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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)

INSIDE INFORMATION COMPENSATION RECEIVED FOR LAND RESUMPTION

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

BACKGROUND

Reference is made to (i) the annual report for the year ended 31 December 2025 of the Company announced on 8 April 2026; (ii) the interim report for the six months ended 30 June 2026 of the Company announced on 25 August 2026, in which the Company disclosed that it received approximately RMB181 million in compensation for demolition for the financial year ended 31 December 2025. Further reference is made to the (i) announcement of the Company dated 19 June 2024 regarding acquisition of land use right in She County, Huangshan City, Anhui Province (the “**June 2024 Announcement**”) ; and (ii) announcement of the Company dated 25 July 2024 regarding the major transaction of the construction contract on the acquired land in She County, Huangshan City, Anhui Province (the “**July 2024 Announcement**”).

RESUMPTION OF LAND

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to announce that pursuant to the notice (the “**Government Notice**”) issued by Lin’an District People’s Government of Hangzhou City (the “**Local Government**”) dated 20 August 2026 to Zhejiang Shenglong Decoration Material Co., Ltd (“**Zhejiang Shenglong**”), an indirect wholly-owned subsidiary of the Company, the operations of the factory situated at No. 55 Shangyang Road (the “**Government Acquired Land**”) involve manufacture of

decorative paper and are not in line with the Local Government Policy, which mandates that the Government Acquired Land be used exclusively to develop biomedical and advanced chemical new materials industries, namely the Prohibited, Restricted, and Controlled Catalogue for Projects in the Tianmu Medical Port Chemical Aggregation Zone (Trial) (Lin Fa Gai [2024] No. 59)(《天目醫藥港化工集聚區項目禁止、限制和控制目錄(試行)》(臨發改[2024] 59號)) (the “**Local Government Policy**”). Therefore, the government authority has, in accordance with the relevant policy, required the Company to relocate the factory and buildings of Zhejiang Shenglong from that location (the “**Land Resumption**”).

Pursuant to the terms of the compensation agreements between Zhejiang Shenglong and Jinan sub-district office, Lin'an District People's Government of Hangzhou City dated 23 November 2024 and 26 December 2024 (collectively the “**Compensation Agreements**”), Zhejiang Shenglong shall fully surrender the land use rights and building ownership of the Government Acquired Land to the Local Government. While the Compensation Agreements were entered into in 2024, the nature of the compensation to be paid by the Local Government was only concluded in the Government Notice issued on 20 August 2026.

The Company has sought legal advice from its PRC lawyers in relation to the Government Notice and was advised by the PRC lawyers that Zhejiang Shenglong would be bound to surrender the Government Acquired Land in accordance with the relevant laws and regulations of the PRC and Zhejiang Shenglong would have no discretion to act in an opposite manner.

DETAILS OF THE LAND RESUMPTION

The Government Acquired Land

The Government Acquired Land is situated at No. 55 Shangyang Road, Lin'an with a site area of approximately 98,628 sq.m.. The buildings erected on the Government Acquired Land occupy approximately 57,777.41 sq.m.. Pursuant to the Local Government Policy, the Government Acquired Land is restricted to biomedical and advanced chemical new materials industries. The factory demolition is expected to complete within 2026, and the Group expects to receive the remaining compensation payments after completion of the demolition in around November 2026.

The Compensation Agreements and Payment terms

Pursuant to the terms of the Compensation Agreements, the total compensation payable to Zhejiang Shenglong for the resumption of the Government Acquired Land is approximately RMB364 million (the “**Total Compensation**”).

The Total Compensation shall be payable by the Local Government to Zhejiang Shenglong in the following manner:

- (i) RMB80 million should be paid by the Local Government within 30 days after the Compensation Agreement became effective on 23 November 2024.

- (ii) The remaining balance under the Compensation Agreements would be payable by the Local Government on a stage-basis and full-payment should be made within 30 days after Zhejiang Shenglong completes handover of the Government Acquired Land and deregisters the property title certificates.

As of the date of this announcement, the Company has received approximately RMB181 million under the Compensation Agreements, and is expected to receive the remaining amount of the Total Compensation in around November 2026, after the factory and buildings on the Government Acquired Land are fully demolished and deregistration of the property title certificates.

Information of the parties to the Compensation Agreements

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; and (iii) PVC flooring film. The Group served over 500 customers in both domestic and overseas markets.

The Local Government is the local authority under the People's Government of Lin'an District, Hangzhou, the PRC and, for the purpose of the Compensation Agreements, is the transferee of the Government Acquired Land.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Local Government is a governmental authority of the PRC and is a third party independent of and not connected with the Company and its connected person (as defined in the GEM Listing Rules).

Impact of the Land Resumption

The Company expects to receive the Total Compensation of approximately RMB364 million (of which approximately RMB181 million has already been received by Zhejiang Shenglong). The last batch of the Total Compensation is payable by the Local Government within 30 days after Zhejiang Shenglong completes handover of the Government Acquired Land and deregisters the property title certificates, which is projected to be around November 2026.

In order to replace the factory situated on the Government Acquired Land, the Company established another factory in She County, Huangshan, Anhui, the PRC (for details please refer to the June 2024 Announcement and the July 2024 Announcement), and the factory commenced operation in the second quarter of 2026. Due to the Local Government Policy, and as required by the Local Government, the Company had to demolish the factory and gradually relocate its production lines to Huangshan as well as other factories, as disclosed in the June 2024 Announcement (approximately RMB36.85 million for acquiring land use rights) and in the July 2024 Announcement (RMB220 million regarding the construction contract). The Total compensation of approximately RMB364 million will not be sufficient to cover the capital expenditure on the new factory, demolition and relocation expenses. As such, the Company expects that after receiving the Total Compensation in full, it will not derive favourable cash flow on the financial statements for the financial year ending 31 December 2026.

Prior to the Land Resumption, the Government Acquired Land was mainly used to support the Company's manufacturing operations and to act as employee dormitories. After relocating to She County, Huangshan, the Company was able to fully resume its daily operations. Hence, as compared with the previous production capacity level, the Land Resumption did not have a long term material adverse impact on the Group's production capacity.

Taking into account the aforesaid information, the Board is of the view that the Land Resumption is fair and reasonable in the interests of the Company and shareholders as a whole and would not have any material adverse effects to the core businesses of the Group.

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

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

Hong Kong, 11 September 2026

As at the date of this announcement, the board of directors of the Company comprises Mr. Sheng Yingming, Ms. Han Jianping, Ms. Lyu Miaoling as executive directors and Mr. Tso Ping Cheong Brian, Mr. Ma Lingfei and Mr. Zheng Yong as independent non-executive directors.