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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, collectively 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 Group’s unaudited consolidated management accounts for the year ended 31 December 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 52%, as compared to that for the year ended 31 December 2019.

The decrease in net profit attributable to owners of the Company was primarily attributable to (i) the impairment provision made for obsolete inventory, (ii) the increase in selling expenses for facilitating sales order, (iii) increase in research and development costs for developing new products, and (iv) increase in finance cost due to the decrease in the amount of capitalisation of borrowing costs.

The information contained in this announcement is based on the Group's unaudited consolidated management accounts for the year ended 31 December 2020 currently available to the Board, which have not been reviewed nor 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 annual results for the year ended 31 December 2020. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2020 which is expected to be published on or around 22 March 2021.

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, 12 March 2021

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.