association (VTA) and a member of Advisory Board of The Global Tobacco & Nicotine Forum (GTNF).

Ms. WANG obtained a bachelor's degree in Business English from Zhengzhou University (鄭州大學) in June 2004, a master's degree in Business Administration from South China University of Technology (華南理工大學) in June 2015 and an executive master's degree in Business Administration from China Europe International Business School (中歐國際工商學院) in September 2021.

So far as the Directors were aware, as at the Latest Practicable Date, Ms. WANG was interested in 2,813,047 Shares within the meaning of Part XV of the SFO, representing approximately 0.045% of the total number of Shares in issue.

Save as disclosed above, Ms. WANG (i) has no other relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) does not hold any positions with the Company or any of its subsidiaries; (iii) did not hold any directorships in other listed companies in the last three years; and (iv) does not have any interests in any shares of the Company within the meaning of Part XV of the SFO.

Ms. WANG entered into a service contract with the Company for a further fixed term of three years commencing from 24 November 2025 until termination in accordance with the terms of the letter of appointment. She is subject to retirement and re-election at least once every three years in accordance with the Articles of Association. Ms. WANG is entitled to total fix salary of RMB1,042,560 per annum determined with reference to her duties and responsibilities within the Company. In addition to the annual fixed salaries, Ms. WANG will be entitled to receive additional management bonuses for each completed year of service, the amount of which shall be determined by the Board and the Remuneration Committee. When determining the discretionary bonuses, the Board and the Remuneration Committee will consider the overall annual performance of the Group as well as Ms. WANG's annual performance and completed service period. She is also entitled to participant in the Group's share option, share award or other equity award or subscription schemes which may be adopted from time to time by the Company.

Save as disclosed above, there is no other information relating to Ms. WANG that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on the Stock Exchange and there are no other matters that need to be brought to the attention of the Shareholders.

(3) **Mr. Zhong Shan (鍾山) ("Mr. ZHONG")**, aged 54, joined the Group in June 2020 as an independent non-executive Director. He is primarily responsible for providing independent advice and judgment to the Board.

Mr. Zhong has extensive experience in financial business management. Currently, Mr. Zhong is the executive director and chief financial officer of InnoScience (Suzhou) Technology Holding Co., Ltd. (英諾賽科(蘇州)科技股份有限公司), a company listed on the Stock Exchange (stock code: 02577) since December 2024 ("**InnoScience**"), primarily responsible for financial management, investment and financing. He was appointed as a director of InnoScience in July 2017, chief financial officer in September 2017 and executive director in May 2024.

From April 2007 to September 2017, Mr. ZHONG was the non-executive director and a member of the strategy committee of the board of Livzon Pharmaceutical Group Inc. (麗珠醫藥集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000513) and the Hong Kong Stock Exchange (stock code: 01513).

From August 2006 to September 2017, Mr. ZHONG served as the vice general manager of Joincare Pharmaceutical Group Industry Company Limited (健康元藥業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600380).

Mr. ZHONG was designated as the member of ACCA Southern China Steering Team, a special committee to provide advice to the Guangzhou office of ACCA and promote ACCA's activities and operation in Southern China region, in May 2017.

Mr. ZHONG graduated from the applied chemistry of the faculty of applied chemistry of Huaqiao University (華僑大學), Fujian, and obtained a diploma in July 1993. Mr. ZHONG was admitted as a member of the ACCA in August 1999.

So far as the Directors were aware, as at the Latest Practicable Date, Mr. ZHONG did not have any interests in securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. ZHONG (i) has no other relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) does not hold any positions with the Company or any of its subsidiaries; (iii) did not hold any directorships in other listed companies in the last three years; and (iv) does not have any interests in any shares of the Company within the meaning of Part XV of the SFO.

Mr. ZHONG entered into a letter of appointment with the Company for a further fixed term of three years commencing from 10 July 2023 until termination in accordance with the terms of the letter of appointment. He is subject to retirement and re-election at least once every three years in accordance with the Articles of Association. Mr. ZHONG is entitled to director's fee of RMB300,000 per annum determined with reference to his duties and responsibilities within the Company.

Save as disclosed above, there is no other information relating to Mr. ZHONG that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on the Stock Exchange and there are no other matters that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 6,195,204,183 Shares and the Company did not have any Treasury Shares.

Subject to the passing of the ordinary resolution set out in item 6 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of passing of the proposed ordinary resolution and no further Shares are issued or repurchased before the Annual General Meeting, i.e. being 6,195,204,183 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total of 619,520,418 Shares, representing 10% of the total number of Shares in issue (excluding any Treasury Shares) as at the date of the Annual General Meeting.

If the Company repurchases Shares pursuant to the Repurchase Mandate, the Company may (i) cancel the repurchased Shares and/or (ii) hold such Shares in treasury as Treasury Shares, subject to market conditions and the capital management needs of the Company at the relevant time such repurchase of Shares are made. If the Company holds shares in treasury, any resale of Treasury Shares shall be made in accordance with the Listing Rules and applicable laws and regulations of Cayman Islands.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders.

When exercising the Repurchase Mandate, the Directors may, subject to market conditions and the Company's capital management needs at the relevant time of the repurchase, resolve to cancel the Shares repurchased following settlement of any such repurchase or hold them as Treasury Shares. Shares repurchased for cancellation may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. On the other hand, Shares repurchased and held by the Company as Treasury Shares may be resold on the market at market prices to raise funds for the Company, or transferred or used for other purposes, subject to compliance with the Listing Rules, the Articles of Association and applicable laws and regulations of the Cayman Islands. Share repurchase will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. For any Treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to HKSCC to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the record date for the dividends or

distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as Treasury Shares.

3. FUNDING OF SHARE REPURCHASE

The Company may only apply funds legally available for share repurchase in accordance with its Memorandum and Articles of Association, the laws of Cayman Islands and/or any other applicable laws, as the case may be. The law of the Cayman Islands provides that the amount to be repaid in connection with a share repurchase may be paid from the profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2025) in the event that the Repurchase Mandate is carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months immediately prior to the Latest Practicable Date were as follows:

Month	Share prices (per Share)	
	Highest	**Lowest**
	HK$	*HK$*
2025		
April	14.10	8.85
May	20.05	13.20
June	23.10	17.38
July	22.45	17.00
August	24.12	18.55
September	20.50	16.98
October	17.77	12.86
November	13.85	11.71
December	13.95	11.18

Month	Share prices (per Share) Highest	Lowest
	HK$	*HK$*
2026		
January	12.50	10.55
February	13.47	10.64
March	12.19	8.53
April *(up to the Latest Practicable Date)*	10.58	8.88

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands. The Directors have confirmed that neither the explanatory statement set out in Appendix II to this circular nor the proposed share repurchase has any unusual features.

7. EFFECT OF TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge and belief of the Directors and based on the register required to be kept by the Company pursuant to section 336 of SFO, the following substantial shareholders of the Company (as defined in the Listing Rules) as at the Latest Practicable Date and/or upon full exercise of the Repurchase Mandate are set out below:

Name of Shareholder	Number of Shares and/ or underlying Shares held	Approximate Percentage of Shareholding	Approximate Percentage of Shareholding if the Repurchase Mandate is exercised in full
CHEN Zhiping *(Notes 2 & 3)*	2,455,837,848	39.64%	44.05%
ZHAO Zihan *(Note 4)*	2,455,837,848	39.64%	44.05%
SMR & Alon Limited	1,997,635,600	32.25%	35.83%
XIONG Shaoming *(Notes 3 & 5)*	2,455,837,848	39.64%	44.05%
HAN Xiao *(Note 6)*	2,455,837,848	39.64%	44.05%
LIU Jincheng *(Note 7)*	1,950,240,000	31.48%	34.98%
LUO Jinhong *(Note 8)*	1,950,240,000	31.48%	34.98%
EVE BATTERY INVESTMENT LTD. *(Note 9)*	1,901,520,000	30.69%	34.10%
EVE Energy Co., Ltd. *(Note 9)*	1,901,520,000	30.69%	34.10%
EVE Asia Co., Limited *(Note 9)*	1,901,520,000	30.69%	34.10%

Notes:

(1) The percentage is calculated based on the total number of Shares in issue as at the Latest Practicable Date, which was 6,195,204,183 Shares.

(2) Mr. CHEN Zhiping holds all the issued shares of SMR & Alon Limited and CZPGJ Holding Limited, which in turn directly holds 1,997,635,600 Shares and 76,073,000 Shares respectively. Accordingly, Mr. CHEN is deemed to be interested in a total of 2,073,708,600 Shares held by SMR & Alon Limited and CZPGJ Holding Limited in total. The disclosed interest includes 61,000,000 Shares to be issued upon the exercise of share options conditionally granted to Mr. Chen Zhiping on 27 December 2024. On 18 February 2025, the requisite Shareholders' approval was obtained and all conditionals to the grant of such options have been satisfied. Vesting of up to 30%, 60% and 100% of these options will only occur if the average market capitalisation of the Company for any 15 consecutive business days first reaches HK$300,000,000,000, HK$400,000,000,000 or HK$500,000,000,000, respectively, during the period between 1 January 2025 and 31 December 2030. For details, please refer to the Company's announcement dated 27 December 2024 and the Company's circular dated 8 January 2025.

(3) Mr. CHEN Zhiping is deemed to be interested in 280,201,400 Shares that Mr. XIONG Shaoming is interested in, and Mr. XIONG Shaoming is deemed to be interested in 1,997,635,600 Shares that Mr. CHEN Zhiping is interested in under the Concert Party Agreement entered into between Mr. CHEN Zhiping and Mr. XIONG Shaoming on 11 December 2019 (the "Concert Party Agreement") pursuant to section 317 of the SFO. Besides, Mr. CHEN Zhiping is deemed to be interested in 1,437,148 Shares that Mr. XIONG Shaoming is interested in, and Mr. XIONG Shaoming is deemed to be interested in 137,073,000 Shares that Mr. CHEN Zhiping is interested in apart from the Concert Party Agreement pursuant to section 318 of the SFO.

(4) Ms. ZHAO Zihan is the spouse of Mr. CHEN Zhiping. Under the SFO, Ms. ZHAO Zihan is deemed to be interested in the same number of Shares in which Mr. CHEN is interested.

(5) Mr. XIONG Shaoming holds all the issued shares of Andy Xiong Holding Limited, which in turn directly holds 319,692,100 Shares. Accordingly, Mr. XIONG is deemed to be interested in the 319,692,100 Shares held by Andy Xiong Holding Limited. Mr. Xiong Shaoming also beneficially holds a total interest of 1,437,148 shares,including: (i) 61,673 shares of the Company beneficially held by Mr. Xiong; (ii)1,279,800 share options granted by the Company to Mr. Xiong under the Share Option Scheme; and (iii) 95,675 share awards granted by the Company to Mr. Xiong under the Share Award Scheme.

(6) Ms. HAN Xiao is the spouse of Mr. XIONG Shaoming. Under the SFO, Ms. HAN Xiao is deemed to be interested in the same number of Shares in which Mr. XIONG is interested.

(7) Dr. LIU Jincheng holds all the issued shares of Golden Energy Global Investment Ltd., which in turn directly holds 48,720,000 Shares. In addition, Dr. LIU, through EVE Energy Co., Ltd. and EVE Asia Co., Limited, ultimately controls EVE BATTERY INVESTMENT LTD., which in turn directly holds 1,901,520,000 Shares. Accordingly, Dr. LIU is deemed to be interested in an aggregate of 1,950,240,000 Shares held by Golden Energy Global Investment Ltd. and EVE BATTERY INVESTMENT LTD.

(8) Ms. LUO Jinhong is the spouse of Dr. LIU Jincheng. Under the SFO, Ms. LUO Jinhong is deemed to be interested in the same number of Shares in which Dr. LIU is interested.

(9) EVE BATTERY INVESTMENT LTD. is an investment holding company wholly owned by EVE Asia Co., Limited which is a wholly-owned subsidiary of EVE Energy Co., Ltd. EVE Energy Co., Ltd. is ultimately controlled by Dr. LIU Jincheng and Ms. LUO Jinhong (spouse of Dr. LIU).

The Directors consider that such increase in shareholding as aforementioned may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public Shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

8. SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any Shares (whether on the Stock Exchange or otherwise).

The following is the text of a letter from the Independent Board Committee, which has been prepared for the purpose of incorporation into this circular, setting out its recommendation to the Independent Shareholders in respect of the adjustment mechanism for the performance targets of the Performance-linked Options granted to Mr. Chen, which has been prepared for the purpose of incorporation in the Circular.

Smoore International Holdings Limited
思摩爾國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 06969)

ADJUSTMENT MECHANISM FOR THE PERFORMANCE TARGETS OF THE PERFORMANCE-LINKED OPTIONS

24 April 2026

To the Independent Shareholders

Dear Sir/Madam,

We refer to the circular issued by Smoore International Holdings Limited to the Shareholders dated 24 April 2026 (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider and to advise you on the methodology proposed to determine the adjustments to the performance targets of the Performance-linked Options in the event of spin-offs by the Company as set out in the Circular, as to its fairness and reasonableness and to recommend whether or not the Independent Shareholders should approve it.

Somerley Capital Limited has been appointed as the independent financial adviser to advise you and us in this regard. Details of the independent advice of Somerley, together with the principal factors and reasons Somerley has taken into consideration, are set out in Appendix IV to the Circular.

RECOMMENDATION

We wish to draw your attention to the letter from the Board and the letter from Somerley to the Independent Board Committee and the Independent Shareholders which contains its advice in relation to the methodology proposed to determine the adjustments to the performance targets of the Performance-linked Options in the event of spin-offs by the Company as set out in the Circular.

Having taken into account principal factors and reasons considered by and the opinion of Somerley as stated in its letter of advice, although the proposed adoption of the methodology to determine adjustments to the performance targets of the Performance-linked Options in the event of spin-offs by the Company as set out in the Circular is not conducted in the ordinary and usual course of business of the Group, it is on normal commercial terms and fair and reasonable and is in the interests of the Company and Shareholders as a whole.

We therefore recommend the Independent Shareholders to support and to vote in favour of the resolution to approve the introduction of adjustment mechanism for the performance targets of the Performance-linked Options as set out in the Circular.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Smoore International Holdings Limited
Zhong Shan
Yim Siu Wing, Simon
Wang Gao
Independent Non-executive Directors

Set out below is the text of the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

24 April 2026

To: the Independent Board Committee and the Independent Shareholders of Smoore International Holdings Limited

Dear Sirs,

ADJUSTMENT MECHANISM FOR THE PERFORMANCE TARGETS OF THE PERFORMANCE-LINKED OPTIONS

INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the adjustment mechanism for the market capitalisation targets of the Performance-linked Options (the "**Proposed Adjustment Mechanism**") granted pursuant to the Share Option Scheme. Details of the Proposed Adjustment Mechanism are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 24 April 2026 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular and the letter from the Board therein unless the context requires otherwise.

Pursuant to the relevant rules of the Share Option Scheme as summarised in Appendix II to the Company's circular dated 8 January 2025 (at page II-10), any amendments to the terms of options granted to an Option-holder who is a substantial Shareholder of the Company or an independent non-executive Director, or any of their respective associates, must be approved by the Shareholders in general meeting. The resolution to approve the amendment must be taken on a poll and any connected person of the Company must abstain from voting on the resolution to approve such amendment, except that such a connected person may vote against such resolution. As Mr. Chen, who is the grantee of the Performance-linked Options, is a Director and a controlling shareholder of the Company, the introduction of the Proposed Adjustment Mechanism must be approved by the Independent Shareholders in general meeting in the manner described in Rule 17.04(4), where Mr. Chen, his associates and all core connected persons of the Company must abstain from voting in favour of the resolution.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. ZHONG Shan, Mr. YIM Siu Wing, Simon and Dr. WANG Gao are independent non-executive Directors., has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Proposed Adjustment Mechanism. We, Somerley Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

We are not associated with the Company, Mr. Chen or their respective close associates, associates or core connected persons (all as defined under the Listing Rules) and accordingly we are considered eligible to give independent advice on the Proposed Adjustment Mechanism. Apart from normal professional fees payable to us in connection with this or similar appointments, no arrangement exists whereby we will receive any fees or benefits from the Company, Mr. Chen or their respective close associates, associates or core connected persons. Save for this engagement, no other services were provided by Somerley to the Company during the past two years.

In formulating our opinion, we have reviewed, amongst other documents, the annual report of the Company for the year ended 31 December 2025 (the "**2025 Annual Report**"), the details of the grant of Performance-linked Options as set out in the circular of the Company dated 8 January 2025 (the "**Previous Circular**") and the information contained in this Circular.

We have relied on the information and facts supplied, and the opinions expressed to us, by the management and the Directors of the Group which we have assumed to be true, accurate, complete and not misleading in all material aspects at the relevant time they were supplied or expressed and will remain so up to the date of the Annual General Meeting. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, or to doubt the truth, accuracy or completeness of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and our recommendation with regard to the Proposed Adjustment Mechanism, we have taken into account the principal factors and reasons set out below:

1. Information on the Company

The Group is a global leader in offering atomization technology solutions. Through the innovative and pioneering atomization technology solutions, the Group is principally engaged in (1) corporate client oriented business ("**ToB**") focusing on the research, design, and manufacturing of vaping products, heat-not-burn products, special purpose atomization products and inhalation therapy products for leading global tobacco companies, independent vaping brands, and other

corporate clients, and the provision of technological services relating to these products; and (2) self-branded business focusing on the research, design, manufacturing, and sales of self-branded electronic vaping products and beauty atomization products.

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2025 as extracted from the 2025 Annual Report:

	For the year ended December 31	
	2025	**2024**
	RMB'000	*RMB'000*
Revenue	**14,256,171**	**11,798,662**
— ToB business[(1)]	11,344,433	9,323,629
— Self-branded business[(2)]	2,911,738	2,475,033
Profit for the year	**1,061,599**	**1,303,255**
Adjusted profit[(3)]	**1,529,590**	**1,509,230**

Notes:

(1) The ToB business mainly included sales of electronic vaping products, heat-not-burn products and special purpose atomization products and the technical services (primarily from inhalation therapy business).

(2) The self-branded business mainly included the sale of electronic vaping products and beauty atomization products.

(3) The Group presented adjusted Profit as an additional financial measure and perspective in the 2025 Annual Report. The management of the Group believes that, as share-based payment expenses are non-cash in nature, excluding these non-cash expenses from profit for the period can provide both the investors and management with a clearer view of the Group's underlying operating performance.

For the year ended 31 December 2025, the Group achieved revenue of approximately RMB14,256 million, representing a year-on-year increase of approximately 20.8%. The ToB business contributed approximately RMB11,344 million, representing a year-on-year increase of approximately 21.7%. The ToB business primarily includes sales of vaping products, heat-not-burn products and special purpose atomization products and technical services (primarily from inhalation therapy business). The self-branded business recorded revenue of approximately RMB2,912 million, representing a year-on-year increase of approximately 17.6%, primarily driven by the Group's self-branded vaping business. During the period, the Group's proprietary vaping brand, VAPORRESSO, delivered another year of growth, driven by flagship product iterations, expanded channel coverage, and continued market share gains.

The Group's profit for the year ended 31 December 2025 was approximately RMB1,062 million, reflecting a year-on-year decrease of approximately 18.5%. If the non-cash share-based payment expenses are added back, the adjusted profit for the year was approximately RMB1,530 million, reflecting an approximately 1.3% increase compared to the same period last year.

2. Information on the grantee of the Performance-linked Options

Mr. Chen founded the Group in 2009. As chairman of the Board and chief executive officer of the Group, Mr. Chen is responsible for the overall management and business operation of the Group, including coordinating Board affairs, formulating strategies and operational plans and making major business decisions.

Shareholders are advised to refer to the 2025 Annual Report for further details of Mr. Chen's biographies.

3. Reasons for the introduction of the Proposed Adjustment Mechanism

Detailed reasons for the introduction of the proposed methodology to adjust the Market Capitalisation Performance Targets and the basis of such adjustment are set out in the letter from the Board for which Shareholders are advised to read carefully. We would like to draw the attention of the Shareholders in particular to the points summarised below:

The purpose of Share Option Scheme is to incentivise and reward the Eligible Participants for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

On 27 December 2024, Mr. Chen was conditionally granted 61,000,000 Performance-linked Options, which was approved by the Shareholders on 18 February 2025 pursuant to the Share Option Scheme. The vesting of the Performance-linked Options is subject to whether the Market Capitalisation Performance Targets are met for the relevant years. As mentioned in the Previous Circular, the Company believes that it is appropriate to provide long term share incentives to Mr. Chen as Chairman of the Board and chief executive officer to better align his interest with the Shareholders' long term interest, and tying the Company's market capitalisation to the vesting of Mr. Chen's share options can further incentivise Mr. Chen to dedicate himself to leading the Company to greater heights amidst a competitive industry that is ripe for growth. It is further stated in the Previous Circular that in the event that the market capitalisation of the Company is affected by any spin-off or share alteration of the Company, the market capitalisation targets may be adjusted upwards or downwards in a fair and reasonable manner.

Post spin-offs involving a Distribution after which the spun-off entity will no longer be a subsidiary of the Company, the value of the spun-off business would no longer be reflected in the Company's market capitalisation. On one hand, the Shareholders would have benefited economically from the Distribution without the need to make further payment to subscribe for shares of the spun-off entity. On the other hand, Mr. Chen's efforts to develop the spun-off business should also be recognised when assessing his performance as he is responsible for the overall management and business operation of the Group. The methodology proposed to effect adjustments to the Market Capitalisation Performance Targets in the event of spin-offs involving a Distribution is intended to provide clarity and enhance transparency in this regard. Despite no comparable adjustment has been provided to the performance targets constituting vesting conditions for share

options issued by other listed companies in the Hong Kong over the past two years, it should not preclude a valid and reasonable adjustment to the Market Capitalisation Performance Targets in the event of a spin-off involving distribution.

In view of the aforesaid, the Directors (including members of the Independent Board Committee upon receiving and considering the advice from Somerley, the independent financial adviser) are of the view that the adoption of the Proposed Adjustment Mechanism to determine the adjustments to the Market Capitalisations Targets in the event of spin-offs involving a Distribution by the Company is fair and reasonable and in the interests of Shareholders as a whole.

4. Market Capitalisation Performance Targets and Proposed Adjustment Mechanism

As stated in the letter from the Board, the Market Capitalisation Performance Targets are the average market capitalisation of the Company for any 15 consecutive Business Days first reaching or exceeding (i) HK$300,000,000,000; (ii) HK$400,000,000,000; and (iii) HK$500,000,000,000 during the period between 1 January 2025 and 31 December 2030 so that 30%, 60% and 100%, respectively, of the Performance-linked Options may vest after the 12 months vesting period.

It is proposed to build in the Proposed Adjustment Mechanism to provide clarity in the event that there is any event(s) which involves separate listing on the Stock Exchange or elsewhere of the entity to be spun-off and a distribution in specie (i.e. the Distribution) of the shares in the entity to be spun-off, which are set out as follows:

"To subtract from the Market Capitalisation Performance Targets an amount which represents the fair value of the distributed shares of the spun-off entity after completion of the Distribution as follows:

New Market Capitalisation Performance Targets =
Market Capitalisation Performance Targets – P × N

where:

P = the fair value per share of the spun-off entity at time of Distribution determined as follows:

(a) if the Distribution is announced on a date before or within 20 trading days of an IPO of the spun-off entity, the IPO price per share will be considered the fair value per share of the spun-off entity at time of Distribution;

(b) if no IPO is involved or if the Distribution is otherwise announced on a date before the first anniversary of the separate listing of the spun-off entity, the fair value per share of the spun-off entity at time of Distribution shall be as follows:

(i) if the Distribution is announced before the separate listing of the spun-off entity or before the end of the 20th trading day from the date of the separate listing of the spun-off entity, the weighted average of the closing price of the shares of the spun-off entity for the first 20 trading days upon the separate listing of the spun-off entity; or

(ii) in other circumstances, the weighted average of the closing price of the shares of the spun-off entity for the 20 trading days immediately prior to the announcement by the Company of the Distribution;

provided that where a cash election is offered to Shareholders to receive cash from the Company in lieu of the shares of the spun-off entity, the fair value per share of the spun-off entity shall be the cash equivalent that the Shareholders will receive in lieu of a share of the spun-off entity.

N = the number of shares of the spun-off entity to be distributed by the Company under the Distribution, provided that where a cash election is offered to Shareholders to receive cash from the Company in lieu of the shares of the spun-off entity and where some Shareholders elect to receive cash, the number of shares which would have been distributed but for the cash election under the Distribution should also be included.

For the avoidance of doubt, for events other than spin-offs where the market capitalisation of the Company is affected, for example other share alterations of the Company, and for spin-offs which do not involve any Distribution, the provisions set out in the Original Adjustment Mechanism will continue to apply.

5. Our assessment

The vesting condition of share options being benchmarked to market capitalisation, in our view, is a strategic design choice intended to align the interests of senior executive of a company with long-term shareholder value creation, rather than short-term operational metrics. Market capitalisation (share price × shares outstanding) is the clearest reflection of what the market believes the company is worth. By linking vesting to market capitalisation targets, the Company ensures that equity compensation only vests when shareholders also see a meaningful increase in the value of their investment. Given the interests of the grantee of the Performance-linked Option and the Shareholders align, any adjustments to the Share price in the event of capital distribution, in our view, shall also apply to the Market Capitalisation Performance Targets.

(a) ***Adjustment method to historical securities prices***

We have reviewed "Guidelines on Adjustments to the Previous Closing Price of a Security" on the Stock Exchange website (https://www.hkex.com.hk/Services/Trading/Securities/Overview/Trading-Mechanism?sc_lang=en) (the "**HKEx Adjustment Method**") and noted that there are formulas to adjust the historical securities prices for corporate actions including cash dividend/distribution, bonus issue and right issue/open offer. Given the adjustment event under the Proposed Adjustment Mechanism involves Distribution, we consider the distribution of special cash dividend under the HKEx Adjustment Method to be a useful reference.

According to the HKEx Adjustment Method, the price adjustments for the trading day prior to the ex-entitlement day or the corporate action effective day with respect to cash dividend/distribution are set out below:

Adjusted share price =
Historical securities price – Dividend or distribution in cash per share.

Based on the above, we consider that the impact of the Proposed Adjustment Mechanism, which is on a market capitalisation basis, is essentially the same as the HKEx Adjustment Method, which is on a per share basis.

(b) ***Market comparables***

(i) *Vesting conditions of the share options granted by other listed companies*

We have searched on the Stock Exchange website for grant of share options with the market capitalisation performance targets being the vesting condition of the share options as announced by the listed companies since 1 January 2026 and the corresponding circular or prospectus issued by such companies for details of the market capitalization performance targets and their adjustments (if any). A summary of the comparables, which, so far as we are aware of, are exhaustive based on the aforementioned selection criteria, is set out below:

Date of announcement	Company	Stock code	Performance targets	Adjustment in the event of any alteration in capital structure
26 March 2026	Wanka Online Inc.	1762	Market capitalisation of the company equal or exceed certain thresholds	Adjustment to the market capitalization targets is not mentioned.(1)
24 March 2026	YSB Inc.	9885	Market capitalisation of the company equal or exceed certain thresholds	Adjustment to the market capitalization targets is not mentioned.(2)

Date of announcement	Company	Stock code	Performance targets	Adjustment in the event of any alteration in capital structure
5 March 2026	Xinyi Glass Holdings Limited	868	Financial performance, including market capitalisation	Adjustment to the market capitalization targets is not mentioned.(3)

Notes:

(1) As per the circular of Wanka Online Inc. dated 4 February 2026

(2) As per the prospectus of YSB Inc. dated 15 June 2023

(3) As per the circular of Xinyi Glass Holdings Limited dated 30 April 2025

As shown in the above table, a couple of listed companies are found issuing share options to grantees with vesting conditions including market captialisation targets. However, no adjustments to such targets are mentioned in their announcements or circulars or prospectus in the event of alternation in capital structure of the companies.

(ii) *Convertible bonds issued by other listed companies*

Alternatively, we have also considered instruments issued by listed companies which have built in mechanism to protect the economic rights of the holders and ensure the fairness of the terms thereunder. We have then reviewed the conversion price adjustment mechanism with respect to capital distribution, which, in our view, is analogous to the Proposed Adjustment Mechanism, as stipulated under the convertible bonds, including extension of maturity dates of convertible bonds, as set out in the circulars issued by the companies listed on the main board of the Stock Exchange, which are considered comparable to that of the Performance-linked Options, since 1 January 2026. A summary of the comparables, which, so far as we are aware of, are exhaustive based on the aforementioned selection criteria, is set out below:

Date of circular	Company	Stock code	Conversion price shall be adjusted by multiplying it by the following fraction
20 March 2026	China Water Industry Group Limited	1129	(A-B)/A*(Note)*
9 March 2026	SEM Holdings Limited	9929	(A-B)/A*(Note)*
27 February 2026	Hony Media Group	419	(A-B)/A*(Note)*

Date of circular	Company	Stock code	Conversion price shall be adjusted by multiplying it by the following fraction
24 February 2026	Nan Nan Resources Enterprise Limited	1229	No formula is available but it is stated that the conversion price shall be adjusted by multiplying it by a formula taking into account the market price on the date of such distribution or grant, and the fair market value on the same day of the portion of the capital distribution or of such rights which is attributed to one Share
13 February 2026	AOM International Group Company Limited	381	(A-B)/A*(Note)*
9 February 2026	International Entertainment Corporation	1009	(A-B)/A*(Note)*

Note: "A" represents the current market price per share on the date on which the relevant capital distribution is first publicly announced or the last trading day immediately before the capital distribution, and "B" represents the fair market value of the portion of the capital distribution attributable to each share on the date of such announcement on capital distribution or the last trading day immediately before the capital distribution.

All the market comparables have built in a mechanism pursuant to which the conversion prices are subject to adjustment provisions (including capital distribution). As shown in the above table, three out of four comparables set out the same adjustment formula for capital distribution and the remaining put the same adjustment formula in words. The adjustment formula is to essentially carve out fair market value of the portion of capital distribution attributable to one share, which, in our view, aligns the Proposed Adjustment Mechanism under which it refers to the entire market capitalisation instead of just one share.

(c) ***Reference date to determine the fair value of the spun-off company***

We have discussed with the management of the Group as regards the reference date to determine the fair value of the spun-off company and are advised that (i) the Proposed Adjustment Mechanism is to capture all possible happenings in connection with the spin-off, if any; and (ii) the Distribution may be announced shortly before the spin-off or after the spin-off.

IPO prices are determined by underwriters through a process of valuation, investor roadshows/book-buildings, and market demand assessment. Underwriters also analyse company financials, growth potential, and comparable public companies to set the initial price range. The final price is usually set within a few days prior to listing, balancing capital needs for the company with investors demand. On this basis, IPO prices are usually considered fair values of listed companies around the time of their listing and therefore using IPO price as fair value of the spun-off entity before, and within 20 trading days after, the IPO under the Proposed Adjustment Mechanism, in our view, is fair and reasonable and also mitigates the impact of any possible high speculative buying spree or sharp corrections shortly after IPO.

In the event that (i) the Distribution is announced between 20 trading days after IPO and the first anniversary of the IPO or (ii) no IPO is involved, the fair value of the spun-off entity would basically be (i) the weighted average of the closing price of the shares of the spun-off entity for the 20 trading days immediately prior to the announcement by the Company of the Distribution or (ii) the weighted average of the closing price of the shares of the spun-off entity for the first 20 trading days upon the separate listing of the spun-off entity, respectively. The 20-day average share price could not only reflect the then consensus of the buyers and sellers on the value of the spun-off entity but also smooth out possible price fluctuations, which is considered reasonable for use as fair value in the context of Proposed Adjustment Mechanism.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, in particular,

— Mr. Chen, the grantee of the Performance-linked Options, is the founder of the Group and the chairman of the Board and chief executive officer of the Group;

— the Performance-linked Options with Market Capitalisation Performance Targets aligns the interests of Mr. Chen and the Shareholders; and

— pursuant to the HKEx Adjustment Method, a capital distribution by the Company will trigger an adjustment to the share price, which in turn results in a corresponding adjustment to its market capitalisation;

we consider that although it is not conducted in the ordinary and usual course of business of the Group, the terms of the Proposed Adjustment Mechanism are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and thus in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the Annual General Meeting in relation to the Proposed Adjustment Mechanism.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Jenny Leung
Director

Ms. Jenny Leung is a licensed person and responsible officer of Somerley registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

The following is a summary of the proposed amendments to the terms of the Share Option Scheme to be considered at the Annual General Meeting:

1. AMENDMENT IN RELATION TO APPLICABLE SPIN-OFFS

Existing Share Option Scheme **(as summarized in Appendix II to the Company's circular dated 8 January 2025)**	**Proposed amendments** **(underlined)**
Rights on death, disability, retirement and transfer *If an Option-holder ceases to be an Eligible Participant by reason of:* *(vi) his employer ceasing to be a member of the Group or an associated company of the Company or under the control of the Company;* *, then, any outstanding offer of an option which has not been accepted and any unvested option will lapse and the Option-holder or his personal representatives (if appropriate) may exercise all his options (to the extent vested but not already exercised) within a period of three months of the date of cessation of employment. Any option not exercised prior to the expiry of this period shall lapse.*	***Rights on death, disability, retirement and transfer*** *If an Option-holder ceases to be an Eligible Participant by reason of:* *(vi) his employer ceasing to be a member of the Group or an associated company of the Company or under the control of the Company* ***(other than in the case of a spin off where the Option-holder's employer ceases to be a member of the Group as a result of the spin off)****;* *, then, any outstanding offer of an option which has not been accepted and any unvested option will lapse and the Option-holder or his personal representatives (if appropriate) may exercise all his options (to the extent vested but not already exercised) within a period of three months of the date of cessation of employment. Any option not exercised prior to the expiry of this period shall lapse.* ***If an Option-holder ceases to be an Eligible Participant solely by reason of a spin off where the Option-holder's employer ceases to be a member of the Group as a result of the spin off, then, (i) in respect of options which have vested but remain unexercised, the Board may extend the time of exercise of such options up to the expiry of the original exercise period of such options, subject to such conditions as the Board deems appropriate (e.g. that an Option-holder continue to be employed by the relevant company for a certain period of time) and (ii) in respect of options which have been granted but have not vested, to make such amendments as so authorised by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the relevant options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) (as contemplated in the amendments under item 2 below).***

2. AMENDMENT OF TERMS OF OPTIONS GRANTED

Existing Share Option Scheme **(as summarized in Appendix II to the Company's circular dated 8 January 2025)**	**Proposed amendments** **(underlined)**
Any amendments to the terms of any options granted may only be made with the approval of the Shareholders of the Company save where the amendments take effect automatically under the existing terms of the Share Option Scheme.	*Any amendments to the terms of any options granted may only be made with the approval of* ***the Board, the remuneration committee, the independent non-executive Directors and/or*** *the Shareholders of the Company* ***(as the case may be) if the initial grant of the relevant options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be),*** *save where the amendments take effect automatically under the existing terms of the Share Option Scheme.*

Smoore International Holdings Limited
思摩爾國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 06969)

Notice is hereby given that the Annual General Meeting ("**AGM**") of Smoore International Holdings Limited (the "**Company**") will be held at Theatre 1, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Friday 22 May 2026 at 3:00 p.m. to consider and, if thought fit, pass with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2025.

2. To approve, confirm and ratify all dividends declared by the Company, including but not limited to a final dividend of HK20 cents per share for the year ended 31 December 2025 and in connection with all dividends, including interim dividends, to authorise the directors to approve, confirm and ratify the application of the Company's legally available reserves (including share premium) towards the payment of such dividends and dividends declared by the Company in the future.

3. (i) To re-elect Mr. Wang Guisheng as an executive director.

   (ii) To re-elect Ms. Wang Xin as an executive director.

   (iii) To re-elect Mr. Zhong Shan as an independent non-executive director.

4. To authorize the board of directors to fix the directors' remuneration.

5. To re-appoint auditors and to authorize the board of directors to fix their remuneration.

6. "**THAT**:

(a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

(b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company (excluding any treasury shares (which shall have the meaning ascribed thereto under the Listing Rules) ("**Treasury Shares**")) as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting."

7. "**THAT**:

(a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company (including any sale or transfer of Treasury Shares out of treasury) and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

(b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors and Treasury Shares sold and/or transferred or agreed conditionally or unconditionally to be sold and/or transferred by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

(i) a Rights Issue (as defined below);

(ii) the exercise of options under a share option scheme of the Company; and

(iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company (excluding any Treasury Shares) as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

"**Rights Issue**" means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange)."

8. "**THAT** conditional upon the passing of the resolutions set out in items 6 and 7 of the notice convening this meeting (the "**Notice**"), the general mandate referred to in the resolution set out in item 7 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued (including any sale or transfer of Treasury Shares out of treasury) by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 6 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company (excluding any Treasury Shares) as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution)."

9. "**THAT** the proposed methodology to determine the adjustment, in the case of spin-offs by the Company, to the performance targets for vesting of the 61,000,000 share options conditionally granted to Mr. Chen Zhiping (the chairman of the board of directors and a substantial shareholder of the Company) on 27 December 2024 and approved by the shareholders of the Company on 18 February 2025 as set out in the circular of the Company dated 24 April 2026 be and is hereby approved and that any one director of the Company or any authorised person of such director is authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the above."

10. "**THAT** the proposed amendments to the terms of the share option scheme of the Company adopted on 15 June 2020 and amended on 18 February 2025 (the "Share Option Scheme"), a summary of which has been set out in Appendix V to the circular of the Company dated 24 April 2026, be and are hereby approved, and that the directors of the Company be and are authorised to take all such step as may be necessary or desirable to implement and to give full effect to the amendment to the Share Option Scheme."

By order of the Board
Smoore International Holdings Limited
Mr. CHEN Zhiping
Chairman of the Board

Hong Kong, 24 April 2026

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy/more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.

3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 3:00 p.m. on Wednesday, 20 May 2026 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. For determining the entitlement to attend and vote at the meeting, the record date will be Friday, 22 May 2026 and the Register of Members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 May 2026.

5. For determining the entitlement to the proposed final dividend (subject to approval by the shareholders at the Annual General Meeting), the record date will be Thursday, 4 June 2026 and the Register of Members of the Company will be closed from Tuesday, 2 June 2026 to Thursday, 4 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 1 June 2026.

6. A circular containing further details concerning items 3, 6, 7, 8, 9 and 10 set out in the above notice together with the 2025 Annual Report will published on the websites of the Stock Exchange and the Company.

7. References to time and dates in this notice are to Hong Kong time and dates.

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. Wang Gao.