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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 year ended 31 December 2020 (the “**Year**”) and other information currently available, it is expected that the Group would record a consolidated net loss of not less than RMB75.0 million for the Year, as compared with the audited consolidated net loss of approximately RMB23.2 million for the year ended 31 December 2019.

The expected loss of the Group for the Year was mainly attributable to: (1) the decrease of approximately 13.2% of the Group’s revenue as compared to the same period of 2019 caused by the adverse effect due to novel coronavirus (COVID-19) pandemic; (2) the decrease of gross profit margin due to more sales discounts offered by the Group in respond to the COVID-19 pandemic and the intense competition; and (3) the substantial loss relating to the inventories written-off resulted from the voluntary liquidation of Lubiam (Ningbo) Apparel Co., Ltd., a non-wholly owned subsidiary of the Company.

As the Group is still in the process of finalising the consolidated results for the Year, 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 Year 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 final results announcement for the Year which is expected to be published on 29 March 2021.

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, 16 March 2021

As at the date of this announcement, the executive Directors are Mr. Luo Yefei, Mr. Cao Yang and Ms. Yan Jingfen; the 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.