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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)

**POSITIVE PROFIT ALERT
FOR THE YEAR ENDED 31 DECEMBER 2020**

This announcement is made by the board of directors (the “**Board**”) of Smoore International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (“**FY2020**”).

During FY2020, it is expected that the profit and total comprehensive income of the Group will increase by approximately 10.0% to 15.0% as compared to that of the year ended 31 December 2019 (“**FY2019**”), which was largely the result of the steady growth of revenue of the Group, economies of scale and changes in product mix which was partially offset by the share-based payment expenses and the listing expenses amounting to approximately RMB407.5 million in aggregate. The losses on fair value changes in financial instruments, share-based payment expenses and the listing expenses were approximately RMB1,465.1 million in aggregate (of which approximately RMB1,057.6 million were fair value changes in financial instruments).

As stated in the prospectus of the Company dated 29 June 2020 and other than share based payments in connection with employee incentive schemes, due to the non-recurring and non-cash nature of the abovementioned items, the management does not view such items as key operating or financial metrics internally when reviewing the performance of the Group. Therefore, the elimination of the impacts of such items 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.

¹ The Company derives adjusted net profit from profit and total comprehensive income by adding back listing expenses, share-based payment expenses, loss on fair value changes of convertible promissory notes and loss on fair value changes of convertible preferred shares.

After adjustment, it is expected that the adjusted net profit for FY2020 will increase by approximately 70.0% to 75.0% as compared to FY2019. Details of adjusted items are as follows:

	Year Ended 31 December	
	2020	2019
	<i>RMB million</i>	<i>RMB million</i>
Loss on fair value changes of convertible preferred shares	1,019.1	0.4
Loss on fair value changes of convertible promissory notes	38.5	3.6
Listing expenses	72.2	26.3
Share-based payment expenses	335.3	61.3
	<u>1,465.1</u>	<u>91.6</u>

As at the date of this announcement, the Company is still in the process of finalizing the annual results of the Group for FY2020. The information contained in this announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group, which have not been confirmed or reviewed by the independent auditors. The actual results of the Group for FY2020 may differ from the information contained in this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 21 January 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.