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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)**

**DISCLOSEABLE TRANSACTION**  
**LEASE AGREEMENT**

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On 28 February 2023, the Company entered into the Lease Agreement with Ningbo Yiduofu to lease the Property from Ningbo Yiduofu.

**LISTING RULES IMPLICATIONS**

The right-of-use assets to be acquired under the Lease Agreement will be recognized by the Group in its consolidated statement of financial position in accordance with the HKFRS 16. Accordingly, the entering into of the Lease Agreement and the transaction contemplated thereunder will be deemed as an acquisition of right-of-use assets by the Group. The total value of the right-of-use assets to be acquired under the Lease Agreement is estimated to be approximately RMB9,000,000, which is calculated with reference to the present value of the gross rental payments under the Lease Agreement. As one of the applicable percentage ratios is more than 5% but all are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

**LEASE AGREEMENT**

The Board announces that on 28 February 2023, the Company entered into the Lease Agreement with Ningbo Yiduofu to lease the Property from Ningbo Yiduofu. The principal terms of the Lease Agreement are set out below:

**Date** 28 February 2023

**Parties** The Company (as lessee)  
Ningbo Yiduofu (as lessor)

**Location of the Property** No. 227, Kesheng Road, Jishigang Town, Haishu District, Ningbo City, Zhejiang province, the PRC.

<b>Property</b>	<b>The relevant part of the Property</b>	<b>Term</b>	<b>Rent-free period</b>	<b>GFA</b>	<b>Rents payable</b>	<b>Payment term</b>
	The first floor and second floor of the Property	Commencing from 1 March 2023 to 31 May 2024	1 March 2023 to 31 March 2023	19,526 sq.m.	RMB351,468 per month	RMB702,936 being the rental payment for the period from 1 April 2023 to 31 May 2023, shall be paid before 28 February 2023. For the leasing period commencing from 1 June 2023, the rental payments shall be made on a quarterly basis one month in advance prior to the commencement of each quarter.
	The third floor of the Property	Commencing from 1 May 2023 to 31 May 2024	1 May 2023 to 31 May 2023	10,693 sq.m.	RMB192,474 per month	The rental payments shall be made on a quarterly basis one month in advance of the commencement of each quarter.
	The fourth floor of the Property	Commencing from 1 April 2023 to 31 May 2024	1 April 2023 to 30 April 2023	8,610 sq.m.	RMB154,980 per month	RMB154,980 being the rental payment for the period from 1 May 2023 to 31 May 2023, shall be paid before 15 March 2023. For the leasing period commencing from 1 June 2023, the rental payments shall be made on a quarterly basis one month in advance prior to the commencement of each quarter.

**Use of Property** The relevant part of the Property will be respectively used as warehouse, workshop and office of the Group.

**Deposit**

Upon the entering of the Lease Agreement, the Company shall pay a deposit of RMB500,000 to Ningbo Yiduofu as a guarantee for its duly performance of the Lease Agreement. The aforesaid deposit shall be returned to the Company without interest within seven days upon the expiry of the term of the Lease Agreement.

The total rental payments under the Lease Agreement will be made in cash and satisfied by the Group's internal resources. The rental payments under the Lease Agreement were determined on an arm's length basis, taking into account (i) the prevailing market rents of similar properties in the vicinity that are used for similar purposes; and (ii) the conditions of the Property, including but not limited to their locations and associated facilities.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT**

To cope with the business development of the Group and meet the Group's business need in its ordinary and usual course of the business, the Board considers it is commercially necessary and beneficial to enter into the Lease Agreement so that the Company can use the Property as warehouse, workshop and office to conveniently carry out on-site management of the Company.

The Board believes that the terms of the Lease Agreement are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

**LISTING RULES IMPLICATIONS**

The right-of-use assets to be acquired under the Lease Agreement will be recognized by the Group in its consolidated statement of financial position in accordance with the HKFRS 16. Accordingly, the entering into of the Lease Agreement and the transaction contemplated thereunder will be deemed as an acquisition of right-of-use assets by the Group. The total value of the right-of-use assets to be acquired under the Lease Agreement is estimated to be approximately RMB9,000,000, which is calculated with reference to the present value of the gross rental payments under the Lease Agreement. As one of the applicable percentage ratios is more than 5% but all are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

## GENERAL INFORMATION ON THE PARTIES

### The Company and the Group

The Company is a joint stock company incorporated in the PRC with limited liability whose H Shares are listed and traded on the Stock Exchange. The Group is principally engaged in the design, marketing and sale of formal and casual business menswear in the PRC.

### Ningbo Yiduofu

Ningbo Yiduofu is company incorporated in the PRC with limited liability and is principally engaged in the business of manufacture, processing, wholesale, retail and online sales of clothing and apparel. As at the date of this announcement, based on the public information available, Ningbo Yiduofu is held as to 68% by Ningbo Youfu Investment Co., Ltd.\* (寧波友福投資有限公司)(“**Ningbo Youfu**”) and as to 32% by Ningbo Meishan Bonded Port Area Lipeng Investment Management Partnership (Limited Partnership)\* (寧波梅山保稅港區麗鵬投資管理合夥企業(有限合夥))(“**Lipeng Investment**”). Ningbo Youfu is held as to 90% by Zheng Shilin (鄭仕麟) and as to 10% by Zheng Xueming (鄭學明). Lipeng Investment is held as to 99% by Wang Ke (王可) and as to 1% by Jiao Ping (焦萍).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Ningbo Yiduofu and its ultimate beneficial owners are Independent Third Parties.

## DEFINITIONS

In this announcement, the following terms have the meanings set forth below unless otherwise defined:

“Board”	the board of Directors
“Company”	Shanshan Brand Management Co., Ltd.* (杉杉品牌運營股份有限公司), a joint stock company with limited liability established under the laws of the PRC on 18 May 2016 whose H Shares are listed on the Stock Exchange

“Director(s)”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Independent Third Party(ies)”	any individual(s) or company(ies) who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are third party(ies) independent of and not connected with (within the meaning under the Listing Rules) any Directors, chief executive or substantial shareholders of the Company (as defined in the Listing Rules), its subsidiaries or any of their respective associates (as defined in the Listing Rules)
“Lease Agreement”	the lease agreement dated 28 February 2023 entered into between the Company and Ningbo Yiduofu regarding the lease of the Property by the Group
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

“Ningbo Yiduofu”	Ningbo Yiduofu Industrial Co., Ltd.* (寧波奕多弗實業有限公司)
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Property”	the premise to be leased by the Company pursuant to the Lease Agreement and is located at No. 227, Kesheng Road, Jishigang Town, Haishu District, Ningbo City, Zhejiang Province, the PRC.
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square meter(s)
“%”	per cent

\* *For identification purpose only*

By Order of the Board  
**Shanshan Brand Management Co., Ltd.**  
**Luo Yefei**  
*Chairman*

Ningbo, the PRC, 28 February 2023

As at the date of this announcement, the Board comprises:

*Executive Directors:*

Mr. Luo Yefei (*Chairman*)

Mr. Cao Yang (*Vice-Chairman*)

Ms. Yan Jingfen

Ms. Zhou Yumei

*Non-executive Directors:*

Ms. Zhao Chunxiang

Mr. Du Peng

*Independent Non-executive Directors:*

Mr. Chow Ching Ning

Mr. Wang Yashan

Mr. Wu Xuekai