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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
UPDATE ON THE PROPOSED ACQUISITION PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE**

Reference is made to the announcement of the Company dated 12 December 2016 (the “**Announcement**”) made pursuant to Rule 3.7 of Takeovers Code. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Announcement.

UPDATE ON THE PROPOSED ACQUISITION

Update on the MOU

As stated in the Announcement, 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, respectively.

The Company was informed that the shareholders of Shun Ao, Golden Prime, Xing Nong and Jian Nong, either by way of written resolutions or resolutions passed in general meetings held on 12 December 2016, had approved the MOU and the Proposed Acquisition subsequent to the publication of the Announcement. Accordingly, the MOU has become effective from 12 December 2016.

Expected consideration for the Proposed Acquisition

The following disclosure is made in accordance with the requirements of the Shenzhen Stock Exchange. Under the MOU, the consideration for the Proposed Acquisition will be HK\$3.93-HK\$3.95 per Share. Assuming that the Formal Agreement in respect of the Proposed Acquisition will be entered into and that the Possible Offer will be triggered such that the Potential Purchaser will acquire 100% of the issued share capital of the Company, the expected maximum consideration for the Proposed Acquisition and the Possible Offer will not reach 50% or above of the net asset value of Xi'An Minsheng as at 31 December 2015.

At as the date of this announcement, other than the MOU, no formal agreement has been entered into between the Vendors and the Potential Purchaser in respect of or in connection with the Proposed Acquisition. As disclosed in the Announcement, the completion of the Proposed Acquisition is subject to certain conditions precedent. Such conditions include filings with and/or approvals from the Ministry of Commerce of the PRC (in relation to potential anti-trust notification and clearance), the local development and reform commission in the PRC, the local bureau of commerce in the PRC and the State Administration of Foreign Exchange of the PRC.

Shareholders and potential investors should be aware that there is no assurance that the Proposed 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.

Further announcement(s) setting out the progress of the Proposed Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules and the Takeovers Code (as the case may be). In accordance with Rule 3.7 of the Takeovers Code, monthly announcements will be made until 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.

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

Hong Kong, 13 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.