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杉杉品牌運營股份有限公司
Shanshan Brand Management Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1749)

PROFIT WARNING

This announcement is made by Shanshan Brand Management Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of the directors (the “**Directors**”) wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the “**Interim Period**”) and other information currently available, it is expected that the Group would record a consolidated net loss approximately not more than RMB75 million for the Interim Period, as compared with the unaudited consolidated net profit of approximately RMB7.5 million recorded in the same period of 2019.

The expected loss of the Group was mainly attributable to: (1) the severe impact on the Group's franchisee sales and direct sales caused by the outbreak of novel coronavirus (COVID-19) and the relevant precautionary and control measures implemented over such outbreak during the Interim Period; and (2) the decrease in gross profit margin as a result of offering more discount by the Group to destocking its inventories during the outbreak.

As the Group is still in the process of finalising the consolidated results for the Interim Period, the information contained in this announcement is only based on the Board's preliminary assessment of information currently available. Therefore, the actual results of the Group for the Interim Period, may differ from the information contained in this announcement. Further details of the Group's financial results and performance will be disclosed in the Company's results announcement for the Interim Period, which is expected to be published on 24 August 2020.

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

On behalf of the Board
Shanshan Brand Management Co., Ltd.
Luo Yefei
Chairman

Ningbo, the PRC, 31 July 2020

As at the date of this announcement, the executive Directors are Mr. Luo Yefei, Mr. Cao Yang and Ms. Yan Jingfen; and the independent non-executive Directors are Mr. Au Yeung Po Fung, Mr. Wang Yashan and Mr. Wu Xuekai.