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Smooore International Holdings Limited

思摩爾國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6969)

FINANCIAL UPDATE FOR THE PERIOD ENDED 30 SEPTEMBER 2022

This announcement is made by the board of directors (the “**Board**”) of Smooore International Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and based on the unaudited consolidated management accounts of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 30 September 2022 (the “**Period**”).

EVE Energy Co., Limited (“**EVE Energy**”), one of our controlling shareholders listed on the Shenzhen Stock Exchange, is required to issue quarterly financial reports pursuant to the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange. The quarterly financial reports of EVE Energy will include certain financial information which could be considered to be indicative of the Group’s total comprehensive income for the same period. The Company has decided that, in addition to the regulatory announcements of interim and annual financial results, the Company will also announce the Group’s total comprehensive income for first and third quarters of a financial year.

	Unaudited total comprehensive income of the Group		
	RMB million		
	2022	2021	Change
Three months ended 30 September	704.4	1,219.3	–42.2%
Nine months ended 30 September	2,088.5	4,098.2	–49.0%

The total comprehensive income of the Group in the third quarter as compared with the same period last year decreased by approximately 42.2%, the main reasons included: 1) the gross profit margin decreased on a year-on-year basis due to the decrease in product prices for major clients in the first half of 2022, but the prices remained stable as compared with the second quarter of 2022. At the same time, the disposable vaping business with low gross profit margin has grown significantly, and its proportion in the overall business has increased; 2) the Group continued to increase investment in research and development, especially the investment in the fundamental research of vaping technology and the field of medical and health, according to its established strategy to enhance long-term competitive advantages and cultivate new growth areas, such that, the research and development expenses in the third quarter of 2022 increased significantly as compared to the comparable period; 3) the Group increased its investment in information systems, organization and procedures, and marketing system construction to cope with future development requirements in the long run and enhance the Group's management and marketing capabilities, resulting in substantial increase in management expenses and selling expenses as compared to the comparable period, but the management and selling expenses remained relatively stable compared to the second quarter of 2022.

As stated in the prospectus of the Company dated 29 June 2020, due to the one-off nature of the share-based payments related to pre-IPO Share Option Scheme in connection with employee incentive schemes, the management does not view such item as key operating or financial metric internally when reviewing the performance of the Group. Therefore, the elimination of the impact of such item in the calculation of adjusted net profit¹ can better reflect the underlying operating performance of the Group as well as facilitate period to period comparison. After adjustment, the Group recorded an adjusted net profit as follows:

	Unaudited adjusted net profit of the Group		
	2022	2021	Change
Three months ended 30 September	721.0	1,248.8	-42.3%
Nine months ended 30 September	2,157.3	4,224.1	-48.9%

Details of adjusted item are as follows:

	Three Months Ended 30 September	
	2022	2021
Share-based payment expenses related to pre-IPO Share Option Scheme	16.6	29.5
	16.6	29.5

¹ The Company derives adjusted net profit from total comprehensive income by adding back, share-based payment expenses related to pre-IPO Share Option Scheme.

	Nine Months Ended 30 September	
	2022	2021
	<i>RMB million</i>	<i>RMB million</i>
Share-based payment expenses related to pre-IPO Share Option Scheme	68.8	125.9
	68.8	125.9

The information contained in this announcement is only based on the preliminary review on the unaudited consolidated management accounts of the Group, which have not been reviewed by the independent auditors. The aforesaid information may not be indicative of the financial performance of the Group for its full financial year. Shareholders and potential investors are advised not to place reliance on the aforesaid information and advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 14 October 2022

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.