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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: 6969)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (the "**Board**") of directors (the "**Directors**") of Smoore International Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2021 (the "**Review Period**"). Deloitte Touche Tohmatsu, certified public accountants, the independent auditor of the Company has reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2021 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. In addition, these interim results have also been reviewed by the Audit Committee of the Company (the "**Audit Committee**").

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2021	2020	Changes
	RMB'000	*RMB'000*	%
	Unaudited	Unaudited	
Revenue	**6,953,406**	3,880,518	79.2
Gross profit	**3,818,784**	1,900,512	100.9
Profit before tax	**3,396,859**	305,329	1,012.5
Gross profit margin	**54.9%**	49.0%	5.9 pp
Profit and total comprehensive income for the period	**2,878,816**	76,661	3,655.3
*Adjusted profit and total comprehensive income for the period ("**Adjusted net profit**")	**2,975,225**	1,307,973	127.5
Adjusted net profit margin	**42.8%**	33.7%	9.1 pp

* *The adjustment process of adjusted profit and total comprehensive income for the period*

	For the six months ended 30 June		
	2021	2020	Changes
	RMB'000	*RMB'000*	%
	Unaudited	Unaudited	
Profit and total comprehensive income for the period before adjustment	**2,878,816**	76,661	3,655.3
Less:			
Listing expenses	**—**	(24,666)	
Share-based payment expenses related to pre-IPO share option scheme	**(96,409)**	(149,050)	
Loss on fair value changes of convertible promissory notes	**—**	(38,487)	
Loss on fair value changes of convertible preferred shares	**—**	(1,019,109)	
Adjusted net profit	**2,975,225**	1,307,973	127.5

Our management considers that, except for the share-based payment expenses related to pre-IPO share option scheme, the listing expenses, loss on fair value changes of convertible promissory notes, loss on fair value changes of convertible preferred shares will not incur after the listing of shares of the Company on the Main Board of The Stock Exchange of the Hong Kong Limited (the "**Stock Exchange**") on 10 July 2020 (the "**Listing**") since listing expenses are one-off expenses relating to the Listing and pre-IPO process, and the convertible preferred shares, including those converted pursuant to the convertible promissory notes, have been reclassified and re-designated as our ordinary shares prior to the completion of the Capitalization Issue and the Global Offering (as defined in the prospectus of the Company dated 29 June 2020). In addition, our management considers the loss on fair value changes of convertible promissory notes and loss on fair value changes of convertible preferred shares to be non-cash items. Due to the non-recurring and non-cash nature of the abovementioned items, our management does not track such items as key operating or financial metrics internally when reviewing our performance since these items do not relate to our daily operation. Therefore, by eliminating the impacts of such items in the calculation of adjusted net profit, this measure could better reflect our underlying operating performance and could better facilitate the comparison of operating performance in comparable periods.

	30 June 2021	31 December 2020	Changes
	RMB'000	*RMB'000*	%
	Unaudited	Audited	
Total assets	**20,497,014**	14,773,809	38.7
Total equity	**17,807,707**	12,399,721	43.6
Cash and cash equivalents	**10,053,906**	9,557,802	5.2
Asset-liability ratio (%)	**13.1**	16.1	(3.0 pp)
Current ratio (%)	**689.7**	590.0	99.7 pp
Trade and bills receivables turnover days (days)	**67.4**	52.4	28.5
Inventory turnover days (days)	**26.9**	38.2	(29.6)
Trade payables turnover days (days)	**40.9**	44.3	(7.6)

Notes:

1. Asset-liability ratio = total liabilities/total assets

2. Current ratio = current assets/current liabilities

3. Trade and bills receivables turnover days = average balance of trade and bills receivables/revenue × 180

4. Inventory turnover days = average balance of inventory/cost of sales × 180

5. Trade payables turnover days = average balance of trade payables/cost of sales × 180

6. Average balance = (beginning balance for the period + ending balance for the period)/2

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL BUSINESS OF THE GROUP

The Group is a global leader in offering vaping technology solutions, including manufacturing vaping devices and vaping components for heat-not-burn ("**HNB**") products on an original design manufacturer ("**ODM**") basis, with advanced R&D technology, strong manufacturing capacity, wide-spectrum product portfolio and diverse customer base. During the Review Period, through our innovative and pioneering vaping technology solutions, we operate two principal business segments: (1) research, design and manufacturing of closed system vaping devices and vaping components for a number of global leading tobacco companies and independent vaping companies, and (2) research, design, manufacturing and sale of self-branded open system vaping devices, or advanced personal vaporizers ("**APV**"), for retail clients.

BUSINESS REVIEW

Research and Development

During the Review Period, the Group continued to increase its investment in basic research and product development in accordance with its established strategy, and research and development expenses increased by approximately 13.1% over the same period last year. During the Review Period, the Group continued to focus on in-depth research on vaping mechanism and actively explored the application of vaping technology in the medical and healthcare fields. Some of the products are in the stage of third party verification or consumer testing. In product development, the Group also continued to develop technology in heat not burn devices ("**HNB**"), with technology reserve and patents in different heating methods. The Group conducted HNB related projects cooperation with several tobacco companies in global market. In addition to the research and development institutions established in China, the Group successfully established research institutes in the United States during the Review Period to make full use of overseas talents and technological resources to deepen its development in key fields. As of 30 June 2021, the Group has built 7 research centers in different basic research fields.

According to the information published by the U.S. Food and Drug Administration ("**FDA**") on 5 April 2021, all clients of our Company engaged in sales of closed electronic nicotine delivery systems ("**ENDS**") products in the United States have entered the review stage of premarket tobacco application ("**PMTA**") which is the third phase of the application. Four of the Group's APV products for retail customers have also entered the review stage of PMTA application.

During the Review Period, the Group continued to bring in high-end research and development talents, and additionally recruited more than 160 research and development personnel in the first half of 2021. We have established a research and development team with over 1,000 people. The number of research and development personnel accounted for nearly half of the total non-production personnel.

While maintaining its technological leadership, the Group continues to build up a global intellectual property protection system to continuously strengthen its intellectual property barriers against core technologies and to protect our own brands and technology brands. During the Review Period, the Group filed a total of 366 patent applications and 42 trademark applications worldwide and 202 patents and 42 trademarks were granted. As of 30 June 2021, the Group had filed a total of 2,612 patents and 566 trademarks worldwide, and accumulatively 1,272 patents and 360 trademarks had been granted.

While comprehensively deploying intellectual property rights, the Group also actively safeguards the legitimate interests of the Group and its customers through a full range of intellectual property rights protection actions. During the Review Period, more than 10 people were taken coercive measures by national judicial or law enforcement agencies for suspected infringement of the Group's trade secrets or exclusive trademark rights. In addition to defense our rights through criminal laws, the Group also actively promotes civil and administrative rights protection initiatives regarding patent and competition laws.

Production and Operation

During the Review Period, the Group faced a series of challenges due to the epidemic and many other factors, including tight supply of certain materials and prices increase, etc. In the face of growing market demand, the Group effectively overcame a series of difficulties and expanded production capacity in a timely manner to effectively meet customers' orders, and once again set a record high quarterly shipment in the second quarter.

In order to continuously improve the efficiency of production operations and reduce the reliance on labor costs, the Group has been continuously enhancing the automation and intelligence of production through independent research and development. Benefiting from the Group's long-term experience and deep understanding of technology, products and processes, the Group put the latest generation of automated production lines into operation during the Review Period, and the productivity of a single line reached a record high of 7,200 standard vaporizers per hour.

During the Review Period, benefiting from the continuous improvement in the Group's production and operational efficiency, including but not limited to the reduction of material wastage rate, optimization of cost structure and further realization of the scale effect of procurement, the cost of sales as a percentage of revenue decreased, which strongly supported the improvement of the Group's gross profit margin.

Production Capacity and Utilisation Rate

	Designed Production Capacity *(equivalent units in millions)*	Production Volume during the Review Period *(equivalent units in millions)*	Utilisation Rate
Corporate client oriented sales	1,229.9	865.0	70.3%
Retail client oriented sales	12.9	9.0	69.8%

Notes:

1. Designed production capacity was calculated based on the designed production capacity per hour of our production line. In our calculations, we assumed that (i) we operate 300 days per year at all of our production facilities, and (ii) we operate eight hours per day.

2. Utilisation rate was calculated based on production volume during the period divided by designed production capacity.

3. As at 30 June 2021, our designed production capacity for corporate clients products has increased to 2,815.0 million equivalent units per year, and our designed production capacity for retail clients products remained at 25.8 million equivalent units per year.

Sales and Marketing

During the Review Period, there was a substantial increase in demand from the Group's key customers. The Group strongly supported the growing demand for orders from customers by adjusting production capacity in a timely manner, accelerating personnel recruitment and prompting suppliers to increase production volume in a timely manner. During the Review Period, the Group realized sales revenue of approximately RMB6,953,406,000, representing an increase of approximately 79.2% over the same period last year. In particular, during the Review Period, the revenue of corporate client oriented products increased by approximately 86.2%, which was mainly due to the fact that the Group's FEELM brand ceramic atomization technology continued to be widely recognized by consumers around the world and the quality and delivery capabilities of the Group's products further gained corporate client's recognition. During the Review Period, the Group's revenue of retail client oriented products increased by approximately 16.7% to approximately RMB456,022,000. The main reasons for the increase in revenue were the Group's active expansion in market and distribution channels during the Review Period as well as the improvement in products competitiveness.

FUTURE PROSPECTS AND STRATEGIES

We firmly believe that science and technology are the core driving force behind the development of enterprises. We hope that through continuous efforts, we will focus on building a world-leading vaping technology platform and creating value for society. Benefiting from the long-term accumulation of the underlying technology of the Group and the continuous addition of excellent research and development teams, we will continue to dig in the field of vaping technology and explore the application of vaping technology in different fields through continuous deepening basic research. At the same time, we will also break down the boundaries of the enterprises in research and development, join more alliances with excellent institutions, and conduct joint research and joint development.

In terms of production and operation, the Group has greatly increased the application scope of the self-developed automated and intelligent production lines for suitable product lines based on the characteristics of customers and products. At the same time, we will continue to optimize our supply chain, improve the agility, risk resistance and efficiency of the entire supply chain, and create more value for customers.

In terms of production capacity expansion, we will increase production capacity in an orderly manner in accordance with the established plan, and combine the construction of our own property production bases with leased properties to better balance the relationship between capacity expansion and operational agility. The first phase of the Group's industrial park in Jiangmen is under construction as planned and is currently progressing smoothly.

In terms of sales, benefiting from the in-depth cooperation relationship with existing large-scale ODM customers, the Group is able to understand customers' in-depth needs from a strategic level and develop competitive innovative products in a timely manner, as well as provide strong assurance to our customers in terms of stability of supply, product safety and consistency, thus better helping our customers to succeed. We will create more value for our customers through continuous innovation in technology, products and cooperation models.

FINANCIAL REVIEW

During the Review Period, the total revenue of the Group was approximately RMB6,953,406,000, representing an increase of approximately 79.2% from RMB3,880,518,000 over the same period last year. The Group's gross profit margin increased from approximately 49.0% in the same period last year to approximately 54.9% during the Review Period. The Group's profit and total comprehensive income for the Review Period increased from approximately RMB76,661,000 in the same period last year to approximately RMB2,878,816,000 and the adjusted net profit for the Review Period was approximately RMB2,975,225,000, representing an increase of approximately 127.5%, primarily due to 1) the significant increase in the Group's financial performance during the Review Period, representing an increase of approximately 79.2% over the same period last year; 2) the increase in gross profit margin during the Review Period as compared with the same period last year.

1. Revenue — categorized by business types

	For the six months ended 30 June				
	2021		2020		Changes
	RMB'000	***%***	*RMB'000*	*%*	*%*
Corporate client oriented sales	**6,497,384**	**93.4**	3,489,724	89.9	86.2
Retail client oriented sales	**456,022**	**6.6**	390,794	10.1	16.7
Total	**6,953,406**	**100.0**	3,880,518	100.0	79.2

(1) ***Corporate client oriented sales***

During the Review Period, the revenue of corporate client oriented sales was approximately RMB6,497,384,000 (the same period in 2020: RMB3,489,724,000), indicating an increase of approximately 86.2% from the same period last year, which was primarily attributable to the recognition of vaping devices of our Group by consumers and corporate customers and strong support for the marketing and development of corporate customers by virtue of our technical excellence, as well as products with high quality and reliability and a better consumer experience.

(2) ***Retail client oriented sales***

The Group's products for retail clients are mainly self-branded open system vaping devices and related ancillary products ("**APV products**"). During the Review Period, the revenue from retail clients was approximately RMB456,022,000 (the same period in 2020: RMB390,794,000), indicating an increase of approximately 16.7% from the same period last year, mainly attributable to the Group's active expansion in market and distribution channels during the Review Period as well as improvement in products competitiveness. The main sales channels of APV products are vape shops and tobacco shops. With the improvement in curbing the epidemic, a number of vape shops and tobacco shops have gradually resumed to normal business, which boosted the sales of APV products.

Revenue — categorized by customers' places of incorporation

	For the six months ended 30 June				
	2021		2020		Changes
	RMB'000	***%***	*RMB'000*	*%*	*%*
U.S.	**826,069**	**11.9**	649,089	16.7	27.3
Mainland China*	**3,156,173**	**45.4**	732,675	18.9	330.8
Hong Kong, China**	**1,776,529**	**25.5**	1,476,106	38.0	20.4
Japan	**86,262**	**1.2**	142,890	3.7	(39.6)
Europe	**921,036**	**13.2**	737,955	19.0	24.8
Others	**187,337**	**2.8**	141,803	3.7	32.1
Total	**6,953,406**	**100.0**	3,880,518	100.0	79.2

* *To our knowledge, certain customers in mainland China were export trading companies. Those products they purchased from the Group were exported to oversea market. If we exclude revenue to those customers, revenue generated from mainland China will account for approximately 40.8% of total revenue during the review period (same period last year: approximately 14.2%).*

** *Revenue generated from Hong Kong is on re-export or transshipment basis and, to our knowledge, none of our products are distributed or sold in Hong Kong. Our customers incorporated in Hong Kong are mainly responsible for transshipment for our overseas customers or trading companies. Approximately 94.0% (the same period last year: approximately 96.7%) of the products sold to customers incorporated in Hong Kong during the Review Period were forwarded to the U.S..*

2. Gross Profit and Cost of Sales

During the Review Period, the gross profit of the Group was RMB3,818,784,000 (the same period in 2020: RMB1,900,512,000), indicating an increase of approximately 100.9% from the same period last year while the gross profit margin rose to approximately 54.9% during the Review Period from 49.0% in the same period last year. The main reasons for the increase in gross profit margin include: (i) the scale effect out of steady revenue growth; (ii) the continuous improvement in operating efficiency.

Cost of Sales

	For the six months ended 30 June				
	2021		2020		Changes
	RMB'000	***Revenue %***	*RMB'000*	*Revenue %*	*%*
Cost of raw materials	**2,168,123**	**31.2**	1,414,713	36.5	53.3
Labor cost	**548,838**	**7.9**	275,413	7.1	99.3
Production overhead	**352,921**	**5.1**	258,820	6.7	36.4
Tax and surcharge	**64,740**	**0.9**	31,060	0.7	108.4
Total	**3,134,622**	**45.1**	1,980,006	51.0	58.3

3. Distribution and Selling Expenses

The Group's distribution and selling expenses decreased from approximately RMB74,029,000 in the same period last year to approximately RMB68,273,000 during the Review Period, representing a decrease of approximately 7.8%. Distribution and selling expenses as a percentage of revenue dropped from approximately 1.9% in the same period last year to approximately 1.0% in the Review Period. The decrease in distribution and selling expenses as a percentage of revenue was mainly due to the scale effect brought by the growth of revenue and the continuous improvement in management efficiency. Among which:

(1) Employee's salaries and benefits decreased by approximately 11.3% from approximately RMB41,479,000 in the same period last year to approximately RMB36,787,000 during the Review Period. The proportion of employee's salaries in revenue decreased from approximately 1.07% in the same period last year to approximately 0.53% during the Review Period.

(2) Marketing expenses decreased by approximately 22.1% from approximately RMB18,452,000 in the same period last year to approximately RMB14,377,000. The proportion of marketing expenses to revenue decreased from approximately 0.5% in the same period last year to about 0.2% in the Review Period.

4. Administrative Expenses

The administrative expenses of the Group during the Review Period increased from approximately RMB281,187,000 in the same period last year to approximately RMB362,798,000 during the Review Period, representing an increase of approximately 29.0%. Administrative expenses as a percentage of revenue dropped from approximately 7.2% in the same period last year to approximately 5.2% in the Review Period. The decrease in administrative expenses as a percentage of revenue was mainly due to the scale effect of revenue growth. On top of that, excluding the effect of share option expenses, the Group's administrative expenses during the Review Period increased by approximately 77.0%, and it as a percentage of revenue maintained at approximately 3.4%, which was basically the same as that of the same period last year. Among which:

(1) Employee's salaries and benefits increased by approximately 16.8% from approximately RMB211,326,000 in the same period last year to approximately RMB246,923,000, and its percentage of revenue decreased from approximately 5.4% in the same period last year to approximately 3.6% during the Review Period. The increase in employee's salaries and benefits was mainly due to the expansion of the production scale of the Company during the Review Period resulted in the increase in the number of management staff.

(2) Professional fees increased by approximately 128.6% from approximately RMB17,991,000 in the same period last year to approximately RMB41,135,000 during the Review Period. Such fees as a percentage of revenue increased from approximately 0.5% in the same period last year to approximately 0.6% during the Review Period. The main reason for the increase in such fees was the increased expenses on hiring external professional agencies of consultation services in order to further enhance the Company's long-term competitiveness.

(3) Depreciation and amortization expenses increased by approximately 80.8% from approximately RMB8,732,000 in the same period last year to approximately RMB15,787,000 during the Review Period, accounting for approximately 0.2% of revenue (the same period last year: approximately 0.2%). The increase in such expense was mainly due to the expansion of the Company's business scale and the corresponding increase of investment in equipment and decoration expenses.

5. Research and Development Expenses

The Group's research and development expenses increased from approximately RMB208,935,000 in the same period last year to approximately RMB236,264,000 during the Review Period, representing an increase of approximately 13.1%. If the impact of the large amount of PMTA expenses in the first half of 2020 was excluded, the research and development expenses during the Review Period will increase by approximately 23.7% over the same period last year. The Group has always regarded technological leadership as the core driving force of the Group's development, continued to increase basic research, widened the research and development field and recruited more talents for research and development. Among which:

(1) Employee's salaries and benefits increased by approximately 36.2% from approximately RMB103,472,000 in the same period last year to approximately RMB140,900,000 during the Review Period.

(2) The development costs decreased by approximately 24.7% from approximately RMB87,740,000 in the same period last year to approximately RMB66,026,000. The decrease in the development costs was mainly due to the decrease in research and testing expenses related to the PMTA products during the Review Period.

6. Other Income

During the Review Period, the total other income of the Group was approximately RMB216,298,000, representing an increase of approximately 386.4% from approximately RMB44,465,000 in the same period last year, of which:

Items	**For the six months ended 30 June**		
	2021	2020	Changes
	RMB'000	*RMB'000*	*%*
Interest income from bank deposits	**167,890**	4,418	3,700.1
Interest income from rental deposits	**672**	560	20.0
Government grants	**36,500**	29,105	25.4
Compensation income from customers	**2,541**	6,915	(63.3)
Income from technical consultation services	**1,975**	1,093	80.7
Others	**6,720**	2,374	183.1
Total	**216,298**	44,465	386.4

7. Other Gains and Losses

During the Review Period, the total other gains of the Group were approximately RMB37,396,000, representing an increase of approximately 69.8% from RMB22,022,000 in the same period last year, of which:

Items	For the six months ended 30 June		
	2021	2020	Changes
	RMB'000	*RMB'000*	%
Gain arising on financial assets at FVTPL	**52,243**	2,870	1,720.3
Gain arising on forward foreign exchange contracts	**13,311**	1,305	920.0
Net foreign exchange (loss) gain	**(12,815)**	6,936	(284.8)
Gain on early termination of lease	**950**	1,599	(40.6)
Loss on disposal/write off of property, plant and equipment	**(4,246)**	(725)	485.7
Impairment loss recognised on intangible assets	**(17,847)**	—	(100.0)
Others	**5,800**	10,037	(42.2)
	37,396	22,022	69.8

8. Listing Expenses

The Group's listing expenses incurred during the Review Period and recognized in the condensed consolidated statement of profit or loss and other comprehensive income amounted to zero (the same period last year: RMB24,666,000). The Group's listing expenses generated in the same period last year were mainly attributable to the expenses payable to relevant intermediaries incurred by the Group in preparation for the initial public offering and the listing of the Company's shares on the Stock Exchange on 10 July 2020. Such expenses were fully recognized in last year.

9. Finance Costs

During the Review Period, the finance costs of the Group were approximately RMB7,579,000, representing a decrease of approximately 8.6% from approximately RMB8,295,000 in the same period last year. The decrease in the finance costs of the Group was primarily due to the decrease in average lease liabilities during the Review Period.

10. Income Tax Expense

During the Review Period, the Group's income tax expense was approximately RMB518,043,000, representing an increase of approximately 126.5% from approximately RMB228,668,000 in the same period last year. Income tax expenses accounted for approximately 14.8% (approximately 14.9% in the same period last year) of adjusted profits before tax. The main reason for the increase in income tax was the increase in taxable profit.

11. Profit and Total Comprehensive Income for the Period

The Group's profit and total comprehensive income for the period during the Review Period was approximately RMB2,878,816,000, representing an increase of approximately 3,655.3% from approximately RMB76,661,000 in the same period last year. The adjusted net profit was approximately RMB2,975,225,000, representing an increase of approximately 127.5% from approximately RMB1,307,973,000 in the same period last year. The main reason for such growth was the increase in revenue, gross profit margin and other income.

12. Liquidity and Financial Resources

As at 30 June 2021, the net current assets of the Group were approximately RMB14,370,442,000 (31 December 2020: RMB10,332,148,000). As at 30 June 2021, the Group's bank balance and cash were approximately RMB10,053,906,000 (31 December 2020: RMB9,557,802,000), of which approximately RMB10,027,608,000 were denominated in RMB, approximately RMB25,221,000 were denominated in USD, approximately RMB430,000 were denominated in HKD, approximately RMB266,000 were denominated in GBP, approximately RMB381,000 were denominated in EUR. (31 December 2020: of which approximately RMB9,547,624,000 were denominated in RMB, approximately RMB8,388,000 were denominated in USD, approximately RMB1,667,000 were denominated in HKD, approximately RMB123,000 were denominated in GBP). As at 30 June 2021, the current ratio of the Group was approximately 689.7% (31 December 2020: 590.0%). The increase in net current assets during the Review Period was primarily due to the increase in bank balance and cash.

Treasury management policy

The treasury management policy of the Group is primarily to utilize surplus cash reserves to invest in low-risk wealth management products or time deposit and generate income without interfering with the Group's business operations or capital expenditures. With the aim of controlling risks to the Group, the Group generally invests in low-risk, short-term (normally with maturity periods not more than one year) and principal-protected wealth management products or time deposit.

Borrowings

As at 30 June 2021, the Group did not have any bank borrowings (31 December 2020: nil). As of 30 June 2021, the banking facilities secured by the Group were RMB1,910.0 million, of which RMB110.3 million had been used for the issuance of letter of credit.

Gearing Ratio

As at 30 June 2021, the asset-liability ratio (total liabilities divided by total assets) was approximately 13.1% (31 December 2020: 16.1%).

13. Pledge of Assets

As of 30 June 2021, the Group did not have any pledges on its assets (31 December 2020: nil), except for the deposit of the Group for purchasing forward foreign exchange contracts of approximately RMB48,000,000.

14. Exposure to Foreign Exchange Risk

During the six months ended 30 June 2021, the Group recorded a net foreign exchange loss of approximately RMB12,815,000 (the same period last year: a net foreign exchange gain of RMB6,936,000). Meanwhile, the Group recorded a net gain of approximately RMB13,311,000 from forward foreign exchange contract (the same period last year: RMB1,305,000).

The functional currency of the Group is RMB and the sales of the Group are mainly settled in U.S. dollars and RMB. During the Review Period, approximately 50% of the Group's revenue was settled in U.S. dollars and approximately 50% was settled in RMB. Meanwhile, most of the material, labor and various expenditures paid by the Group were settled in RMB. The foreign exchange risk of the Group mainly refers to the risks of foreign exchange gains or loss arisen from the net amount of monetary funds denominated in U.S. dollars, trade and bills receivables denominated in U.S. dollars deducted by trade payables denominated in U.S. dollars ("**U.S. dollars exposure**") as a result of changes in the exchange rate between U.S. dollars and RMB.

Sensitivity Analysis

For the above-mentioned U.S. dollars exposure, the Group controls relevant foreign exchange risks through timely settlement of foreign currencies or entering into forward foreign exchange contracts with commercial banks. The Board believes that the relevant foreign exchange risks are acceptable to the Group and such risks will be monitored closely.

Based on the amount of assets and liabilities of the Group denominated in USD as of 30 June 2021, if the exchange rate of USD against RMB rises by 10%, the Group's profit after tax will increase by approximately RMB81,274,000 (31 December 2020: profit after tax would increase by approximately RMB69,668,000). Otherwise, if the exchange rate of USD against RMB drops by 10%, the Group's profit after tax will decrease by approximately RMB81,274,000 (31 December 2020: profit after tax would decrease by approximately RMB69,668,000).

15. Employment, Training and Development

As of 30 June 2021, the Group has 24,472, 8 and 2 employees in mainland China, Hong Kong and the United States respectively. The Group provides comprehensive and attractive remunerations, retirement plan, share option schemes and benefits for its employees and also awards discretionary bonuses to its employees based on their work performance. The Group is required to contribute to the China Social Security Schemes. Both the Group and its employees in China are required to make contributions to pension insurance, medical insurance and unemployment insurance according to the rate set out in relevant laws and regulations of China. The Group has adopted the provident fund scheme for employees in Hong Kong in accordance with Mandatory Provident Fund Scheme Ordinance. In addition, the Group also offers other incentives to motivate the personal growth and career development of employees. For instance, the Group continues to provide training to employees for improving their understanding in technology, product knowledge and industry quality standards. All new employees of the Group are required to participate in induction training courses and various training courses are also available to all employees, etc.

During the Review Period, the total staff costs (including management and administration staff) accounted for approximately 16.7% of the revenue of the Group (the same period in 2020: 18.9%). The decrease in total staff costs as a percentage of revenue was mainly due to the substantial increase in revenue with scale effects during the Review Period.

16. Capital Expenditures

During the six months ended 30 June 2021, the total investment in property, plant and equipment and intangible assets of the Group was approximately RMB451,626,000 (approximately RMB188,612,000 in the same period last year), which was mainly used for purchasing property, plant and equipment to support the expansion of production scale and increase in R&D activities of the Group.

17. Capital Commitments

As at 30 June 2021, the Group had contracted capital commitment of RMB547,596,000 (31 December 2020: RMB70,272,000) for procurement of land use right, property, plant and equipment, which will be financed with net proceeds from the Listing and generated from operations.

18. Material Acquisitions and Disposal

During the six months ended 30 June 2021, the Group did not carry out any material acquisitions or disposals of any subsidiaries, associates or joint ventures.

19. Significant Investments

For the six months ended 30 June 2021, the Group did not have any significant investments (six months ended 30 June 2020: nil).

20. Contingent Liabilities

As at 30 June 2021, the Group did not have any material contingent liabilities.

21. Future Plans for Material Investments or Capital Expenditures

Save as disclosed under the section "Future Plans and Use of Proceeds" in the prospectus of the Company dated 29 June 2020 and the section "Intended Use of Net Proceeds" in the announcement of the Company dated 4 February 2021 in relation to the completion of top-up placing, the Company has no other plans for material investments or capital expenditures.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2021	2020
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*4*	**6,953,406**	3,880,518
Cost of sales		**(3,134,622)**	(1,980,006)
Gross profit		**3,818,784**	1,900,512
Other income		**216,298**	44,465
Distribution and selling expenses		**(68,273)**	(74,029)
Administrative expenses		**(362,798)**	(281,187)
Research and development expenses		**(236,264)**	(208,935)
Finance costs		**(7,579)**	(8,295)
Other gains and losses	*5*	**37,396**	22,022
Impairment loss recognised on trade receivables, net		**(705)**	(6,962)
Loss on fair value changes of convertible promissory notes		**—**	(38,487)
Loss on fair value changes of convertible preferred shares		**—**	(1,019,109)
Listing expenses		**—**	(24,666)
Profit before tax		**3,396,859**	305,329
Income tax expense	*6*	**(518,043)**	(228,668)
Profit and total comprehensive income for the period	*7*	**2,878,816**	76,661
Earnings per share	*9*		
Basic (RMB cents)		**48.45**	1.53
Diluted (RMB cents)		**46.54**	1.47

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
Non-current assets			
Property, plant and equipment		**1,475,791**	1,116,212
Intangible assets		**64,864**	88,158
Deposits paid for acquisition of property, plant and equipment		**113,582**	82,668
Deferred tax assets		**16,891**	11,616
Long-term bank deposits		**1,989,644**	1,006,044
Rental deposits		**28,946**	28,523
		3,689,718	2,333,221
Current assets			
Inventories		**498,028**	438,830
Trade and bills receivables	*10*	**2,990,498**	2,217,590
Other receivables, deposits and prepayments		**259,097**	226,366
Financial assets at fair value through profit or loss		**2,957,767**	—
Restricted bank deposits		**48,000**	—
Bank balances and cash		**10,053,906**	9,557,802
		16,807,296	12,440,588
Current liabilities			
Trade payables	*11*	**723,775**	702,324
Other payables and accrued expenses		**880,193**	748,773
Tax payables		**338,917**	284,755
Contract liabilities		**349,200**	253,788
Lease liabilities		**143,456**	118,014
Deferred income		**1,313**	786
		2,436,854	2,108,440
Net current assets		**14,370,442**	10,332,148
Total assets less current liabilities		**18,060,160**	12,665,369

	NOTES	At **30 June** **2021** ***RMB'000*** **(unaudited)**	At 31 December 2020 *RMB'000* (audited)
Non-current liabilities			
Lease liabilities		**198,855**	212,644
Deferred income		**2,537**	1,943
Deferred tax liability		**51,061**	51,061
		252,453	265,648
Net assets		**17,807,707**	12,399,721
Capital and reserves			
Share capital		**416,715**	410,068
Reserves		**17,390,992**	11,989,653
Total equity		**17,807,707**	12,399,721

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	**2,427,423**	1,101,836
INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	**(480,254)**	(172,948)
Purchase of intangible assets	**(2,285)**	(4,997)
Placement of financial assets at fair value through profit or loss ("**FVTPL**")	**(9,235,983)**	(1,082,200)
Withdrawal of financial assets at FVTPL	**6,343,770**	1,086,375
Placement of restricted bank deposits	**(48,000)**	—
Placement of long-term bank deposits	**(1,000,000)**	—
Withdrawal of long-term bank deposits	**50,000**	—
Payments for rental deposits	**(13,445)**	(165)
Refund of rental deposits upon termination of leases	**3,458**	—
Interest received	**134,290**	4,418
Government grants received	**2,000**	1,142
Proceeds from disposal of property, plant and equipment	**20,413**	218
Development costs paid	**(3,792)**	—
NET CASH USED IN INVESTING ACTIVITIES	**(4,229,828)**	(168,157)
FINANCING ACTIVITIES		
Issue of shares of the Company	**3,720,744**	—
Proceeds from issue of shares upon exercise of share options	**16,264**	—
Repayment of lease liabilities	**(60,548)**	(48,274)
Interest paid	**(7,579)**	(8,295)
Payment of issue costs	**(37,496)**	(2,322)
Transaction cost attributable to issuance of shares	**(15,170)**	—
Dividends paid	**(1,321,531)**	—
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**2,294,684**	(58,891)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**492,279**	874,788
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**9,557,802**	731,394
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**3,825**	4,063
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	**10,053,906**	1,610,245

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Smoore International Holdings Limited ("the **Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law, Cap. 22 on 22 July 2019. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 10 July 2020. The addresses of the Company's registered office and principal place of business are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and Office B, 28/F, EGL Tower, No. 83 Hung To Road, Kowloon, Hong Kong respectively.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are (1) the research, design and manufacture of vaping devices and components, other than self-branded advanced personal vaporizers ("**APV**") and (2) the research, design, manufacture and sale of APV.

The condensed consolidated financial statements of Group are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from the sale of APV and vaping devices and components other than APV, net of discounts and sales related taxes.

Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 0 to 75 days upon delivery.

The Group has one operating segment based on information reported to the chief operating decision maker of the Group, being the executive directors of the Company (the "**CODM**"), for the purpose of resource allocation and performance assessment, which is the consolidated results of the Group. As a result, there is only one reporting segment of the Group. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

An analysis of the Group's revenue for the period is as follows:

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Vaping devices and components, other than APV	**6,497,384**	3,489,724
APV	**456,022**	390,794
Total revenue that recognised at a point in time	**6,953,406**	3,880,518

The following is an analysis of the Group's revenue and results by reportable segment:

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Segment revenue	**6,953,406**	3,880,518
Segment profit	**3,368,202**	1,388,916
Unallocated income	**32,493**	973
Unallocated expenses	**(3,836)**	(2,298)
Listing expenses	**—**	(24,666)
Loss on fair value changes of convertible promissory notes	**—**	(38,487)
Loss on fair value changes of convertible preferred shares	**—**	(1,019,109)
Profit before tax	**3,396,859**	305,329

The accounting policies of the operating segment is the same as the Group's accounting policies. Segment profit represents profit earned from the segment without allocation of certain interest income from bank deposits and central administration costs, listing expenses, loss on fair value changes of convertible promissory notes and loss on fair value changes of convertible preferred shares. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Geographical information

The following table sets out information about the Group's revenue from external customers by the location of customers:

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
The PRC (excluding Hong Kong)	**3,156,173**	732,675
Hong Kong, China *(note)*	**1,776,529**	1,476,106
United States of America	**826,069**	649,089
United Kingdom	**672,632**	352,010
Japan	**86,262**	142,890
Switzerland	**65,764**	131,186
France	**126,034**	213,979
Others	**243,943**	182,583
	6,953,406	3,880,518

Note: Revenue generated from Hong Kong are on re-export or transhipment basis and none of the Group's products are distributed or sold in Hong Kong.

The Group's non-current assets are substantially located in the PRC by location of assets and no geographical information is presented.

5. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Gain arising on financial assets at FVTPL	**52,243**	2,870
Gain arising on forward foreign exchange contracts	**13,311**	1,305
Net foreign exchange (loss) gain	**(12,815)**	6,936
Gain on early termination of lease	**950**	1,599
Impairment loss recognised on intangible assets	**(17,847)**	—
Loss on disposal/write off of property, plant and equipment	**(4,246)**	(725)
Others	**5,800**	10,037
	37,396	22,022

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax:		
— PRC Enterprise Income Tax ("**EIT**")	**519,550**	195,439
— Hong Kong Profits Tax	**3,015**	29,040
	522,565	224,479
Underprovision in prior years		
— PRC EIT	**753**	3,946
	523,318	228,425
Deferred tax	**(5,275)**	243
	518,043	228,668

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except that Smoore Shenzhen, a major operating subsidiary in the PRC, was qualified as High Technology and New Enterprise, and therefore Smoore Shenzhen is entitled to a preferential income tax rate of 15% for three years from 2018 to 2020.

Pursuant to the Announcement of the State Administration of Taxation on Issues Concerning Implementation of the Preferential Income Tax Policy for High Technology and New Enterprise (State Administration of Taxation Announcement [2017] No.24), Shenzhen Smoore is entitled to pay EIT at the rate of 15% in the year that the High Technology and New Enterprise certification ("**the Certificate**") expires on a provisional basis.

As at June 30, 2021, Smoore Shenzhen is in process of reapplying the Certificate. The Group performed an assessment in accordance with relevant regulatory requirements and the EIT of Smoore Shenzhen is provided at 15% for the six months ended 30 June 2021.

7. PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Directors' remuneration	**35,940**	34,708
Other staff costs:		
Salaries, bonus and other benefits	**925,611**	568,938
Equity-settled share-based payment expense	**95,211**	116,130
Retirement benefit scheme contributions	**95,578**	13,785
	1,116,400	698,853
Less: amounts capitalised as cost of inventories manufactured	**(726,799)**	(377,284)
	389,601	321,569
Depreciation of right-of-use assets for buildings and land use rights	**64,173**	53,258
Depreciation of property, plant and equipment	**74,689**	45,247
Amortisation of intangible asset	**11,524**	7,547
	150,386	106,052
Less: amounts capitalised as cost of inventories manufactured	**(111,103)**	(84,965)
	39,283	21,087
Allowance for (reversals of allowance for) inventories, net	**1,084**	(10,990)
Government grants	**36,500**	29,105

8. DIVIDENDS

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period	**1,321,534**	—

During the current interim period, a final dividend of HK27 cents per share in respect of the year ended 31 December 2020 (six months ended 30 June 2020: nil) was declared and paid to owners of the Company. The aggregate amount of the final dividend paid in the interim period amounted to HK$1,610,837,000 (equivalent to approximately RMB1,321,531,000) (six months ended 30 June 2020: nil).

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK21 cents per share amounting to approximately HK$1,262,033,000 in aggregate (six months ended 30 June 2020: nil) will be paid to owners of the Company whose names appear in the register of members of the Company on 8 September 2021.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	For the six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings:		
Earnings for the purpose of basic and diluted earnings per share	**2,878,816**	76,661
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating earnings per share	**5,941,819**	4,996,962
Effect of dilutive potential ordinary shares:		
Share options	**243,894**	208,161
	6,185,713	5,205,123

The computation of diluted earnings per share does not assume the conversion of the Company's convertible promissory notes and convertible preferred shares since their exercise would result in an increase in earnings per share for the six months ended 30 June 2020.

10. TRADE AND BILLS RECEIVABLES

The Group allows a credit period of 0 to 75 days to its trade customers.

The following is an analysis of trade receivables net of allowance for credit losses, presented based on the date of revenue recognised at the end of each reporting period:

	At 30 June 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables		
Within 30 days	**1,076,173**	836,092
31 to 60 days	**465,194**	423,510
61 to 90 days	**162,950**	150,207
Over 90 days	**499**	3,397
	1,704,816	1,413,206

As at 30 June 2021, bills receivables of RMB1,285,682,000 (31 December 2020: RMB804,384,000) are with a maturity period of less than three months.

11. TRADE PAYABLES

The following is an analysis of trade payables by age, presented based on the earlier of the date of goods/services received and invoice date at the end of each reporting periods:

	At 30 June 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 30 days	**677,271**	644,595
31–60 days	**46,305**	51,195
61–90 days	**65**	3,821
Over 90 days	**134**	2,713
	723,775	702,324

12. SUBSEQUENT EVENTS

Save as disclosed in the condensed consolidated financial statements, the Company granted a total of 3,670,000 share options under the Post-IPO share option scheme on 9 July 2021 with an exercise price of HK$42.08 per shares to certain eligible employees of the Group.

OTHER INFORMATION

CORPORATE GOVERNANCE

Compliance with the Code Provisions of the Corporate Governance Code

The Board of Directors and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all Shareholders.

For the six months ended 30 June 2021, the Company had applied the principles and complied with all code provisions (except as stated below) and, where applicable, the recommended best practices of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). In respect of code provision A.2.1 of the CG Code, the positions of the chairman of the Board and the chief executive officer are held by the same individual, namely, Mr. Chen Zhiping. The Board of Directors is of the view that this is the most appropriate arrangement in the interest of the Shareholders as a whole at present, and will not impair the balance of power between the Board of Directors and the Company's management, which is mainly in view of the following considerations:

(1) The decision of the Board of Directors requires the approval of a majority of Directors. The Board of Directors of the Company consists of seven Directors, comprising three independent non-executive Directors and one non-executive Director, in which the number of independent non-executive Directors is more than the Listing Rules requirement of one-third, and the number of executive Directors is less than half of the Board of Directors. Therefore, the Board of Directors believes that there are sufficient checks and balances within the Board of Directors;

(2) Mr. Chen and other Directors have already undertaken to fulfill their fiduciary duties as Directors, which requires them to act for the benefits and in the best interests of the Company;

(3) The balance of power guarantees the functioning of the Board of Directors. The Board of Directors of the Company consists of experienced talents in different fields. These members meet regularly to discuss significant issues relating to the business strategies and operations of the Group;

(4) The Group's development strategies and other major operating decisions are jointly made by the management team, the Board of Directors, and special committees under the Board of Directors after regular discussions.

The Group will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Mr. Zhong Shan, Mr. Yim Siu Wing, Simon and Dr. Liu Jie. Mr. Zhong Shan is the chairman of the Audit Committee. His expertise in accounting, auditing and finance enables him to lead the Audit Committee.

The principal responsibilities of the Audit Committee are to conduct critical and objective reviews of the Group's financial and accounting practices, risk management and internal controls. These include determining the nature and scope of statutory audit, reviewing the Group's interim and annual accounts and assessing the completeness and effectiveness of the Group's accounting and financial controls.

The Audit Committee has reviewed, with the management and the independent auditor of the Company, the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2021, the interim report, the accounting principles and practices adopted by the Group and has discussed the risk management, internal controls and financial reporting matters.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set forth in the Appendix 10 to the Listing Rules as a code of conduct of the Company for Directors' securities transactions (the "**Securities Trading Code**"). Having made specific enquiry on this matter, all Directors confirmed that they have strictly complied with the relevant provisions of the Securities Trading Code for the six months ended 30 June 2021.

INTERIM DIVIDEND

The Board resolved to declare an interim dividend of HK21 cents per share for the six months ended 30 June 2021 (six months ended 30 June 2020: nil), to be paid to the shareholders of the Company (the "**Shareholders**") as appearing on the register of members of the Company on 8 September 2021. The interim dividend is expected to be distributed on 20 September 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 6 September 2021 to 8 September 2021, both dates inclusive, during which period no transfer of Shares will be registered. In order to establish the identity of the Shareholders who are entitled to the interim dividend, all transfer forms, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 3 September 2021.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2021, neither the Company nor its subsidiaries purchased, redeemed or sold any of the listed securities of the Company.

REVIEW OF ACCOUNTS

Deloitte Touche Tohmatsu, the independent auditor of the Company, has reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2021 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

EVENTS AFTER THE REVIEW PERIOD

As of 30 June 2021, except for the events disclosed in note 12 to the condensed consolidated financial statement, there is no other major event after 30 June 2021 that is required to be disclosed by the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.smooreholdings.com. The interim report for the six months ended 30 June 2021 containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 19 August 2021

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