SHENGLONG
盛 龙

SHENGLONG SPLENDECOR INTERNATIONAL LIMITED
盛龍錦秀國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8481)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018 AND THE INTERIM REPORT OF THE COMPANY FOR THE SIX MONTHS ENDED 30 JUNE 2019

Reference is made to the annual report for the year ended 31 December 2018 (the "**2018 Annual Report**") of Shenglong Splendecor International Limited (the "**Company**") which was published on 28 March 2019 and the interim report for the six months ended 30 June 2019 (the "**2019 Interim Report**") of the Company which was published on 12 August 2019. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the 2018 Annual Report and the 2019 Interim Report.

The Company would like to provide additional information pursuant to rules 18.32(8), 18.32A and 18.55A of the GEM Listing Rules in the paragraphs headed "Use of Proceeds" of the 2018 Annual Report and "Use of Proceeds" of the 2019 Interim Report respectively:

Use of Proceeds

As at 31 December 2018 and 30 June 2019, the net proceeds from the Listing have been utilised in the following manner:

	Use of proceeds as allocated in accordance with the Prospectus *(Note (1))* *RMB' million*	**Use of proceeds from the Listing Date up to 31 December 2018** *RMB' million*	**Unutilised proceeds as at 31 December 2018** *(Note (2))* *RMB' million*	**Use of proceeds from the Listing Date up to 30 June 2019** *RMB'million*	**Unutilised proceeds as at 30 June 2019** *(Note (2))* *RMB'million*
Enhancement of production capacity	32.0	23.5	8.5	23.5	8.5
Repayment of bank loans	8.6	8.6	–	8.6	–
General working capital	4.0	4.0	–	4.0	–
Total	44.6	36.1	8.5	36.1	8.5

Notes:

(1) The actual amounts allocated have been adjusted to reflect the percentage of the net proceeds actually received pursuant to the Listing.

(2) The unutilised proceeds of approximately RMB8.5 million have been placed in licensed banks in Hong Kong and PRC. The unutilised proceeds are intended to be used as follows: (i) approximately RMB2.0 million is to be used for the procurement of a solvent recovery equipment, (ii) approximately RMB4.7 million is to be used for building a new production line for lamination of PVC furniture film, and (iii) approximately RMB1.8 million is to be used for reconstructing the existing production lines for the production of decorative paper by eliminating one existing production line and building four new ones (the "**Production Lines Replacement**"). For the financial year ended 31 December 2018 and six months ended 30 June 2019, the Company delayed (i) the procurement of a solvent recovery equipment, and (ii) building a new production line for lamination of PVC furniture film, due to the unexpectedly slow development and growth in the sales of PVC decorative film products. In view of the current market conditions, it is expected that the Company will (i) procure the solvent recovery equipment, and (ii) build a new production line for lamination of PVC furniture film by no later than 31 December 2020. For the Production Lines Replacement, the Company has commenced the reconstructing during the years ended 31 December 2017 and 2018, and the Company withheld certain payment of approximately RMB1.8 million for retention work. It is expected that the payment for the Production Lines Replacement will be made by no later than 30 June 2020.

The above additional information does not affect other information contained in the 2018 Annual Report and the 2019 Interim Report. Save as disclosed above, all other information in the 2018 Annual Report and the 2019 Interim Report remains unchanged.

By order of the Board
Shenglong Splendecor International Limited
Sheng Yingming
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 22 October 2019

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Sheng Yingming, Ms. Sheng Sainan, Mr. Fang Xu and Mr. Yu Zemin and (ii) three independent non-executive Directors, namely Mr. Ma Lingfei, Mr. Tso Ping Cheong Brian and Ms. Huang Yueyuan.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (http://www.hkgem.com) for at least 7 days from the date of its publication and on the Company's website (http://www.splendecor.com).

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.