



SHENGLONG

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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)



FIRST
QUARTERLY
REPORT
2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Shenglong Splendecor International Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.

FINANCIAL HIGHLIGHTS

- Revenue for the three months ended 31 March 2023 (the “Period”) was approximately RMB96.1 million, representing an increase of approximately 1.4% as compared to the three months ended 31 March 2022 (the “Corresponding Period”).
- Gross profit for the Period was approximately RMB20.0 million, representing an increase of approximately 30.8% as compared to the Corresponding Period.
- Loss attributable to owners of the Company for the Period was approximately RMB0.6 million, as compared to the loss attributable to owners of the Company of approximately RMB3.8 million for the Corresponding Period.
- Basic loss per share for the Period amounted to approximately RMB0.13 cents while basic loss per share for the Corresponding Period amounted to approximately RMB0.77 cents.
- The Board does not recommend the payment of any interim dividend for the Period (the Corresponding Period: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company and its subsidiaries (collectively the “Group”) 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) polyvinyl chloride (“PVC”) furniture film; and (v) PVC flooring film. The Group served over 500 customers in both domestic and overseas markets for the Period.

FINANCIAL REVIEW

Revenue

The Group’s revenue for the Period was approximately RMB96.1 million, representing an increase of approximately 1.4% over the Corresponding Period. The increase in the Group’s revenue was driven by a slight increase in revenue from the People’s Republic of China (the “PRC”) market as the demand from customers in the PRC remained stable and the Group consistently derived a significant portion of revenue from the PRC market during the Period. The revenue from the overseas markets recorded a decrease of approximately 0.9% over the Corresponding Period. The decrease in revenue was mainly derived from the decrease in sales of decorative paper during the Period.

Cost of sales

The cost of sales recorded a decrease despite an increase in revenue. The cost of sales decreased by approximately RMB3.4 million or approximately 4.2%, from approximately RMB79.4 million for the Corresponding Period to approximately RMB76.0 million for the Period, which was primarily due to efficient control of production costs during the Period.

Gross profit and gross profit margin

The Group’s gross profit increased by approximately RMB4.7 million, or approximately 30.8%, from approximately RMB15.3 million for the Corresponding Period to approximately RMB20.0 million for the Period, primarily due to the improvement in production efficiency. The Group’s gross profit margin for the Period increased to approximately 20.8% (the Corresponding Period: 16.2%).

MANAGEMENT DISCUSSION AND ANALYSIS

Selling expenses

The Group's selling expenses decreased by approximately RMB0.6 million or 7.6% from approximately RMB7.1 million for the Corresponding Period to approximately RMB6.5 million for the Period. The decrease was primarily attributable to the decrease in licensing fee incurred due to the decrease in the sale of relevant licensed products during the Period.

Administrative expenses

The administrative expenses for the Period increased by approximately RMB0.9 million or 7.8% from approximately RMB11.5 million for the Corresponding Period to approximately RMB12.4 million for the Period. The increase was mainly attributable to the increase in the depreciation and amortisation derived from the ancillary renovation of the office building.

Other income and other gains – net

The Group's other income and other gains – net decreased by approximately RMB0.1 million or 15.0% from approximately RMB1.0 million for the Corresponding Period to approximately RMB0.9 million for the Period, which was attributable to the decrease in government grants income offset by the foreign exchange gain derived during the Period.

Finance expenses – net

The Group's finance expenses – net increased by approximately RMB0.3 million or 12.2% from approximately RMB2.2 million for the Corresponding Period to approximately RMB2.5 million for the Period. This was primarily due to the decrease in bank interest income.

Income tax (expenses)/credit

The Group recorded income tax expenses of approximately RMB0.1 million for the Period as compared to an income tax credit of approximately RMB0.6 million for the Corresponding Period, which was due to the reversal of deferred tax assets arising during the Period.

Loss attributable to owners of the Company

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately RMB0.6 million for the Period as compared to a loss of approximately RMB3.8 million for the Corresponding Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in the PRC, but a significant portion of its sales is made to foreign countries, thus the Group is exposed to foreign currency risks arising from various currency exposures, mainly with respect to US dollars, Euro and Hong Kong dollars. The Group regularly and closely monitors the level of foreign exchange risk exposures and will make necessary hedging arrangements to minimise its foreign currency exposure arising from the fluctuation in foreign exchange in the future.

During the Period, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

INFORMATION ON EMPLOYEES

As at 31 March 2023, the Group had 345 employees (31 December 2022: 347 employees), including the executive Directors. Remuneration is determined with reference to market norms and the performance, qualification and experience of individual employees.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. The Group also operates a defined contribution Mandatory Provident Fund scheme for its employees in Hong Kong and provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no significant investments held by the Company as at 31 March 2023, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2023 (31 December 2022: Nil).

PROSPECTS

Through continuous adoption of advanced technologies at its production facilities and unifying management to further improve operational efficiency and product quality control, the Group will continue to adopt and enhance flexible strategies in its production process, supply chains, logistics and marketing strategies to maintain its competitive position among decorative printing materials manufacturers. The Group will keep evaluating its manufacturing technique and equipment in order to maintain its production capacity and flexibility. We will also seek for continuous optimisation in quality control measure and procedure to maintain our product quality and customer satisfaction.

The Group is committed to enhancing its research and development capabilities, and to optimising its product mix, color pattern and specification. The Group will continue to allocate sufficient resources to R&D, enhancement of product quality and development of new products, materials, models and features, as well as to explore new markets, increase production efficiency and conduct staff training for the purpose of maintaining the safety standards and competitiveness of its products and, ultimately, enhancing its profitability.

The Group will continue to refine its proven business strategies to maintain and strengthen its growth and performance. To sustain its well-recognised reputation in the market, the Group is also exploring opportunities for expanding its business presence in the global decorative printing material market as well as developing other business partnerships that would be beneficial to the overall business development of the Group.

The board of directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Group for the Period together with the comparative figures for the Corresponding Period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the three months ended 31 March 2023

	Notes	Three months ended 31 March	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Revenue	5	96,068	94,702
Cost of sales		(76,042)	(79,389)
Gross profit		20,026	15,313
Selling expenses		(6,521)	(7,055)
Administrative expenses		(12,391)	(11,493)
Other income and other gains – net	6	847	996
Operating profit/(loss)	7	1,961	(2,239)
Finance income		14	269
Finance expenses		(2,529)	(2,511)
Finance expenses – net		(2,515)	(2,242)
Loss before income tax		(554)	(4,481)
Income tax (expenses)/credit	8	(86)	636
Loss for the Period		(640)	(3,845)
Loss attributable to			
– Owners of the Company		(640)	(3,845)
Loss per share for loss attributable to owners of the Company for the Period			
– Basic and diluted	9	RMB cents (0.13)	RMB cents (0.77)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months ended 31 March 2023

	Three months ended 31 March	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Loss for the Period	(640)	(3,845)
Other comprehensive expenses <i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	(1,042)	(92)
Other comprehensive expenses for the Period, net of tax	(1,042)	(92)
Total comprehensive loss for the Period	(1,682)	(3,937)
Total comprehensive loss for the Period attributable to:		
– Owners of the Company	(1,682)	(3,937)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Attributable to equity owners of the Company			
	Share capital	Other reserves	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Balance at 1 January 2022	4,253	100,319	110,817	215,389
Comprehensive income				
Loss for the Period	-	-	(3,845)	(3,845)
Other comprehensive income				
Currency translation differences	-	(92)	-	(92)
Total comprehensive expenses	-	(92)	(3,845)	(3,937)
Balance at 31 March 2022	4,253	100,227	106,972	211,452
Balance at 1 January 2023	4,253	100,027	122,875	227,155
Comprehensive income				
Loss for the Period	-	-	(640)	(640)
Other comprehensive income				
Currency translation differences	-	(1,042)	-	(1,042)
Total comprehensive expenses	-	(1,042)	(640)	(1,682)
Balance at 31 March 2023	4,253	98,985	122,235	225,473

The notes on pages 10 to 14 are an integral part of the unaudited condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 General information

The Company was incorporated in the Cayman Islands on 25 July 2013 as an exempted company with limited liability under the Cayman Companies Law of the Cayman Islands. The address of its registered office is P.O. Box 1350, Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business in Hong Kong is Room 3201, 32/F, Alexandra House, 18 Chater Road, Central, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the manufacturing and sales of decorative printing materials products in the PRC and overseas. The ultimate holding company of the Company is Bright Commerce Investment Limited (“Bright Commerce”), which is incorporated in the British Virgin Islands.

The unaudited condensed consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

2 Basis of presentation

This unaudited condensed consolidated financial statements for the Period has been prepared in compliance with the disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”).

3 Significant accounting policies

The accounting policies used in the preparation of the unaudited condensed consolidated results are consistent with those adopted in the preparation of the Group’s annual audited financial statements for the year ended 31 December 2022, save for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new and amended HKFRSs effective for the financial year ending 31 December 2023.

The Group has adopted all the new and revised HKFRSs issued that are relevant to its operations and effective for its accounting period beginning on 1 January 2023. The application of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years. The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of these new standard(s), amendments and interpretation(s) will have no material impact on the unaudited condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4 Estimates

The preparation of the unaudited condensed consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2022.

5 Revenue and segment information

The Board assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are related to manufacturing and sales of decorative printing materials products. Therefore, the management considers there being only one operating segment for the Group as per the requirements of HKFRS 8 "Operating Segments".

During the Period, all revenue was generated from sales of goods and all non-current assets were located in PRC.

Revenue from external customers by country (based on the location of the customers) is as follows:

	Three months ended 31 March	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
PRC	61,226	59,539
Pakistan	14,745	9,070
India	5,173	4,780
The United Arab Emirates	3,045	3,073
Indonesia	2,588	1,809
Other countries	9,291	16,431
	96,068	94,702

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 Other income and other gains – net

	Three months ended 31 March	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Income from sales of scrap and surplus materials	40	245
Rental income	677	350
Government grants income including amortisation of deferred government grants	27	569
Foreign exchange gain/(loss), net	93	(218)
Others	10	50
	847	996

7 Operating profit/(loss)

An analysis of the amounts presented as operating items in the financial information is given below.

	Three months ended 31 March	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Operating items		
Auditors' remuneration – audit service	213	190
Depreciation and amortisation	8,603	7,120

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8 Income tax expenses/(credit)

	Three months ended 31 March	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Current income tax	–	69
Deferred income tax	86	(705)
Total tax expenses/(credit)	86	(636)

The corporate income tax rate applicable to the group entities located in the PRC other than Zhejiang Shenglong Decoration Material Co., Ltd (“Shenglong Decoration”) is 25% according to the PRC Corporate Income Tax Law effective on 1 January 2008.

Shenglong Decoration obtained the certificate of High and New Technology Enterprises from local government, in accordance with which, Shenglong Decoration enjoyed a preferential tax rate of 15% during the Period (the Corresponding Period: 15%).

No provision for profits tax in the Cayman Islands, British Virgin Islands or Hong Kong was made, as the Group had no assessable profit arising in or derived from these jurisdictions during the Period (the Corresponding Period: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 Loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Period.

	Three months ended 31 March	
	2023 (unaudited)	2022 (unaudited)
Loss attributable to owners of the Company (RMB'000)	(640)	(3,845)
Weighted average number of ordinary shares in issue ('000)	500,000	500,000
Basic and diluted loss per share (RMB cents)	(0.13)	(0.77)

The Company did not have any potential ordinary shares outstanding during the Period. Diluted loss per share was equal to basic loss per share during the Period.

10 Dividends

The Board did not recommend the payment of any interim dividend for the Period (the Corresponding Period: Nil).

OTHER INFORMATION

SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 June 2017 (the “Share Option Scheme”). The principal terms of the Share Option Scheme are summarised in note 24 to the consolidated financial statements for the year ended 31 December 2022.

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions made by eligible participants, to attract skilled and experienced personnel, to incentivise them to remain with the Company and to motivate them to strive for the future development and expansion of the Group, by providing them with the opportunity to acquire equity interests in the Company.

No option has been granted since the adoption of the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

OTHER INFORMATION

DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

As at 31 March 2023, the interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (with the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long position in ordinary shares of the Company

Name of Director	Capacity/ Nature of interest	Number of ordinary shares held	Percentage of shareholding (Note 2)
Mr. Sheng Yingming ("Mr. Sheng") ^(Note 1)	Beneficial owner and interest in controlled corporation	322,760,000 shares	64.55%

Notes:

- (1) These 322,760,000 shares comprise (i) 82,810,000 shares directly held by Mr. Sheng; and (ii) 239,950,000 shares held by Bright Commerce which is wholly-owned by Mr. Sheng and hence, Mr. Sheng is deemed or taken to be interested in all the shares held by Bright Commerce for the purpose of SFO.
- (2) The percentage is calculated on the basis of 500,000,000 shares in issue at the date of this report.

Save as disclosed above, as at 31 March 2023, none of the Directors or the chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company, any of its Group members or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

OTHER INFORMATION

INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as was known to the Directors and the chief executive of the Company, as at 31 March 2023, the following persons/entities (not being a Director or chief executive of the Company) had, or deemed to have, interests or short positions in the shares or underlying shares of the Company, its Group members and/or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity/ Nature of interest	Number of ordinary shares held (Note 1)	Percentage of shareholding
Bright Commerce	Beneficial interest	239,950,000 shares (L)	47.99%
Mr. Sheng	Beneficial owner and interest in controlled corporation	322,760,000 shares (L)	64.55%
Ms. Chen Deqin ^(Note 2)	Interest of spouse	322,760,000 shares (L)	64.55%

Notes:

- (1) All interests stated are long positions.
- (2) Ms. Chen Deqin is the spouse of Mr. Sheng. She is deemed, or taken to be, interested in all shares in which Mr. Sheng is interested for the purposes of SFO.

OTHER INFORMATION

Save as disclosed above, as at 31 March 2023, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no person or corporation (other than the Directors and chief executive of the Company) who had any interests or short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed “DIRECTORS’ AND THE CHIEF EXECUTIVE’S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE” and “SHARE OPTION SCHEME” in this report, at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

COMPETING INTERESTS

As at 31 March 2023, none of the Directors, the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings (the “Required Standard of Dealings”) set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries of all the Directors, each of them has confirmed that they have complied with the Required Standard of Dealings throughout the Period. No incident of non-compliance was noted by the Company during the Period.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "CG Code").

The Company confirms that, other than the deviation from code provision C.2.1 of Part 2 of the CG Code, the Company has complied with all the code provisions set out in the CG Code throughout the Period.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Yet both positions in the Group are currently held by Mr. Sheng. Mr. Sheng has been primarily responsible for overseeing the Group's overall management, strategic development of the Group and major decision-making of the Group since July 1993. Taking into account the continuation of management and the implementation of business strategies, the Directors consider that it is most suitable for Mr. Sheng to hold both the positions of chief executive officer and chairman of the Board and the present arrangements are beneficial and in the interests of the Company and the shareholders as a whole. Accordingly, the Company has not segregated the roles of chairman of the Board and chief executive officer as required by C.2.1 of Part 2 of the CG Code.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules and code provisions D3.3 and D3.7 of Part 2 of the CG Code. The written terms of reference of the audit committee was adopted in compliance with the code provisions of the CG Code. Its terms of reference are available on the websites of the Company and the Stock Exchange. The audit committee consists of three independent non-executive Directors, namely Mr. Tso Ping Cheong Brian (Chairman), Mr. Ma Lingfei and Mr. Zheng Yong. The primary duties of the audit committee are to review and supervise the Company's financial reporting process, financial control, internal control and risk management systems of the Group and to provide advice and comments on the Group's draft annual reports and accounts, half year reports and quarterly reports to the Board.

OTHER INFORMATION

The unaudited condensed consolidated results of the Group for the Period have been reviewed by the audit committee and the audit committee is of the view that such report is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

By order of the Board

Shenglong Splendecor International Limited

Sheng Yingming

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 10 May 2023

As at the date of this report, the Directors of the Company are:

Executive Directors

Mr. Sheng Yingming (*Chairman and Chief Executive Officer*)

Mr. Fang Xu

Ms. Sheng Sainan

Independent Non-executive Directors

Mr. Ma Lingfei

Mr. Tso Ping Cheong Brian

Mr. Zheng Yong