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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)

ANNOUNCEMENT UPDATE ON MAJOR TRANSACTIONS IN RELATION TO CONSTRUCTION CONTRACTS

Reference is made to the announcement of the Company dated 23 January 2026; and the circular of the Company dated 27 March 2026 (the “**Circular**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Circular.

This announcement is made to provide supplemental information by way of substitution in relation to the following sections of the Circular: – (i) Reasons for the Non-Compliance with the GEM Listing Rules; and (ii) “Remedial Actions”. The Company wishes to clarify that the said sections of the Circular shall be amended and restated in their entirety.

REASONS FOR THE NON-COMPLIANCE WITH THE GEM LISTING RULES

The Construction Contracts constituted two major transactions for the Company under Chapter 19 of the GEM Listing Rules. The Company’s failure to announce the major acquisitions and to issue circular in a timely manner constituted a breach of the GEM Listing Rules. The non-compliance was due to the misunderstanding and misinterpretation of Chapter 19 of the GEM Listing Rules by Project Managers of Guigang Shenglong and Guangdong Shenglong and the non-compliance was inadvertent and unintentional, with the mistaken belief that the Construction Contracts would not constitute “transactions” under Chapter 19 of the GEM Listing Rules. The Project Managers of Guigang Shenglong and Guangdong Shenglong when managing the Construction Contracts, believed that the construction contracts were entered into in the ordinary and usual course of the Company’s business, and therefore they would not constitute “transactions under Chapter 19 of the GEM Listing Rules”. Board approval was sought from the Company after entering into the Construction Contracts, as detailed under the “Written Shareholders’ Approval” section hereunder.

The details of the transactions contemplated under the Construction Contracts were identified by the Company during the course of evaluating the potential transaction to be entered into by the Company.

The Board was aware of Guigang Shenglong's and Guangdong Shenglong's entering into the Construction Contracts. However, the Board was not informed of the applicable notifiable transaction requirements pursuant to the Group's internal protocols when approving the Construction Contracts. It was only upon the Company compiling financial records for the auditors to compute the audited reports of the Group that the Board became aware of the GEM Listing Rules implications of the Construction Contracts. The Board acknowledges that it should have, upon such awareness, taken immediate steps to comply with the GEM Listing Rules, but due to an inadvertent oversight and continued reliance on the Project Managers' earlier interpretation, it failed to do so.

The Company would stress that such non-compliance was unintentional. The Board would like to emphasize that this was a one-off incident resulting from a non-compliance of the Group's internal protocol that can be remedied.

REMEDIAL MEASURES

The Board, having been fully informed of the facts of the transactions disclosed herein, considers that the failure to comply with the GEM Listing Rules was inadvertent and can be avoided going forward.

The Company takes the incident seriously and the Company shall take the following measures and actions to prevent similar instance(s) of non-compliance in the future:

Remedial

Action No.	Remedial Action	Implementation Timeline
1.	The Company will arrange external advisers to provide ongoing trainings on legal and regulatory requirements applicable to the transactions of the Group which may fall under Chapter 19 of the GEM Listing Rules (with particular emphasis on the distinction between capital and revenue transactions) to the Directors, senior management including the Project Managers of Guigang Shenglong and Guangdong Shenglong, Procurement Manager, Finance Manager and Risk Control Manager of the Group, investment team of the Group in charge of investment activities such as tender of land, entering into contracts involving large sums, particularly those involving factories and land and relevant employees of the Compliance Department of both the Company and its subsidiaries (at least once every 6 months);	Such enhancement policy and procedure has been in place as at the date of the Circular The Company organized the first training with Bird & Bird, on 26 February 2026, and the next training is scheduled on 24 June 2026 with Bird & Bird

Remedial		
Action No.	Remedial Action	Implementation Timeline
2.	The Company has enhanced its written policy and procedure on notifiable transactions to regulate identification, approval, disclosure and monitoring, requiring the manufacturing operation team of the subsidiaries to provide a list of proposed transactions with material terms to the Company Secretary for review under the following workflow: (a) the Manufacturing Operation team of the subsidiaries initiate the need for capital expenditure to Procurement Department of the Group; (b) the Procurement Department of the Group will propose transactions based on the above capital expenditure need and submit the relevant details to the Finance Department of the Group for internal budgeting review and approval; (c) the Finance Department of the Group then refers the application to the Risk Control Department and Compliance Department of the Group to assess the GEM Listing Rules implications, and if the amount exceeds the applicable threshold requiring announcement and/or shareholders' approval (as determined from time to time by the Company Secretary), the Risk Control Department and Compliance Department of the Group then transfer the application to the Company Secretary, who reviews and ascertains compliance with the GEM Listing Rules and reports any notifiable transaction together with its material terms to the Board for approval; (d) upon Board approval, the relevant subsidiaries will enter into the proposed transactions and the Company Secretary will ensure all relevant GEM Listing Rules requirements will be complied with (including but not limited to announcements, circulars and shareholders' approval requirements (if applicable)); and	Such enhancement policy and procedure has been in place as at the date of this supplemental announcement

Remedial

Action No. Remedial Action

Implementation Timeline

(e) the Company has designated a team of management including the Procurement Manager, Finance Manager and Risk Control Manager of the Group (the **“Designated Team of Management”**) to regularly update the notifiable transaction thresholds (computed by the Company Secretary based on the Company’s latest market capitalisation and latest financial information) to the relevant manufacturing operation team of the subsidiaries and they will report to the Board about the compliance status. The Designated Team of Management shall also compile a month-end list of capital expenditure for the Company Secretary to check for omissions, thereby ensuring completeness.

3. The Board has further emphasized in an internal memorandum circulated to the working group, which comprises key management members (including the Procurement Manager, Finance Manager and Risk Control Manager) of the Group led by Mr. Fang Xu, the Compliance Adviser, as overseen by Mr. Sheng Yingming, the Chief Executive Officer (CEO), that it should continue to assess the notifiable transactions in accordance with the requirements of the GEM Listing Rules. To ensure that all identified notifiable transactions are effectively and systematically reported to the Board, the Compliance Department shall submit a monthly compliance report (incorporating the month-end capital expenditure list and relevant size test computations) directly to the Head of Compliance and the CEO, who shall jointly and formally table the compliance reports and notify the Board. The working group will continue to communicate and monitor the transactions of the Company and its subsidiaries (including Guigang Shenglong and Guangdong Shenglong) to ensure that disclosable transactions are dealt with in accordance with the GEM Listing Rules;

Such enhancement policy and procedure has been in place as at the date of this supplemental announcement

Remedial

Action No.	Remedial Action	Implementation Timeline
4.	The Company will provide detailed guidelines relating to notifiable transactions under the GEM Listing Rules for all Directors as well as senior management (including the department head of production and department head of research & development) for both the Company and its subsidiaries (including Guigang Shenglong and Guangdong Shenglong) in order to strengthen and reinforce their existing knowledge relating to notifiable transactions and also their ability to point out and locate potential issues; and	Such enhancement policy and procedure has been in place as at the date of this supplemental announcement
5.	The Company will proactively engage independent professional advisors and/or the Hong Kong Stock Exchange on its ongoing obligations to provide guidance on its ongoing obligations under the GEM Listing Rules. This consultation will be sought as a standard step prior to the execution of any notifiable transactions or related-party advancements.	Such enhancement policy and procedure has been in place as at the date of the Circular

The Company has implemented the remedial measures mentioned above. The Board considers that the internal control system maintained by the company, as strengthened by the remedial and the above additional measures are adequate and effective for compliance with requirements under the Listing Rules, particularly for entering into transactions which may trigger notifiable transactions requirements and the identification thereof.

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

Hong Kong, 12 June 2026

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 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.