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GXG

Mulsanne Group Holding Limited

慕尚集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1817)

INSIDE INFORMATION

PROFIT WARNING

This announcement is made by Mulsanne Group Holding Limited (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 of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and other information currently available to the Group, the Group is expected to record a loss after tax ranging from RMB260 million to RMB320 million for the year ended 31 December 2020. The major reasons for such loss after tax include:

- (i) a significant blow to the Group’s offline retail channels and closure of its offline stores as a result of (a) the novel coronavirus (“**COVID-19**”) outbreak in early 2020 and (b) the accelerated change of customer shopping behavior from offline to online, leading to a decrease in revenue from offline channels;
- (ii) decrease in gross profit margin due to the offering of higher discount rates on e-commerce platforms to boost online sales of inventories during the COVID-19 outbreak; and
- (iii) increase in impairment losses in financial assets mainly due to an increase in impairment of trade receivables, which was resulted from the extended credit periods offered by the Group to its partnership stores and distributor stores to alleviate the impact of COVID-19 outbreak on the Group’s business partners and support their operations.

As the Group’s consolidated results for the year ended 31 December 2020 have not yet been finalized, the figures and information contained in this announcement are only a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and other information currently available to the Group, and such figures and information have not been audited or reviewed by the Company’s auditor and may be subject to adjustments. Shareholders and potential investors should refer to the annual results announcement of the Company for the year ended 31 December 2020, which is expected to be published in March 2021 in compliance with the requirements under the Listing Rules.

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

By Order of the Board
Mulsanne Group Holding Limited
HUANG Hanji
Chairman

Hong Kong, 21 March 2021

As at the date of this announcement, the Board comprises Mr. YU Yong as executive director; Mr. HUANG Hanji, Mr. YANG Herong, Mr. LIN Lin, Mr. WANG Jun and Mr. Chintamani Aniruddha BHAGAT as non-executive directors; and Mr. GU Jiong, Mr. YUAN Tao and Mr. Paolo BODO as independent non-executive directors.