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AUX INTERNATIONAL HOLDINGS LIMITED
奧克斯國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2080)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION
PURCHASE OF STRUCTURED DEPOSIT

PURCHASE OF STRUCTURED DEPOSIT

On 22 June 2021, Ningbo AUX Property, an indirect wholly-owned subsidiary of the Company, entered into the Beijing Bank Structured Deposit Agreement with the Ningbo Sub-branch of Beijing Bank. Pursuant to the Beijing Bank Structured Deposit Agreement, Ningbo AUX Property agreed to purchase a structured deposit of RMB30.0 million, using internal resources of the Group.

LISTING RULES IMPLICATIONS

Pursuant to the Listing Rules, as one or more of the applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) in respect of the Beijing Structured Deposit Agreement exceeds 5% but all of such ratios are below 25%, the transaction thereunder constitutes a discloseable transaction of the Company and shall be subject to the notification and announcement requirements under the Listing Rules.

BACKGROUND

On 22 June 2021, the Ningbo Sub-branch of Beijing Bank as structured deposit-taking bank and Ningbo AUX Property as customer entered into the Beijing Bank Structured Deposit Agreement in relation to the purchase of a structured deposit. Pursuant to the Beijing Bank Structured Deposit Agreement, Ningbo AUX Property agreed to purchase a structured deposit of RMB30.0 million, using internal resources. The return on the deposit shall be linked to the three-month USD LIBOR.

THE BEIJING BANK STRUCTURED DEPOSIT AGREEMENT

Set forth below are the principal terms of the Beijing Bank Structured Deposit Agreement:

Date: 22 June 2021

Parties: (i) Ningbo AUX Property
(ii) the Ningbo Sub-branch of Beijing Bank

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Beijing Bank and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Product name: Structured deposit

Product type: Libor Linked and Cumulative RMB-denominated Structured Deposit Product for Corporate Clients-Specific Account

Principal amount: RMB30.0 million (equivalent to approximately HK\$36.3 million)

Term of investment: 96 days

Type of investment return: principal-guaranteed with floating return

Benchmark to which the investment return is linked: three-month USD LIBOR principal-guaranteed with floating returns

Risks associated with the product (internal risk assessment by Beijing Bank): nil or minimal risk

Rate of return: The rate of return is determined based on the actual three-month USD LIBOR.

Ningbo AUX Property will be entitled to an annualised rate of return as follows:

- (i) 3.1% if the three-month USD LIBOR is within the range of -0.2% to 2.5% inclusive (the "**Target Range**"); or
- (ii) 1.35% if the three-month USD LIBOR falls below -0.2% or exceeds 2.5%.

Calculation of return: The amount of return payable to Ningbo AUX Property upon maturity of the structured deposit (the “Return”) shall be calculated as follows:

$$\text{Return} = \text{Principal amount} \times \text{Actual annualised rate of return} \times \text{Actual term of investment (in days)}/365$$

The actual annualised rate of return shall be determined using the formula below:

$$\text{Actual annualised rate of return} = 3.10\% \times M/D + 1.35\% \times N/D$$

where

“D” shall be the actual term of investment in days;

“M” shall be the actual number of calendar days during the actual term of investment on which the three-month USD LIBOR is within the Target Range;

“N” shall be the actual number of calendar days during the actual term of investment on which the three-month USD LIBOR is outside the Target Range.

Payment: The principal amount of the structured deposit will be paid to Ningbo AUX Property on the maturity date (or the date of early termination by Beijing Bank) and the return will be paid to Ningbo AUX Property on the third business day after the maturity date (or the date of early termination by Beijing Bank).

Right of early termination: Beijing Bank shall be entitled to terminate the structured deposit and the Beijing Bank Structured Deposit Agreement before the maturity date according to the actual operating conditions.

The terms of the Beijing Bank Structured Deposit Agreement were finalised after arm’s length negotiations between the parties.

BACKGROUND OF AND REASONS FOR AND BENEFITS OF THE PURCHASE OF THE STRUCTURED DEPOSIT

The reasonable and effective use of temporary idle funds will enhance the overall capital gain of the Group, which is consistent with the core objectives of the Group to safeguard its capital and ensure liquidity. It is expected that the impact of risk factors in connection with the expected return of the structured deposit will be very low, while the Group can enjoy a higher return compared with the making of fixed term deposits with commercial banks in the PRC.

The Directors consider that the terms of the transaction contemplated under the Beijing Bank Structured Deposit Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to the Listing Rules, as one or more of the applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) in respect of the Beijing Bank Structured Deposit Agreement exceeds 5% but all of such ratios are below 25%, the transaction thereunder constitutes a discloseable transaction of the Company and shall be subject to the notification and announcement requirements under the Listing Rules.

INFORMATION OF THE PARTIES

Ningbo AUX Property is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company principally engaged in provision of property management services in the PRC.

Bank of Beijing is a joint stock limited liability company incorporated in the PRC and a licensed bank in the PRC offering a range of financial products and services, with its issued shares listed on the Shanghai Stock Exchange (stock code: 601169).

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this announcement:

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| “Beijing Bank” | Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a joint stock limited liability company incorporated in the PRC, the issued shares of which are listed on the Shanghai Stock Exchange (stock code: 601169); |
| “Beijing Bank Structured Deposit Agreement” | the structured deposit agreement entered into between the Ningbo Sub-branch of Beijing Bank as structured deposit-taking bank and Ningbo AUX Property as customer on 22 June 2021 in relation to the purchase of a structured deposit; |

“Board”	the board of Directors;
“Company”	AUX International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	collectively, the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“LIBOR”	the London InterBank Offered Rate;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Ningbo AUX Property”	寧波奧克斯物業服務有限公司 (Ningbo AUX Property Management Service Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company;
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, should not include Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC; and
“USD”	United States dollars, the lawful currency of the United States of America.

By Order of the Board
AUX International Holdings Limited
Zheng Jiang
Chairman

22 June 2021

As at the date of this announcement, the executive Directors are Mr. Zheng Jiang, Mr. Chan Hon Ki, Mr. Liang Songluan and Ms. Shen Guoying, and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Bau Siu Fung and Ms. Lou Aidong.