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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

**CONTINUING CONNECTED TRANSACTIONS
UNDER THE SALE OF GOODS (2021) AGREEMENT
AND
THE PURCHASE OF GOODS (2021) AGREEMENT**

On 12 November 2020, the Company (for itself and on behalf of its subsidiaries) entered into the Sale of Goods (2021) Agreement and the Purchase of Goods (2021) Agreement with CCOOP (for itself and on behalf of its subsidiaries).

THE SALE OF GOODS (2021) AGREEMENT

The Sale of Goods (2021) Agreement serves as a framework to govern the sale of SKL Goods from the Group to CCOOP Group. It sets out the principles and basis in particular with respect to the pricing on which the sale of SKL Goods may be conducted.

The Sale of Goods (2021) Agreement is conditional on the approval of the Independent Shareholders at the EGM. If approved, the Sale of Goods (2021) Agreement will effectively renew the Sale of Goods (2018) Agreement which is scheduled to expire at the end of this year and will be for a term of three years commencing on 1 January 2021 and expiring on 31 December 2023.

It is proposed that the annual caps for the sale of SKL Goods under the Sale of Goods (2021) Agreement be set at RMB 60 million for 2021, RMB 80 million for 2022 and RMB 100 million for 2023.

THE PURCHASE OF GOODS (2021) AGREEMENT

The Purchase of Goods (2021) Agreement serves as a framework to govern the purchase of CCOOP Goods by the Group from CCOOP Group. It sets out the principles and basis in particular with respect to the pricing on which the purchase of CCOOP Goods may be conducted.

The Purchase of Goods (2021) Agreement is conditional on the approval of the Independent Shareholders at the EGM. If approved, it will be for a term of three years commencing on 1 January 2021 and expiring on 31 December 2023. It is proposed that the annual caps for the purchase of CCOOP Goods under the Purchase of Goods (2021) Agreement be set at RMB 20 million for 2021, RMB 40 million for 2022 and RMB 60 million for 2023.

LISTING RULES IMPLICATIONS

CCOOP is a controlling shareholder indirectly holding approximately 70.42% of the issued shares of the Company through CCOOP International Holdings Limited. Therefore, CCOOP is a connected person of the Company, and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Agreements, the Transactions and the proposed annual caps are subject to the announcement, circular, independent shareholders' approval, annual review and reporting requirements in Chapter 14A of the Listing Rules.

EGM

The Company will convene the EGM at which ordinary resolutions will be proposed for the Independent Shareholders to consider, if thought fit, approve the Agreements, the Transactions and the proposed annual caps. CCOOP International Holdings Limited and its associates are required to abstain from voting on the resolutions proposed at the EGM.

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide voting recommendation to the Independent Shareholders in relation to the Agreements, the Transactions (including the proposed annual caps).

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

A circular (together with the notice convening the EGM) is expected to be despatched by the Company to the Shareholders on or before 2 December 2020.

THE SALE OF GOODS (2021) AGREEMENT

Reference is made to the announcement of the Company dated 8 June 2018 in relation to the Sale of Goods (2018) Agreement.

On 12 November 2020, the Company (for itself and on behalf of its subsidiaries) entered into the Sale of Goods (2021) Agreement with CCOOP (for itself and on behalf of its subsidiaries). The Sale of Goods (2021) Agreement serves as a framework to govern the sale of SKL Goods from the Group to CCOOP Group. It sets out the principles and basis in particular with respect to the pricing on which the sale of SKL Goods may be conducted.

The principal terms of the Sale of Goods (2021) Agreement are set forth below:

- Date : 12 November 2020
- Parties : (1) The Company (for itself and on behalf of its subsidiaries); and
(2) CCOOP (for itself and on behalf of its subsidiaries) (a controlling shareholder of the Company)
- Subject Matter : The Sale of Goods (2021) Agreement sets out the principles and basis on which the sale of SKL Goods from the relevant members of the Group to the relevant members of CCOOP Group for their retail business and internal consumption may be made.
- Condition Precedent : The Sale of Goods (2021) Agreement is conditional upon the approval of the Independent Shareholders at the EGM. If approved, the Sale of Goods (2021) Agreement will effectively renew the Sale of Goods (2018) Agreement which is scheduled to expire at the end of this year.
- If the approval is not granted on or before 31 December 2020 (or such later date as may be set by mutual agreement between the Company and CCOOP), the Sale of Goods (2021) Agreement shall terminate and no party shall have any obligation thereunder.
- Term : Subject to the satisfaction of the condition precedent, the Sale of Goods (2021) Agreement will be for a term of three years commencing on 1 January 2021 and expiring on 31 December 2023.
- Pricing basis : The price of SKL Goods will be determined after arm's length negotiation on a cost plus basis and case-by-case basis. The percentage markup will be determined by a number of factors including (i) the price set for SKL Goods in previous transactions; (ii) the then prevailing market prices of SKL Goods and of similar products; and (iii) the discount offered by the Group to other third party wholesaling customers. The percentage markup of the cost-plus basis is usually in the range of 2% to 5% for wholesale of products similar to SKL Goods. The price of SKL Goods offered to CCOOP Group should be not less than the price offered to other third party customers ordering similar quantity and product mix of SKL Goods on similar conditions such as credit terms and delivery requirements.

- Credit terms and other terms : The credit terms, settlement method, delivery arrangement and other terms will be determined by the parties after arm's length negotiation on a case-by-case basis. They should be no more favourable than the terms on which the Group offered to other third party customers in similar situations.
- Others : If the performance of its obligations of any transactions under the Sale of Goods (2021) Agreement will render the Company to be in breach of the Listing Rules (including where any annual cap for any particular year will be exceeded), the Company shall have a right to suspend or delay the performance of such obligations. No party shall have any rights to claim against each other under such circumstances.

Annual caps and transaction amounts under the Sale of Goods (2018) Agreement

The annual caps and transaction amounts in respect of the sale of SKL Goods under the Sale of Goods (2018) Agreement were as follows:

| | For the year ended 31 December | | For the year ending 31 December |
|---------------------------|---|---------------------------------|--|
| | 2018 | 2019 | 2020 |
| | approximately <i>RMB'000</i> | approximately <i>RMB'000</i> | approximately <i>RMB'000</i> |
| Annual cap | 20,000 | 26,000 | 26,000 |
| Actual transaction amount | 3,221 | 5,432 | Nil (for the ten months ended 31 October 2020) 16,000 (expected for the year ending 31 December 2020) |
| Utilisation rate | 16.11% | 20.89% | Nil (for the ten months ended 31 October 2020) 61.54% (expected for the year ending 31 December 2020) |

Proposed annual caps under the Sale of Goods (2021) Agreement

The proposed annual caps in respect of the sale of SKL Goods pursuant to the Sale of Goods (2021) Agreement are as follows:

| | For the year ending 31 December | | |
|---|---------------------------------|---------|---------|
| | 2021 | 2022 | 2023 |
| | RMB'000 | RMB'000 | RMB'000 |
| Proposed annual caps under the Sale of Goods (2021) Agreement | 60,000 ^(Note) | 80,000 | 100,000 |

Note: the proposed annual cap for the financial year ending 31 December 2021 is estimated on the assumption that the Sale of Goods (2021) Agreement will commence on 1 January 2021

During the term of the Sale of Goods (2018) Agreement, the Group focuses its business in Guangdong Province whereas CCOOP Group carries on its business nationwide with focus on Shaanxi Province and Hainan Province. Given the difference in preference of customers in different regions of the PRC, the volume of sales of SKL Goods to CCOOP Group is relatively low for the two years ended 31 December 2019 and for the ten months ended 31 October 2020 when compared to the annual caps set for the three years ending 31 December 2020.

With the benefit of the national policies of developing the western region and the establishment of Hainan Free Trading Port, the Board has decided to expand the business of the Group to Shaanxi Province and Hainan Province to capture the business opportunities. As the first step of its expansion and for cost-efficient reason, the Group will focus on wholesaling its products in the new markets. Leverage on the extensive network of CCOOP Group in the potential markets and with the benefit of a group, the Group has identified CCOOP Group as its partner in its expansion in the new markets. The Group has agreed to sell its products to CCOOP Group with estimated contract value of approximately RMB16,000,000 in November and December 2020. In line with the Group's business expansion, the transaction amount in respect of the sale of SKL Goods to CCOOP Group is expected to increase significantly in the coming years.

The proposed annual caps in respect of the sale of SKL Goods by the Group to CCOOP Group pursuant to the Sale of Goods (2021) Agreement for the three years ending 31 December 2023 are determined by reference to various factors, including but not limited to, (i) the quantity demanded by CCOOP Group for SKL Goods as estimated by CCOOP Group on a without-commitment basis; (ii) the historical transaction amounts under the Sale of Goods (2018) Agreement; (iii) the growth in demand of SKL Goods following the Group's expansion plan to expand the Group's sales channel geographically across the PRC, including but not limited to Northwest China (such as Shaanxi Province) and Hainan Province, where CCOOP Group has established sales and procurement network; (iv) the costs of SKL Goods and the cost-plus basis adopted by the Group; and (v) the expected market prices of SKL Goods.

The proposed annual caps in respect of the sale of SKL Goods by the Group to CCOOP Group pursuant to the Sale of Goods (2021) Agreement are a genuine and reasonable estimate by the Board based on information currently available. There is no commitment on the part of the parties to the transactions as to the future volume, pricing or frequency of the transactions for the relevant years.

THE PURCHASE OF GOODS (2021) AGREEMENT

On 12 November 2020, the Company (for itself and on behalf of its subsidiaries) entered into the Purchase of Goods (2021) Agreement with CCOOP (for itself and on behalf of its subsidiaries). The Purchase of Goods (2021) Agreement serves as a framework to govern the purchase of CCOOP Goods by the Group from CCOOP Group. It sets out the principles and basis in particular with respect to the pricing on which the purchase of CCOOP Goods may be conducted.

The principal terms of the Purchase of Goods (2021) Agreement are set forth below:

- Date : 12 November 2020
- Parties : (1) The Company (for itself and on behalf of its subsidiaries); and
(2) CCOOP (for itself and on behalf of its subsidiaries) (a controlling shareholder of the Company)
- Subject Matter : The Purchase of Goods (2021) Agreement sets out the principles and basis on which the purchase of CCOOP Goods by the relevant members of the Group from the relevant members of the CCOOP Group for its retail business and internal consumption may be made.
- Condition Precedent : The Purchase of Goods (2021) Agreement is conditional upon the approval of the Independent Shareholders at the EGM.

If the approval is not granted on or before 31 December 2020 (or such later date as may be set by mutual agreement between the Company and CCOOP), the Purchase of Goods (2021) Agreement shall terminate and no party shall have any obligation thereunder.
- Term : Subject to the satisfaction of the condition precedent, the Purchase of Goods (2021) Agreement will be for a term of three years commencing on 1 January 2021 and expiring on 31 December 2023.
- Pricing basis : The price of CCOOP Goods will be determined after arm's length negotiation on a case-by-case basis, with reference to (i) the prevailing and historical market price of CCOOP Goods; (ii) the then prevailing market prices of similar products; and (iii) the discounts offered by CCOOP Group to other third parties customers for wholesaling. The price of CCOOP Goods should not be higher than the price offered by other third party suppliers to the Group for CCOOP products with similar quantity and product mix on similar terms.

- Credit terms and other terms : The credit terms, settlement method, delivery arrangement and other terms will be determined by the parties after arm's length negotiation on a case-by-case basis. They should be no less favourable than the terms on which other third party suppliers offered to the Group in similar situations.
- Others : If the performance of its obligations of any transactions under the Purchase of Goods (2021) Agreement will render the Company to be in breach of the Listing Rules (including where any annual cap for any particular year will be exceeded), the Company shall have a right to suspend or delay the performance of such obligations. No party shall have any rights to claim against each other under such circumstances.

Proposed annual caps under the Purchase of Goods (2021) Agreement

In the past, the Group occasionally purchased CCOOP Goods from CCOOP Group. The transaction amounts in respect of the purchase of CCOOP Goods were approximately RMB1,441,000, nil and nil for the year ended 31 December 2018, for the year ended 31 December 2019 and for the ten months ended 31 October 2020 respectively.

The proposed annual caps in respect of the purchase of CCOOP Goods pursuant to the Purchase of Goods (2021) Agreement are as follows:

| | For the year ending 31 December | | |
|---|--|----------------|----------------|
| | 2021 | 2022 | 2023 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Proposed annual caps under the Purchase of Goods (2021) Agreement | 20,000 [#] | 40,000 | 60,000 |

[#] the proposed annual cap for the financial year ending 31 December 2021 is estimated on the assumption that the Purchase of Goods (2021) Agreement will commence on 1 January 2021

The proposed annual caps in respect of the purchase of CCOOP Goods by the Group from CCOOP Group pursuant to the Purchase of Goods (2021) Agreement for the three years ending 31 December 2023 are determined by reference to various factors, including but not limited to, (i) the types and quantities of CCOOP Goods that may be demanded by the customers of the Group; (ii) the historical transaction amounts; (iii) the Group's expansion plan to expand the Group's sales channel into online sales platform; (iv) the Group's expansion plan to source products across the PRC; (v) the current price of CCOOP Goods; and (vi) the buffer for possible increase in the price of CCOOP Goods.

The proposed annual caps in respect of the purchase of CCOOP Goods by the Group from CCOOP Group pursuant to the Purchase of Goods (2021) Agreement are a genuine and reasonable estimate by the Board based on information currently available. There is no commitment on the part of the parties to the transactions as to the future volume, pricing or frequency of the transactions for the relevant years.

INTERNAL CONTROL

The Group has adopted the following internal control measures to ensure that the Transactions will be conducted in accordance with the pricing policies and the principles set out in the Agreements, and in compliance with the Listing Rules:

- (i) as to the Sale of Goods (2021) Agreement:
 - (1) a designated sales team will oversee the transactions between the Group and CCOOP Group and will draw up the price and the terms on which the Group will offer to CCOOP Group against those offered by the Group to other third party customers ordering similar quantity and product mix of SKL Goods or on similar conditions; and
 - (2) before entering into a transaction under the Sale of Goods (2021) Agreement, the designated sales team will check the Group's purchase records to ensure SKL Goods to be sold to CCOOP Group are not those purchased from CCOOP Group under the Purchase of Goods (2021) Agreement;
- (ii) as to the Purchase of Goods (2021) Agreement
 - (1) a designated procurement team will oversee the transactions between the Group and CCOOP Group and will obtain quotation from at least two independent third party suppliers and will compare the quotation of CCOOP Group and the other independent third party suppliers;
 - (2) the Group will consider the price, credit terms, quality, delivery arrangements, etc. of the suppliers and will order from the supplier with lowest quotation provided that other terms are comparable; and
 - (3) before entering into a transaction under the Purchase of Goods (2021) Agreement, the designated procurement team will check the Group's sales records to ensure the CCOOP Goods to be purchased from CCOOP Group are not those sold to CCOOP Group under the Sale of Goods (2021) Agreement;
- (iii) the designated teams will review the terms of each transaction with CCOOP Group to ensure that such transaction will be conducted in accordance with the terms of the Sale of Goods (2021) Agreement or the Purchase of Goods (2021) Agreement and the relevant pricing shall be fair and reasonable and in accordance with the pricing policies to ensure the price and the terms are reasonable and no better than those offered by the Group to other third party customers or no less favourable than those offered by other third party supplier offered to the Group, respectively;
- (iv) the designated teams will prepare a ledger on the transaction amounts periodically and report to the chief executive officer of the company periodically to ensure the annual caps will not be exceeded;
- (v) the Board will continue to review the Group's internal control systems and their effectiveness periodically; and

- (vi) the independent non-executive Directors shall, and the Group shall engage its external auditors to, conduct annual review on the continuing connected transactions and the proposed annual caps in accordance with the requirements of the Listing Rules.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Board considered the following factors:

- (i) the sale of SKL Goods to CCOOP Group and the purchase of CCOOP Goods from CCOOP Group are within the ordinary course of business of the Group;
- (ii) as to the Sale of Goods (2021) Agreement:
 - (1) CCOOP Group has been one of the bulk purchase customers of the Group and brings a stable stream of income to the Group;
 - (2) CCOOP is a credit-worthy customer and has settled its payment to the Group on time;
 - (3) the Group will benefit from the sales and procurement network of CCOOP Group in Northwest China (such as Shaanxi Province) and Hainan Province and its online sale platform in implementation of its aforesaid business plan; and
 - (4) the gross profit margin of the sale of SKL Goods to CCOOP Group is comparable to the gross profit margin of the business of the Group;
- (iii) as to the Purchase of Goods (2021) Agreement:
 - (1) the Group is satisfied with the goods purchased from CCOOP Group in the past years, including the quality of products and delivery time, and intends to continue purchasing CCOOP Goods from CCOOP Group for its operation;
 - (2) with the extensive procurement network of CCOOP Group for domestic goods, the Group may source various kinds of products from CCOOP Group at a relatively low price for its retail and wholesale business and this will add variety to the collection of products that may be offered by the Group to its retail customers;
 - (3) With the benefit of CCOOP Group's sourcing channels for imported goods, the Group may purchase certain hot imported items, which are offered to CCOOP Group only but not the Group, from CCOOP Group directly and this will add variety to the collection of products that may be offered by the Group to its customers;

the Directors (excluding the independent non-executive Directors whose views will be set out in the circular to be issued by the Company) are of the view that the terms of the Agreements and the Transactions (including proposed annual caps) are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

CCOOP is a company listed on the Shenzhen Stock Exchange trading under the stock code 000564 and is principally engaged in the retail chain and department store businesses in the PRC.

The Group is a supermarket chain store operator maintaining both retail and wholesale distribution channels with geographical focus in Guangdong province of the PRC.

LISTING RULES IMPLICATIONS

CCOOP is a controlling shareholder indirectly holding approximately 70.42% of the issued shares of the Company through CCOOP International Holdings Limited. Therefore, CCOOP is a connected person of the Company, and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Agreements, the Transactions and the proposed annual caps are subject to the announcement, circular, independent shareholders' approval, annual review and reporting requirements in Chapter 14A of the Listing Rules.

The Company will convene the EGM at which ordinary resolutions will be proposed for the Independent Shareholders to consider, if thought fit, approve the Agreements, the Transactions and the proposed annual caps. CCOOP International Holdings Limited and its associates are required to abstain from voting on the resolutions proposed at the EGM.

Mr. Du Xiaoping, Mr. Han Wei and Mr. Wang Fu Lin, who hold directorship or managerial position in CCOOP, had abstained from voting on the resolution of the Board in respect of the Agreements, the Transactions and the proposed annual caps.

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Agreements and as to how to vote at the EGM on the resolutions in relation to the Agreements and the Transactions (including the proposed annual caps), after taking into account the advice from the Independent Financial Adviser. No member of the Independent Board Committee has any material interest in the Agreements and Transactions.

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

A circular together with the notice convening the EGM will be despatched by the Company to the Shareholders on or before 2 December 2020. The circular will contain the information required by the Listing Rules, including, among other things, (i) details of the Sale of Goods (2021) Agreement and the proposed annual caps; (ii) details of the Purchase of Goods (2021) Agreement and the proposed annual caps; (iii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Agreements and the Transactions (including proposed annual caps); and (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the Transactions (including proposed annual caps).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

| | |
|--------------------|--|
| “Agreements” | means the Sale of Goods (2021) Agreement and the Purchase of Goods (2021) Agreement; |
| “associate” | has the meaning as ascribed to it under the Listing Rules; |
| “Board” | means the board of Directors; |
| “CCOOP” | means CCOOP Group Co., Ltd. (供銷大集集團股份有限公司), a company established in the PRC on 5 December 1996 (listed on the Shenzhen Stock Exchange trading under the stock code 000564), which is indirectly holding approximately 70.42% of the issued Shares of the Company as of the date of this announcement and is therefore a controlling shareholder of the Company; |
| “CCOOP Goods” | means all goods sold or to be sold by CCOOP Group, including but not limited to non-staple foods, fresh food, daily consuming products, cosmetics, clothing, home appliances, but excluding any goods to be sold or contracted to be sold under the Sale of Goods (2021) Agreement; |
| “CCOOP Group” | means CCOOP and its subsidiaries; |
| “Company” | means China Shun Ke Long Holdings Limited (中國順客隆控股有限公司) (stock code: 974), a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange; |
| “connected person” | has the same meaning ascribed to it under the Listing Rules; |

| | |
|---------------------------------|---|
| “Director(s)” | means (a) director(s) of the Company; |
| “EGM” | means the extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve, inter alia, the Agreements and the Transactions (including the proposed annual caps), or any adjournment thereof; |
| “Group” | means the Company and its subsidiaries; |
| “HK\$” | means Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | means Hong Kong Special Administrative Region of the PRC; |
| “Independent Board Committee” | means an independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Cheng Hok Kai Frederick, Mr. Wang Yilin and Mr. Zou Pingxue, formed for the purpose of advising the Independent Shareholders in respect of, among other things, the Agreements and the Transactions (including the proposed annual cap); |
| “Independent Financial Adviser” | Altus Capital Limited, a corporation licensed to carry out Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on, among other matters, the fairness and reasonableness of the Agreements and the Transactions (including the proposed annual cap); |
| “Independent Shareholders” | the Shareholders who are not interested in the Agreements or the Transactions (including the proposed annual caps) and are not required under the Listing Rules to abstain from voting at the EGM; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Stock Exchange; |
| “PRC” or “China” | means the People’s Republic of China; |

| | |
|--------------------------------------|---|
| “Purchase of Goods (2021) Agreement” | means the master goods purchase agreement dated 12 November 2020 entered into between the Company (for itself and on behalf of its subsidiaries) and CCOOP (for itself and on behalf of its subsidiaries) in respect of the purchase of CCOOP Goods; |
| “RMB” | means Renminbi, the lawful currency of the PRC; |
| “Sale of Goods (2018) Agreement” | means the master goods sale agreement dated 8 June 2018 entered into between the Company (for itself and on behalf of its subsidiaries) and CCOOP (for itself and on behalf of its subsidiaries) in respect of the sale of SKL Goods; |
| “Sale of Goods (2021) Agreement” | means the master goods sale agreement dated 12 November 2020 entered into between the Company (for itself and on behalf of its subsidiaries) and CCOOP (for itself and on behalf of its subsidiaries) in respect of the sale of SKL Goods; |
| “SKL Goods” | means all goods sold or to be sold by the Group, including but not limited to non-staple foods, fresh food, daily consuming products, cosmetics, clothing, home appliances, but excluding any goods to be purchased or contracted to be purchased under the Purchase of Goods (2021) Agreement; |
| “Share(s)” | means share(s) of HK\$0.01 each in the share capital of the Company; |
| “Shareholder(s)” | means holder(s) of Share(s); |
| “Stock Exchange” | means The Stock Exchange of Hong Kong Limited; |
| “subsidiaries” | has the same meaning ascribed to it under the Listing Rules; |
| “Transactions” | means the transactions contemplated under the Agreements; and |
| “%” | means per cent. |

By order of the Board
China Shun Ke Long Holdings Limited
Du Xiaoping
Chairman and Executive Director

Hong Kong, 12 November 2020

As at the date of this announcement, the executive Directors are Mr. Du Xiaoping and Mr. Han Wei; the non-executive Director is Mr. Wang Fu Lin; and the independent non-executive Directors are Mr. Cheng Hok Kai Frederick, Mr. Wang Yilin and Mr. Zou Pingxue.