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CHINA SHUN KE LONG HOLDINGS LIMITED

中國順客隆控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 974)

ANNOUNCEMENT

PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE AND RESUMPTION OF TRADING

This announcement is made by China Shun Ke Long Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

THE MEMORANDUM OF UNDERSTANDING

The Company was informed that Mr. Lao Songsheng (“**Mr. Lao**”), Shun Ao Holdings Limited (“**Shun Ao**”), Golden Prime Holdings Limited (“**Golden Prime**”), Xing Nong Holdings Limited (“**Xing Nong**”) and Jian Nong Holdings Limited (“**Jian Nong**”, who together with Mr. Lao, Shun Ao, Golden Prime and Xing Nong, collectively as the “**Vendors**”) and Green Industrial (HK) Holding Co., Limited (綠色實業(香港)有限公司) (the “**Potential Purchaser**”) entered into a conditional memorandum of understanding (the “**MOU**”) on 10 December 2016 in relation to the Proposed Acquisition (as defined below).

Shun Ao, Golden Prime, Xing Nong and Jian Nong are incorporated in the British Virgin Islands with limited liability, which directly hold 12,892,000 shares of Company (“**Shares**”), 106,806,460 Shares, 55,299,773 Shares and 25,974,367 Shares, respectively, representing approximately 4.44%, 36.77%, 19.04% and 8.94% of the issued share capital of the Company, respectively, and the Vendors collectively hold 200,972,600 Shares, representing 69.19% of the issued share capital of the Company, as at the date of this announcement. Mr. Lao is the chairman and an executive director of the Company, and directly or indirectly holds approximately 100%, 34.6%, 7.4% and 17.2% of the issued share capital of Shun Ao, Golden Prime, Xing Nong and Jian Nong, respectively, and the remaining issued share capital of Golden Prime, Xing Nong and Jian Nong was held by individual shareholders including employees of the Company and its subsidiaries.

The Potential Purchaser is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Hainan Daji Internet Trade Ltd.* (海南大集網絡貿易有限公司), a company incorporated in the People’s Republic of China (“**PRC**”), which is in turn a wholly-owned subsidiary of Hainan Daji Supply Chain Management Ltd.* (海南大集供應鏈管理有限公司). Hainan Daji Supply Chain Management Ltd.* (海南大集供應鏈管理有限公司) is a company incorporated in the PRC, which is in turn a wholly-owned subsidiary of Hainan Gongxiao Daji Holding Ltd.* (海南供銷大集控股有限公司). Hainan Gongxiao Daji Holding Ltd.* (海南供銷大集控股有限公司) is a company incorporated in the PRC, which is in turn a wholly-owned subsidiary of Xi’An Minsheng Group Co., Ltd.* (西安民生集團股份有限公司) (“**Xi’An Minsheng**”). Xi’An Minsheng is a company listed on the Shenzhen Stock Exchange trading under the stock code 000564 and is principally engaged in retail chain and department store businesses in the PRC.

Subsequent to the reorganisation of Hainan Gongxiao Daji Holding Ltd.* (海南供銷大集控股有限公司), Xi’An Minsheng intends to develop its business in Pearl River Delta and offshore capital market. With such intention, Xi’An Minsheng entered into the MOU in relation to the Proposed Acquisition.

As confirmed by the directors of Xi’An Minsheng, signing of the MOU will not adversely affect the business and financial results of Xi’An Minsheng in a material respect. It is expected that the signing and the completion of the Formal Agreement (as defined below) will enhance the development of the business of Xi’An Minsheng.

The directors of the Company confirmed that the Potential Purchaser and its ultimate beneficial owners are third parties independent of and not connected or acting in concert with the Company or any of its connected persons.

The major intentions stated in the MOU are set out below:

The Proposed Acquisition

Pursuant to the MOU, it is intended that subject to and conditional upon (i) the completion of a due diligence exercise (the “**Due Diligence**”) to the satisfaction of the Potential Purchaser; (ii) each of the Vendors having obtained all necessary and sufficient approvals and authorisations (including shareholders’ approval in relation to the Proposed Acquisition (as defined below)); and (iii) the Vendors collectively being willing to sell not less than 51% of the issued share capital of the Company to the Potential Purchaser, the Potential Purchaser (or its nominee) will enter into a formal sale and purchase agreement (the “**Formal Agreement**”) with the Vendors to acquire from the Vendors not less than 148,134,000 ordinary shares of HK\$0.01 each in the share capital of the Company, representing not less than 51% of the share capital of the Company (“**Proposed Acquisition**”). Upon completion of the Proposed Acquisition, the Vendors will (individually or collectively) hold not more than 52,838,600 Shares, representing not more than 18.19% of the issued share capital of the Company.

Formal sale and purchase agreement

The parties agreed that after necessary authorisation has been obtained by Golden Prime, Jian Nong and Xing Nong, respectively and before the end of the Exclusivity Period (as defined below) (or such other period as the parties may mutually agree), they will, in good faith, negotiate and enter into the Formal Agreement reflecting the indicative terms of the MOU and setting out, among other things, the conditions precedent to the Formal Agreement.

One of the conditions precedent to the completion of the Formal Agreement is that the Formal Agreement and the transactions contemplated thereunder have been approved by the shareholders of Xi’An Minsheng in accordance with the listing rules of the Shenzhen Stock Exchange and other applicable rules and regulations.

The possible offer

Subject to the signing and the completion of the Formal Agreement, the Proposed Acquisition, if materialised, will lead to a change in control of the Company and the Potential Purchaser will acquire more than 30% of the voting rights of the Company, giving rise to an obligation on the part of the Potential Purchaser to make a mandatory general offer (the “**Possible Offer**”) to acquire all the issued Shares (other than those already owned by the Potential Purchaser or any parties acting in concert with it) in accordance with Rule 26.1 of the Takeovers Code.

Exclusivity

Within the period of 50 days from 1 December 2016 and upon agreement to extend to a date that is on or before the 30th business day after the issue of the 2016 annual results of the Company, which is expected to be not later than 30 May 2017 (the “**Exclusivity Period**”), each of the Vendors shall not directly or indirectly discuss or negotiate with any third parties other than the Potential Purchaser in respect of the sale of any Shares.

Nature of the MOU

The MOU is not legally binding, save for the provisions relating to the minimum percentage of the issued share capital of the Company to be sold by the Vendors and purchased by the Potential Purchaser, the price for the Potential Acquisition, the Due Diligence, the Exclusivity Period, the governing law of the MOU and the Formal Agreement, confidentiality, obligation to disclosure and cost and expenses. The MOU will become effective upon approval of the MOU and the transaction contemplated thereunder by the shareholders of Shun Ao, Golden Prime, Xing Nong and Jian Nong.

Shareholders and potential investors should be aware that there is no assurance that the Potential Acquisition or any other transaction mentioned in this announcement will materialise or eventually be consummated and the discussions may or may not lead to a general offer. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares and/or other securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

Save for the above, the Board is not aware of any inside information that needs to be disclosed under Part XIVA of the SFO.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Offer will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

DISCLOSURE OF DEALINGS

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company comprised 290,457,000 Shares as at the date of this announcement. Save for the aforesaid, the Company has no other relevant securities as at the date hereof.

Associates (as defined in the Takeovers Code and including, among others, persons who own or control 5% or more of the relevant securities) of the Company and the Potential Purchaser are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them.

Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7day period is less than \$1million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

TRADING HALT AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 12 December 2016 pending the release of this announcement.

Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 December 2016.

By order of the Board
China Shun Ke Long Holdings Limited
Lao Songsheng
Chairman

Hong Kong, 12 December 2016

As at the date of this announcement, the executive Directors are Mr. Lao Songsheng, Ms. Wang Yanfen and Mr. Wu Zhaohui; the non-executive Directors are Mr. Chen Yijian, Ms. Lao Weiping and Ms. Zhang Bei; and the independent non-executive Directors are Mr. Guan Shiping, Mr. Sun Hong and Mr. Shin Yick Fabian.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

**English translation of company name from the Chinese language is marked with “*” and is provided for identification purposes only*