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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)

### PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 2022

This announcement is made by the board of directors (the “**Board**”) of Smooore 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 2022 (“**FY2022**”).

	For the year ended		
	31 December		Changes %
	2022	2021	
<i>RMB million</i> Unaudited	<i>RMB million</i> audited		
Total comprehensive income	2,305.0 ~ 2,817.2	5,287.0	-46.7% ~ -56.4%
Share-based payment expenses related to pre-IPO share option scheme	80.2	155.6	-48.5%
Adjusted net profit	2,385.2 ~ 2,897.4	5,442.6	-46.8% ~ -56.2%

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 profit<sup>1</sup> can better reflect the underlying operating performance of the Group as well as facilitate period to period comparison.

<sup>1</sup> The Company derives adjusted net profit from total comprehensive income by adding back share-based payment expenses related to pre-IPO share option scheme.

During FY2022, it is expected that the total comprehensive income of the Group will decrease by approximately 46.7% to 56.4% as compared to that of the year ended 31 December 2021 (“FY2021”), and it is expected that the adjusted net profit will decrease by approximately 46.8% to 56.2%. The main reasons of the decrease included: 1) the revenue of the Group from the Chinese market and the U.S. market decreased in FY 2022; 2) the gross profit margin decreased on a year-on-year basis due to the decrease in product prices for major clients in 2022. At the same time, the disposable vaping business with lower gross profit margin has grown significantly, and its proportion in the overall business has increased; 3) 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 of FY2022 increased significantly as compared to the same period last year; 4) the Group increased its investment in improvement of information systems, organization and procedures, marketing system and channel 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 same period last year.

As at the date of this announcement, the Company is still in the process of finalizing the annual results of the Group for FY2022. 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 reviewed by the independent auditors. The actual results of the Group for FY2022 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, 1 February 2023

*As at the date of this announcement, the Executive Directors of the Company are Mr. Chen Zhiping, Mr. Xiong Shaoming, Mr. Wang Guisheng and Ms. Wang Xin; the Non-executive Director of the Company is Ms. Jiang Min; and the Independent Non-executive Directors of the Company are Mr. Zhong Shan, Mr. Yim Siu Wing, Simon and Dr. Liu Jie.*