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SHENGLONG
盛 龍

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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF THE LAND USE RIGHT
IN SHE COUNTY, HUANGSHAN CITY,
ANHUI PROVINCE, THE PRC**

ACQUISITION OF LAND USE RIGHT

The Board is pleased to announce that on 19 June 2024, the Purchaser, an indirect wholly-owned subsidiary of the Company, has successfully won the public tender in respect of the land use right of a parcel of industrial land totaling approximately 122,836 sq.m. (or 184 mu) located at Chengdong Park of She County Economic Development Zone* (歙縣經濟開發區城東園區) offered for sale by the Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局). On 19 June 2024, the Purchaser and the Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局) entered into the Confirmation Letter in relation to the Land Acquisition at a consideration of RMB36,850,890.

The Purchaser is expected to enter into the Land Use Right Contract with the Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局) on or before 19 July 2024.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios in respect of the Land Acquisition exceed 5% but all of which are less than 25%. Accordingly, the Land Acquisition constitutes a discloseable transaction of the Company and shall be subject to the reporting and announcement requirements but is exempt from circular and shareholders' approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

ACQUISITION OF LAND USE RIGHT

The board (the “**Board**”) of directors (the “**Directors**”) of Shenglong Splendecor International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that on 19 June 2024, Huangshan Shenglong Decoration Material Co., Ltd* (黃山盛龍裝飾材料有限公司) (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company, has successfully won the public tender (the “**Land Acquisition**”) in respect of the land use right of a parcel of industrial land totaling approximately 122,836 sq.m. (or 184 mu) located at Chengdong Park of She County Economic Development Zone* (歙縣經濟開發區城東園區) (the “**Land**”) offered for sale by the Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局). On 19 June 2024, the Purchaser and the Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局) entered into a transaction confirmation letter* (成交確認書) (the “**Confirmation Letter**”) in relation to the Land Acquisition at a consideration of RMB36,850,890.

The Purchaser is expected to enter into a State-owned Construction Land Use Right Grant Contract* (國有建設用地使用權出讓合同) (the “**Land Use Right Contract**”) with the Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局) on or before 19 July 2024.

THE CONFIRMATION LETTER

The principal terms of the Confirmation Letter are set out as follows:

Date	19 June 2024
Parties	(1) The Purchaser; and (2) The Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局)
Land concerned	The Land is located at Chengdong Park of She County Economic Development Zone* (歙縣經濟開發區城東園區), east to Huangjingdu Village Road* (黃荊渡村莊道路), south to Xin’anjiang Avenue* (新安江大道), west to Chuangye No. 1 Road* (創業一路) and north to the protection land of Anhui-Ganzhou Railway* (皖贛鐵路防護用地). The total site area of the Land is approximately 122,836 sq.m. (or 184 mu). The Land is for industrial use and the term of the land use right of the Land is 50 years.
Consideration	The unit price for the Land is RMB300 per sq.m. and the total consideration is RMB36,850,890 (the “ Consideration ”). A deposit of RMB7,400,000 has been paid by the Purchaser as security deposit for bidding in the public tender, which shall form part of the Consideration.

The Consideration was determined based on the successful bid of the land use right of the Land by the Purchaser through a public tender held by the Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局). The Company considered that the Consideration was fair and reasonable after taking into account, including but not limited to, (i) the official initial price of the bid for the Land Acquisition set by the Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局), which was also RMB36,850,890; (ii) the prevailing market prices of lands of similar nature available in the localities; and (iii) the reasons as stated in the paragraphs headed “Reasons for and benefits of the Land Acquisition” in this announcement.

SOURCE OF FUNDING

The Consideration will be funded by the Group’s internal resources and banking facilities as and when appropriate.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The Group is principally engaged in the manufacturing and sales of decorative printing materials products. Notwithstanding that the Group has established two manufacturing plants in Zhejiang Province, the Group has been considering opportunities to expand its existing manufacturing plants in order to satisfy the expanding demand of decorative printing materials products of the Group. The Land acquired pursuant to the Land Acquisition provides the Group with abundant manufacturing capacity and flexibility to facilitate the Group’s business expansion in She County, Huangshan City, Anhui Province, the PRC. In consideration of the anticipated operation costs (including but not limited to production costs and labor costs) to be incurred by the Group in She County, the Directors believe that the Land Acquisition is in line with the development strategy of the Group, and will further enhance the profitability of the Group and promote the long-term sustainable development of the Group.

Thus, the Directors (including the independent non-executive Directors) consider that the Land Acquisition and the terms of the Confirmation Letter are fair and reasonable and in the interest of the Company and its shareholders as a whole.

GENERAL INFORMATION

The Company

The Company together with its subsidiaries are principally engaged in the manufacturing and sales of decorative printing materials products which mainly comprise of (i) decorative paper; (ii) melamine impregnated paper; (iii) finish foil paper; (iv) PVC furniture film; and (v) PVC flooring film. The Group served over 500 customers in both domestic and overseas markets.

The Purchaser

The Purchaser is a company established in the PRC and is an indirect wholly-owned subsidiary of the Company, which is principally engaged in the manufacturing and sales of decorative printing materials products in the PRC.

The Natural Resources and Planning Bureau of She County*(歙縣自然資源和規劃局)

The Natural Resources and Planning Bureau of She County* (歙縣自然資源和規劃局), a PRC government bureau, is the vendor of the Land and is responsible for the related work of the transfer of the Land, including information disclosure, data review, confirmation of transaction eligibility, and signing of the Land Use Right Contract in respect of the sale of the Land.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios in respect of the Land Acquisition exceed 5% but all of which are less than 25%. Accordingly, the Land Acquisition constitutes a discloseable transaction of the Company and shall be subject to the reporting and announcement requirements but is exempt from circular and shareholders' approval requirements pursuant to Chapter 19 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

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

Hong Kong, 19 June 2024

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

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 Company. 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 Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) 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.

* Translation for identification purposes only.