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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)**

**VOLUNTARY LIQUIDATION OF  
A NON-WHOLLY OWNED SUBSIDIARY**

This announcement is made by Shanshan Brand Management Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.25(1)(c) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that the board of directors of Lubiam (Ningbo) Apparel Co., Ltd (“**Lubiam Apparel**”), a 60%-owned subsidiary of the Group, resolved to wind up Lubiam Apparel by way of voluntary liquidation (the “**Voluntary Liquidation**”) under the law of the People's Republic of China (the “**PRC**”).

As the total assets of Lubiam Apparel as at 31 December 2019 represents more than 5% of the consolidated total assets of the Group as at 31 December 2019, the Voluntary Liquidation shall be announced in accordance with Rule 13.25(1)(c) of the Listing Rules.

**INFORMATION ABOUT LUBIAM APPAREL AND FINANCIAL IMPACT OF THE  
VOLUNTARY LIQUIDATION**

Lubiam Apparel, a company established as a sino-foreign joint venture in the PRC on 21 December 2005, is a 60%-owned subsidiary of the Group and is primarily engaged in design, marketing and sales of menswear under LUBIAM brand in the PRC.

Below is the financial information of Lubiam Apparel:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b>RMB' million</b>	<b>RMB' million</b>
	<b>(audited)</b>	<b>(audited)</b>
Revenue	<b>19.2</b>	28.4
Loss before tax	<b>17.2</b>	1.4

	As at 30 June 2020 <i>RMB' million</i> (unaudited)	As at 31 December 2019 <i>RMB' million</i> (audited)
Total assets	44.0	52.9
Total liabilities	13.0	14.9

The process and procedures for the Voluntary Liquidation are expected to be commenced by 23 December 2020.

The Board is of the view that, save for any expenses and further losses resulting from the Voluntary Liquidation that is to be quantified, the Voluntary Liquidation shall have no material adverse impact to the financial performance and operations of the Group.

## REASONS FOR THE VOLUNTARY LIQUIDATION

Lubiam Apparel is a joint venture between the Group and its Italian partner, Lubiam Moda per L'Uomo. As stated in the Company's prospectus dated 12 June 2018, in view of the deteriorating performance of Lubiam Apparel for some time prior to the listing of the Company on the Stock Exchange in June 2018, the Group intended to find appropriate buyers to take over the Lubiam Apparel's operations so that the Group could re-allocate its resources to two other core and signature brands, namely FIRS and SHANSHAN. Despite the Group's endless efforts in locating suitable buyers, there had not been any suitable prospective buyers. As the term of the joint venture is expiring soon in accordance with the joint venture agreement entered into between the Group and its Italian partner, both parties have agreed to terminate the business of Lubiam Apparel by way of the Voluntary Liquidation.

The Board believes that the Voluntary Liquidation is in the best interests of the Company and its shareholders as a whole as it may enable the Group to reduce its losses in connection with Lubiam Apparel as well as to allocate more resources and management efforts to its other core brands.

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

Ningbo, the PRC, 23 December 2020

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