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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)

PROFIT WARNING

This announcement is made by Shenglong Splendecor International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2020 and the information currently available to the Board, the Group expects to record a decrease in net profit attributable to owners of the Company by approximately 53% from RMB12,000,000 to approximately RMB5,700,000, as compared to that for the nine months ended 30 September 2019.

The decrease in net profit attributable to owners of the Company was primarily attributable to (i) the increase in selling expenses due to the increase in licensing fee incurred from the increase in the sale of relevant licensed products; (ii) the increase in administrative expenses due to the increase in research and development costs for developing new products; and (iii) the decrease in other income and gains due to a foreign exchange loss recorded during the period.

The information contained in this announcement is only a preliminary assessment by the Board based on the Group’s unaudited consolidated management accounts for the nine months ended 30 September 2020 and the information currently available to the Board, which have not been reviewed or audited by the Company’s auditor or the audit committee of the

Company. As at the date of this announcement, the Company is in the process of finalising the Group's third quarter results for the nine months ended 30 September 2020. Shareholders and potential investors are advised to read carefully the third quarter results announcement of the Company for the nine months ended 30 September 2020 which is expected to be published on or around 9 November 2020.

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

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

Hong Kong, 30 October 2020

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Sheng Yingming, Mr. Tan Chee Kiang, Mr. Fang Xu and Ms. Sheng Sainan 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 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 Group. The Directors 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.