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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Long Success International (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of Long Success International (Holdings) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Long Success International (Holdings) Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular has been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



**Long Success International (Holdings) Limited**  
**百齡國際 (控股) 有限公司\***

*(Incorporated in Bermuda with limited liability)*  
(Stock code: 8017)

- (1) RE-ELECTION OF DIRECTORS**
- (2) GENERAL MANDATE TO REPURCHASE SHARES AND ISSUE SHARES**
- (3) AMENDMENTS TO THE BYE-LAWS**
- (4) ADOPTION OF SHARE OPTION SCHEME**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of the Company to be held at Beijing Suite III, 3/F, Prince Hotel, Harbour City, No. 23 Canton Road, Kowloon, Hong Kong on 21 August 2006 at 3:00 p.m., is set out on page 21 of this circular. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 46/F, Hopewell Centre, 183 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjourned meeting should you so wish.

*This Circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of posting.*

*\* For identification only*

27 July, 2006

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LETTER FROM THE BOARD

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**Long Success International (Holdings) Limited**  
**百齡國際(控股)有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 8017)

*Executive Directors*

Mr. Wong Kam Leong  
Mr. Lai Cho Wai  
Mr. Ma Chon  
Mr. Lau Chiu Pui

*Registered office*

Canon's Court  
22 Victoria Street  
Hamilton HM 12, Bermuda

*Independent non-executive Directors*

Mr. Ng Kwok Chu, Winfield  
Mr. Ng Chau Tung, Robert  
Mr. Ieong Meng Wa

*Principal Office*

2007-9  
China Resources Building  
26 Harbour Road  
Wanchai, Hong Kong

*To the Shareholders of the Company*

27 July, 2006

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS**  
**GENERAL MANDATE TO REPURCHASE SHARES AND ISSUE SHARES**  
**AMENDMENTS TO THE BYE-LAWS**  
**ADOPTION OF SHARE OPTION SCHEME**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information to:

- (a) the re-election of directors who are due to retire at the annual general meeting to be held on 21 August 2006 (the "AGM");

\* For identification only

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## LETTER FROM THE BOARD

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- (b) grant of a general mandate to the directors of the Company (the “Directors”) to repurchase and issue shares of the Company (the “Shares”);
- (c) amend the Bye-Laws of the Company (the “Bye-Laws”) to reflect the recent amendments to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”);
- (d) adopt a share option scheme, a summary of the principal terms of which are set out in Appendix III to this Circular (the “Share Option Scheme”); and
- (e) give you notice of the AGM at which ordinary and special resolutions will be proposed to consider and, if thought fit, to approve items (a) to (d) above.

### RE-ELECTION OF DIRECTORS

In accordance with Bye-Law No. 99 of the Company’s Bye-Laws, Mr. Lau Chiu Pui, Mr. Ma Chon, Mr. Ng Kwok Chu, Winfield, Mr. Ng Chau Tung, Robert and Mr. Jeong Meng Wa will retire from office by rotation and be eligible for re-election at the AGM. Biographical details in respect of these directors required to be disclosed pursuant the GEM Listing Rules are set out in Appendix I to this circular.

### GENERAL MANDATE TO REPURCHASE SHARES (“REPURCHASE MANDATE”)

At the AGM of the Company to be held on 21 August 2006, an ordinary resolution will be proposed to grant an unconditional general mandate to the Directors to exercise all the powers of and on behalf of the Company to repurchase its issued and fully paid shares up to a maximum of 10 per cent. of the share capital of the Company in issue as at the date of passing of the resolution. An explanatory statement, as required under the GEM Listing Rules, is set out in Appendix II to this circular to provide you with the requisite information reasonably necessary to enable you to make an informed decision on the proposed resolution.

### GENERAL MANDATE TO ISSUE SHARES

The Directors will also propose at the AGM an ordinary resolution to grant to the Directors an unconditional general mandate to allot and issue Shares with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue at the date of passing of the resolution and to extend such general mandate by the shares repurchased up to a maximum number of 10 per cent. of the share capital of the Company in issue at the date of passing of the resolution by the Company.

### AMENDMENTS TO THE BYE-LAWS

Due to the enactment of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”), the Company is required to amend its Bye-Laws to reflect the relevant changes in the SFO. In addition, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has recently amended the GEM Listing Rules. The Company as a listed issuer is required to amend its Bye-Laws to ensure compliance with the amended provisions of the GEM Listing Rules at the earliest opportunity.

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## LETTER FROM THE BOARD

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In order to comply with the amended GEM Listing Rules, the Directors wish to seek the shareholders' approval at the AGM of the proposed amendments to the Bye-Laws. The proposed amendments to the Bye-Laws are summarised as follows:

- (i) new definition of "associates" will be added to bring the Bye-Laws up to date with the GEM Listing Rules. The definition of "clearing house" will be amended such that its reference to the Securities and Futures (Clearing House) Ordinance be replaced with a reference to the SFO;
- (ii) the Chairman is required to disclose the voting figures on a poll in the manner prescribed under the GEM Listing Rules;
- (iii) the minimum seven-day period for lodgment by Shareholders of the notice to nominate a Director shall commence no earlier than the day after the despatch of the notice of general meeting appointed for such election and end no later than seven days prior to the date of such general meeting;
- (iv) a Director shall abstain from voting at the Board meeting on any matter in which he or any of his associates has a material interest and not be counted towards the quorum of the relevant board meeting;
- (v) where any Shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any vote cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;
- (vi) every Director, including those appointed for a specific term, shall be subject to retirement at least once every three years;
- (vii) the removal of Directors by way of an ordinary resolution and not a special resolution; and
- (viii) Directors appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

The full text of the proposed amendments to the Bye-Laws is set out in special resolution no. 6 in the AGM Notice.

### SHARE OPTION SCHEME

The Directors propose that the Company adopt the Share Option Scheme. A summary of the principal terms of the Share Option Scheme is set out in Appendix III of this circular. A copy of the Share Option Scheme is available for inspection at the principal place of business of the Company at 2007-9, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong during normal business hours on any weekday up to and including 21st August, 2006. A share option scheme had previously been adopted by the Company but had lapsed in March 2006. There are no outstanding options under that scheme.

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## LETTER FROM THE BOARD

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The purpose of the Share Option Scheme is to provide persons eligible to be granted options pursuant to the Share Option Scheme (“Options”) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole. Persons eligible to participate are employees, Directors, advisers, consultants, licensors, distributors, suppliers, agents, customers, joint venture partners, strategic partners and service providers of the Group (“Participants”).

The Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the rules of the Share Option Scheme provide that the Board may determine, at its sole discretion, such term(s) on the grant of an Option. This determination may vary on a case by case basis but no such term(s) shall be imposed the result of which will be to the advantage of the Participants. The basis for determination of the subscription price is also specified precisely in the rules of the Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage the Participants to acquire proprietary interests in the Company.

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of that value have not been determined. Such variables include the exercise price, exercise period, any performance targets set and other relevant variables. The Directors believe that any calculation of the value of the Options as at the date of this circular based on a great number of speculative assumptions would not be meaningful and would be misleading to the shareholders.

The adoption of the Share Option Scheme is conditional upon:

- (1) the shareholders passing an ordinary resolution at the AGM to approve the adoption of the Share Option Scheme and authorising the Directors to grant Options thereunder and to allot and issue new Shares pursuant to the exercise of Options;
- (2) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to any exercise of the Options and which Shares must not in aggregate exceed 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme by resolution of the shareholders at the AGM.

If condition (2) above is not satisfied within 2 calendar months after the date of adoption of the Share Option Scheme on 21 August, 2006, the Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme.

Based on 253,030,000 Shares in issue as at 24 July, 2006, being the latest practicable date for ascertaining certain information for inclusion in this circular (“Latest Practicable Date”) and assuming that there is no change in the issued share capital of the Company before the AGM, the maximum number of Shares that can be issued upon exercise of options that may be granted under the proposed Share Option Scheme is 25,303,000 Shares.

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## LETTER FROM THE BOARD

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An application will be made to the Stock Exchange for approval of the listing of and permission to deal in the Shares that may be allotted and issued pursuant to the exercise of the Options that may be granted under the Share Option Scheme representing 10% of the issued share capital of the Company at the date of AGM. An announcement will be made by the Company in compliance with the GEM Listing Rules in respect of the outcome of the AGM for the adoption of the Share Option Scheme on the business day following the AGM.

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve, among other things, the repurchase resolution, the general mandate for Directors to issue new Shares, re-election of retiring directors, adoption of the Share Option Scheme and the special resolution to approve the proposed amendments to Bye-laws of the Company is set out on page 21 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited, the share registrars of the Company in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the meeting or any adjournment thereof. The Directors will ensure that the Company will at all times comply with Chapter 21 of the GEM Listing Rules in relation to the Share Option Scheme.

### RIGHT TO DEMAND A POLL

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded by:

- (a) the chairman of the meeting; or
- (b) at least three shareholders present in person or duly authorised corporate representative or proxy for the time being entitled to vote at the meeting; or
- (c) any shareholder or shareholders present in person or duly authorised corporate representative or proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (d) any shareholder or shareholders present in person or duly authorised corporate representative or proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

### RECOMMENDATION

The Directors consider that the granting of the general mandates referred to in this circular and the proposal for amendments of the Bye-Laws and adoption of the Share Option Scheme are in the best interests of the Company and its shareholders as a whole and so recommend shareholders to vote in favour of the resolutions at the AGM.

Yours faithfully,  
For and on behalf of the Board of  
**Long Success International (Holdings) Limited**  
**Wong Kam Leong**  
*Chairman*

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**APPENDIX I****BIOGRAPHY OF DIRECTORS PROPOSED TO  
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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*The biography of the Directors who will retire from office by rotation at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out as follows:*

**Mr. Ma Chon**

Executive Director, aged 48, and was appointed by the Company on 27 November 2005. Mr. Ma is a director of private property trading and development company in Macau. He was also the marketing manager of the LEROY VIP Lounge in the Lisboa Casino in Macau. He has vast experience in the gaming industry in Macau, in particular, in relation to the management of VIP lounges in casinos, formulating marketing policies of VIP lounges.

Mr. Ma Chon does not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company for the purpose of the GEM Listing. He has no interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ma Chon did not hold any directorship in any listed company in the past three years before the date of this announcement.

There is no service contract between the Company and Mr. Ma Chon. He is entitled to an annual salary of HK\$240,000 after being appointed as an executive Director which is based on his experience, responsibility, workload and time devoted to the Company and its subsidiaries. Mr. Ma Chon is subject to retirement by rotation and re-election pursuant to the byelaws of the Company.

**Mr. Lau Chiu Pui, Duncan**

Executive Director, aged 49, Mr. Lau has over 20 years' experience in the information technology industry. He is also the Chairman of the Hong Kong Wireless Technology Industry Association and the co-founder and council member of the Information and Software Industry Association. He holds a bachelor degree of science from the University of Toronto.

The term of office of Mr. Lau is the period up to his retirement by rotation in accordance with the Bye-Laws of the Company. Mr. Lau does not have any relationship with any other Directors, chief executive, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company or any associate of any of them. Mr. Lau is taken to have a beneficial interest in the 13,750,000 ordinary shares of the Company under Part XV of the SFO. Mr. Lau is entitled to receive an annual remuneration of HK\$240,000. The policy of the Company on remuneration is based on that Director's experience, responsibility, workload and time devoted to the Company and its subsidiaries. There are no other matters that need to be brought to the attention of the shareholders of the Company.



**Mr. Ng Kwok Chu, Winfield**

Independent Non-executive Director and member of audit committee of the Company, aged 47, was appointed by the Company on 3 January 2006. Mr. Ng was the General Manager of a reputable financial institution. Mr. Ng has over 10 years consumer and commercial finance experiences and has in-depth knowledge in cross-border market and financing operation.

Mr. Ng Kwok Chu, Winfield does not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company for the purpose of the GEM Listing Rule. He has no interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ng Kwok Chu, Winfield did not hold any directorship in any listed company in the past three years before the date of this announcement.

There is no service contract and no fixed term of appointment between the Company and Mr. Ng Kwok Chu, Winfield. He is entitled to an annual emolument of HK\$50,000 as an INED of the Company which is based on that Directors' experience, responsibility, workload and time devoted to the Company and its subsidiaries. Mr. Ng Kwok Chu, Winfield is subject to retirement by rotation and re-election pursuant to the byelaws of the Company.

**Mr. Ng Chau Tung, Robert**

Independent Non-executive Director and member of audit committee of the Company, aged 50, was appointed by the Company on 3 January 2006. Mr. Ng holds a Bachelor of Business Administration from The Chinese University of Hong Kong. He is also the member of the Institute of Financial Accountant (U.K.) and the Registered Financial Planner. Mr. Ng has over 20 years experience in the banking sector. He was also the Chairman of the Hong Kong Equipment Leasing Association, and Independent non-executive Committee Member of the Finance House Association and the Hong Kong Deposit Taking Company Association.

Mr. Ng Chau Tung, Robert does not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company for the purpose of the GEM Listing Rule. He has no interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ng Chau Tung, Robert did not hold any directorship in any listed company in the past three years before the date of this announcement.

There is no service contract and no fixed term of appointment between the Company and Mr. Ng Chau Tung, Robert. He is entitled to an annual emolument of HK\$50,000 after being appointed as an independent non-executive Director which is based on that Directors' experience, responsibility, workload and time devoted to the Company and its subsidiaries. Mr. Ng Chau Tung, Robert is subject to retirement by rotation and re-election pursuant to the byelaws of the Company.

**Mr. Jeong Meng Wa**

Independent Non-executive Director and member of audit committee of the Company, aged 46, was appointed by the Company on 7 April 2006. Mr. Jeong is director of private property trading and development companies. He has vast experience in sales and marketing and property trading and development in Macau and Mainland China.

Mr. Jeong Meng Wa does not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company for the purpose of the GEM Listing Rule. He has no interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Jeong Meng Wa did not hold any directorship in any listed company in the past three years before the date of this announcement.

There is no service contract and no fixed term of appointment between the Company and Mr. Jeong Meng Wa. He is entitled to an annual emolument of HK\$50,000 as an INED of the Company which is based on that Directors' experience, responsibility, workload and time devoted to the Company and its subsidiaries. Mr. Jeong Ming Wa is subject to retirement by rotation and re-election pursuant to the byelaws of the Company.

Save as disclosed above, there are no information relating to the retiring Directors that need to be brought to the attention of Shareholders or are required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules.

This appendix serves as an explanatory statement under Rule 13.08 of the GEM Listing Rules relating to the proposed Repurchase Mandate to provide shareholders with all the information reasonable necessary for them to make an informed decision as to whether or not to vote in favour of approving the Repurchase Mandate.

## **1. SHARE CAPITAL**

As at 24 July, 2006, being the latest practicable date prior to the printing of this circular (the “Latest Practical Date”), the Company has issued share capital of 253,030,000 Shares of HK\$0.10 each. Subject to the passing of resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 25,303,000 Shares until (i) the conclusion of the next annual general meeting; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda (as amended) to be held; or (iii) the revocation by ordinary resolution of shareholders in general meeting, whichever is the earliest.

## **2. REASONS FOR REPURCHASES**

A repurchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such purchase will be to the benefit of the Company and its shareholders.

## **3. FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds entirely from the Company’s available cash flow or working capital facilities, which will be funds legally available for such purpose in accordance with the Memorandum of Association and Bye-Laws and the laws of Bermuda.

It is envisaged that a repurchase of Shares pursuant to the Repurchase Mandate (including repurchase of maximum number of Shares under such mandate effected in full at any time during the period of the mandate) may have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the latest published audited accounts contained in the annual report for the year ended 31 March 2006 but the Directors do not intend to make repurchases pursuant to the Repurchase Mandate to such an extent.

## **4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors or (to the best knowledge of the Directors, having made all reasonable enquiries) any of their associates have a present intention, in the event that the proposed Repurchase Mandate is approved by shareholders, to sell the Shares to the Company.

No connected persons of the Company have notified the Company of a present intention to sell the Shares to the Company and no such persons have undertaken not to do so in the event that the Company is authorized to make purchases of Shares under the Repurchase Mandate.

#### **5. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, Bye-Laws and the applicable laws of Bermuda.

#### **6. TAKEOVERS CODE CONSEQUENCES**

If as the result of a repurchase of the Shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). As a result, a shareholder, or group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Wide Fine International Limited (the "Wide Fine") a company wholly-owned by Mr. Wong Kam Leong held 132,500,000 Shares representing approximately 52.37% of the issued Shares. In the event the Directors exercise in full the Repurchase Mandate, the interest of Wide Fine in the Shares would be increased to approximately 58.18% of the issued Shares. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. In fact, the Directors do not have a present intention to exercise the Repurchase Mandate to such an extent as would result in the number of Shares held by the public being reduced to less than 25%.

The Directors are not aware of any shareholder, or group of shareholders acting in concert, who will become obliged to make a mandatory general offer under the Takeover Code as a result of repurchases of Shares by the Company.

#### **7. SHARE REPURCHASES MADE BY THE COMPANY**

During the six months preceding the date of this circular, no Shares have been repurchased by the Company.

**8. SHARE PRICES**

During each of the previous twelve months and up to the Latest Practicable Date, the highest and lowest closing prices at which Shares were traded on the Stock Exchange were as follows:

<b>Month</b>	<b>PER SHARE</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
July 2005	0.81	0.54
August 2005	0.90	0.73
September 2005	0.72	0.56
October 2005	0.56	0.45
November 2005	0.475	0.36
December 2005	0.49	0.36
January 2006	0.41	0.35
February 2006	0.435	0.39
March 2006	0.68	0.325
April 2006	0.73	0.57
May 2006	0.64	0.54
June 2006	1.02	0.72
July 2006 (up to 24 July 2006)	0.98	0.78

*The following is a summary of the principal terms of the Share Option Scheme as required by the GEM Listing Rules.*

**(1) PURPOSE OF THE SHARE OPTION SCHEME**

The Share Option Scheme shall serve to enable the Group to provide its participants with incentives or rewards for their contribution to the Group.

**(2) WHO MAY JOIN**

The Board or a duly authorised committee thereof which shall include the independent non-executive Directors (for the purpose of this summary of the terms of the Share Option Scheme, the “Board” shall mean the board of Directors from time to time or such duly authorised committee thereof) may, at its discretion, invite any employee, Director, adviser, consultant, licensors, distributors, suppliers, agents, customers, joint venture partners, strategic partners and services providers to or of any member of the Group whom the Board considers in its sole discretion, have contributed to the Group from time to time (together “Participants”) to take up options to subscribe for Shares at a price calculated in accordance with sub-paragraph (5) below (the “Offer”).

In determining the basis of eligibility of each Participant, the Directors would mainly take into account of the experience of the Participant with the Group’s business, the length of service of the Participant with the Group (if the Participant is an employee or a director of any member of the Group), the length of business relationship the Participant has established with the Group (if the participant is an adviser, consultant, distributor, supplier, agent, customer, licensor, joint venture partner, strategic partner and services provider of and/or to any member of the Group), the amount of support, assistance, guidance, advice, efforts and contributions the Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Participant is likely to be able to give or make towards the success of the Group in the future.

For the purposes of this section, unless the context otherwise requires, “Grantee” means any Participant who has accepted the Offer in accordance with the terms of the Share Option Scheme.

**(3) GRANT OF OPTION**

Any grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of Chapter 16 of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company’s results for any year, half-year or quarterly period or any other interim period (whether or not required under the GEM Listing Rules); and (ii) the deadline for the Company to publish announcement of its results for any year, half-year or quarterly period under Rule 18.49, 18.78 or 18.79 or any other interim period (whether or not required under the GEM Listing Rules) of the GEM Listing Rules, and ending on the date of the results announcement, no option may be granted.

**Performance Target**

An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and may specify the minimum period for which all or part of an Option must be held or performance targets that must be reached by the Participant before the Option can be exercised in whole or in part, and/or any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

**(4) PAYMENT ON ACCEPTANCE OF OFFER**

HK\$1.00 is payable by the Participants to the Company upon acceptance of the Offer.

**(5) SUBSCRIPTION PRICE FOR SHARES**

The subscription price for Shares in respect of any particular option granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to each Participant and will be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange of Hong Kong Limited's ("Stock Exchange") daily quotations sheet on the date on which an option is granted, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which an options is granted; and (iii) the nominal value of a Share.

**(6) MAXIMUM NUMBER OF SHARES SUBJECT TO OPTIONS**

Subject to the maximum entitlement of Shares to each Participant:

- (a) the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the AGM unless the Company obtains a fresh approval from its Shareholders pursuant to sub-paragraph (b) below. On the basis of 253,030,000 Shares in issue as at the Latest Practicable Date, assuming that the options which may be granted under the Share Option Scheme or any other options granted by the Company will not be exercised, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other option schemes of the Company shall not exceed 25,303,000 Shares. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating such 10% limit.
- (b) the Company may seek approval of its Shareholders in general meeting for refreshing the 10% limit set out in sub-paragraph (a) above provided that the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue as at the date of Shareholders' approval to refresh such limit. Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in

accordance with the Share Option Scheme or exercised options) will not be counted for the purpose of calculating such 10% limit as refreshed. The Company shall send a circular to its Shareholders containing all such information as may be required under the GEM Listing Rules in connection with the meeting at which such approval of the Shareholders will be sought.

- (c) the Company may seek separate approval by its Shareholders in general meeting for granting options beyond the 10% limit provided that the options in excess of such limit are granted only to Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send a circular to its Shareholders containing a generic description of the specified Participants, the number and terms of the options to be granted, the purpose of granting options to the specified Participants, and how the terms of these options serve such purpose and all such information as may be required under the GEM Listing Rules.

Notwithstanding the above and subject to maximum entitlement of Shares to each Participant, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

No Participant shall be granted an option which, if exercised in full, would result in such Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued under all the options previously granted to him or her which have been exercised, and, issuable under all the outstanding options previously granted to him or her which are for the time being subsisting and unexercised, would exceed 1% of the total number of Shares in issue in any 12-month period up to the date of grant of the option (the "Individual Limit").

Any further grant of options in excess of the Individual Limit shall be subject to approval by the Shareholders with such Participant and his or her associates abstaining from voting. A circular must be sent to Shareholders disclosing the identity of the Participant, the number and terms of the options granted and to be granted and such information as may be required under the GEM Listing Rules. The number and terms of the options to be granted to such Participant shall be fixed before the approval by the Shareholders is sought and the date of meeting of Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

#### **(7) REQUIREMENTS ON GRANTING OPTIONS TO CONNECTED PERSONS**

Any grant of options to a Participant who is a connected person of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding such independent non-executive Director as may be the proposed Grantee of the options). Any grant of options to an independent non-executive Director must be approved by the remaining independent non-executive Directors.

Where the Board proposes to grant any option to a Participant who is a substantial Shareholder (as defined in the GEM Listing Rules) or an independent non-executive Director, or any of their respective



associates and such option which if exercised in full, would result in such Participant becoming entitled to subscribe for such number of Shares, when aggregated with the total number of Shares already issued, and issuable, to him or her pursuant to all the options granted to him or her in the 12 month period up to and including the date on which such proposal is made by the Board (the “Relevant Date”):

- (a) representing in aggregate more than 0.1% of the total number of Shares in issue at the Relevant Date; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Relevant Date and if the Relevant Date is not a business day, the business day immediately preceding the Relevant Date, in excess of HK\$5,000,000.

such proposed grant of options must be approved by the Shareholders in general meeting and the Company shall send a circular to its Shareholders, containing all such information as may be required by GEM Listing Rules. All the Participants concerned and all other connected persons of the Company must abstain from voting in favour at such general meeting. In addition, any change in the number and terms of the options granted to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, must be approved by the Shareholders in general meeting. Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote taken at the meeting to approve the grant of such options must be taken on a poll and the Company will comply with the requirements set out in Rules 17.47(5), 17.47A, 17.47B and 17.47C of the GEM Listing Rules.

The abovementioned circular must contain the following:

- (a) details of the number and terms of the options to be granted to each Participant (which must be fixed before shareholders’ approval) and the date of board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price;
- (b) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee) to the Shareholders as to voting;
- (c) the information required under Rules 23.02(2)(c) and (d) of the GEM Listing Rules and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules; and
- (d) the information required under Rule 2.28 of the GEM Listing Rules.

The requirements for the granting of options to a Director or chief executive of the Company set out above do not apply where the Participant is only a proposed Director or chief executive of the Company.

**(8) EXERCISE OF OPTION**

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period after the option has been granted by the Board. An option period is a period to be determined by the Board in its absolute discretion and notified by the Board to each Grantee as being the period during which an option may be exercised, such period to expire not later than 10 years after the date of the grant of the option.

The Board may in the offer letter to be given by the Board to any particular Participant under the Share Option Scheme stipulate that the options to be granted to the Participant would be subject to such minimum holding period and/or such Participant may have to achieve such performance target as may be stipulated in the offer letter before the options and/or any other terms can be exercised in whole or in part, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

**(9) RIGHTS ARE PERSONAL TO GRANTEE**

An option may not be transferred or assigned and is personal to the Grantee and may be exercised or treated as exercised, as the case may be, in whole or in part.

**(10) RIGHTS ON CESSATION OF EMPLOYMENT BY DISMISSAL**

If the Grantee who is an employee ceases to be an employee of the Group or its subsidiaries on the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, his option will lapse automatically and not be exercisable on the date of termination of his employment.

**(11) RIGHTS ON INSOLVENCY**

If the Board receives notice or becomes aware that the Grantee who is an adviser, consultant, distributor, supplier, agent, customer, joint venture partner or service provider to the Group appears either to be unable to pay or to have no reasonable prospect of being able to pay his, her or its debts or has become bankrupt or insolvent or entered into voluntary winding up or receivership or has made any arrangement or composition with his, her or its creditors generally or has winding up proceedings commenced against them, his, her or its option will automatically lapse and not be exercisable.

**(12) RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP**

In the event of the Grantee ceases to be a Participant for any reason other than on his or her death or (if applicable) the termination of his or her employment or directorship or office or appointment on ground(s) other than an event referred to in paragraph (10) above as a ground of termination, the Grantee may exercise the option up to his or her entitlement at the date of cessation (to the extent he or she is entitled to exercise at the date of cessation but not already exercised) within the period of three months following the date of such cessation, (if applicable) which date shall be the last actual working day on which the Grantee is physically at work with the relevant member(s) of the Group whether salary is paid in lieu of notice.

**(13) RIGHT ON CESSATION OF BUSINESS RELATIONSHIP**

If the Grantee, who is an adviser, consultant, distributor, supplier, agent, customer, joint venture partner or service provider to the Group ceases to be in such relationship with the Group, his or her or its option will lapse automatically in the event that the Board does not exercise its absolute discretion to determine a period in which the Grantee may exercise his, her or its option.

**(14) RIGHTS ON DEATH**

If the Grantee (who is an employee of any member of the Group) of an option dies before exercising the option in full and none of the events referred to in paragraph (10) above which would be a ground for termination of his or her employment or directorship arises, his or her personal representative(s) may exercise the option in full (to the extent which has become exercisable and not already exercised) within a period of 12 months from the date of death.

**(15) EFFECTS OF ALTERATIONS TO CAPITAL**

In the event of an alteration in the capital structure of the Company whilst any option remains exercisable by way of capitalisation issue, rights issue, subdivision, consolidation, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange or relevant laws excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party, or if Shares issued would be less than its nominal value, the exercise price or the number of shares subject to options already granted and to the share option scheme shall be adjusted and such corresponding adjustments (if any) certified in writing to the Board by an independent financial adviser or the auditors for the time being of the Company as satisfying the GEM Listing Rules (except those made on a capitalisation issue), shall be made to give the Grantee the same proportion of the equity capital of the Company as that to which he or it was previously entitled. No such adjustment shall be made so that a Share would be issued at less than its nominal value.

**(16) RIGHTS ON A GENERAL OFFER**

If a general offer (including any voluntary offer) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or its associates (a defined in the Code on Takeovers and Mergers and Share Repurchases) and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant option, the Grantee will be entitled to exercise the option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in a notice provided to the Company by the Grantee at any time within such period notified by the Company.

**(17) RIGHTS ON WINDING UP**

In the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to the Grantees and the Grantees may by

notice in writing to the Company (such notice to be received by the Company not later than seven business days prior to the proposed Shareholders' meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise.

**(18) RIGHTS ON COMPROMISE OR ARRANGEMENT**

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with the scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members at creditors to consider such a scheme or arrangement and any Grantee may by notice in writing to the Company accompanied by the remittance for the exercise price in respect of the relevant option (such notice to be received by the Company not later than four business days prior to the proposed meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and register the Grantee as holder thereof.

**(19) GENERAL OFFER BY WAY OF SCHEME OF ARRANGEMENT**

If a general offer by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meeting(s), the Company shall forthwith give notice thereof to the Grantees and the Grantees shall be entitled to exercise the option either to its full extent or to the extent notified by the Company, at any time within such period as shall be notified by the Company.

**(20) LAPSE OF OPTION**

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the option period;
- (b) the expiry of the periods referred to in sub-paragraphs (12), (14), (16) or (18) respectively;
- (c) subject to the scheme of arrangement (referred to in sub-paragraph (19)) becoming effective;
- (d) the expiry of the period referred to in sub-paragraph (19);
- (e) the date on which the Grantee of all option ceases to be a Participant by reason of the termination of his or her employment or directorship on grounds including, but not limited to, misconduct, bankruptcy, insolvency and conviction of any criminal offence involving his integrity or honesty;

- (f) the date of the commencement of the winding up of the Company;
- (g) where the Grantee is an employee of a member of the Group (other than the Company), the date on which such member ceases to be a subsidiary of the Company;
- (h) the date on which the Board shall become aware the Grantee becoming involved in insolvency proceedings referred to in sub-paragraph (11);
- (i) the data on which the Grantee ceasing to be a Participant by reason of an end to his, her or its business relationship with the Group referred to in sub-paragraph (13);
- (j) the date on which the Grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any third party over or in relation to any option in breach of the Share Option Scheme; or
- (k) the date on which the option is cancelled by the Board as provided in sub-paragraph (22).

**(21) RANKING OF SHARES**

The Shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of the articles of association of the Company as amended from time to time and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of exercise of the option and accordingly will rank in full for all dividends or other distributions paid or made on or after the date of exercise of the option other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date when the name of the Grantee is registered on the Company's register of members.

Unless the context otherwise requires, references to "Shares" in the Share Option Scheme include references to shares in the Company of any such nominal amount as shall result from a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company from time to time.

**(22) CANCELLATION OF OPTIONS GRANTED**

The Board may at any time cancel any option granted but not exercised if the Grantee so agrees. Where the Company cancels options and makes an offer of the grant of new options to the same option holder, the offer of the grant of such new options may only be made, under the Share Option Scheme with available options (excluding the cancelled options) within the limit approved by the Shareholders as mentioned in subparagraph (6).

**(23) PERIOD OF SHARE OPTION SCHEME**

Unless early terminated earlier in accordance with the terms therein, the Share Option Scheme will remain valid and effective for a period of 10 years commencing on the Listing Date after which period no further options shall be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

**(24) ADMINISTRATION OF SHARE OPTION SCHEME**

The Share Option Scheme shall be subject to the administration by the Board, and the decision of the Board shall be final and binding on all parties.

**(25) ALTERATION TO SHARE OPTION SCHEME**

The Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme relating to matters set out in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of Participants and Grantees without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted shall be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The amended terms of the Share Option Scheme shall still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

**(26) TERMINATION**

The Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Share option Scheme and in such event no further options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect.

**(27) CONDITIONS OF THE SHARE OPTION SCHEME**

The Share Option Scheme is conditional on the GEM Listing Committee granting or agreeing to grant approval (with such conditions as the Stock Exchange may impose) for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of options granted under the Share Option Scheme.

Application has been made to the GEM Listing Committee for the listing of, and permission to deal in, the Shares which may be allotted and issued pursuant to the exercise of the options granted under the Share Option Scheme.



# **Long Success International (Holdings) Limited**

## **百齡國際(控股)有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 8017)

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Long Success International (Holdings) Limited (the “Company”) will be held at Beijing Suite III, 3/F, Prince Hotel, Harbour City, No. 23 Canton Road, Kowloon, Hong Kong on 21 August 2006, Monday at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated accounts and reports of the directors and auditors for the year ended 31 March 2006;
2. To re-elect retiring directors of the Company;
3. To authorise the board of directors to fix the directors’ remuneration;
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration;
5. As special business to consider and, if though fit, pass the following resolutions with or without amendments, as ordinary resolutions:

#### **ORDINARY RESOLUTIONS**

A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined hereinafter) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make and grant offers, agreements and options (including warrants) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors during the Relevant Period to make and grant offers, agreements and options (including warrants) which might require the exercise of such power after the end of the Relevant Period;

\* For identification only

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined hereinafter); (ii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the Bye-Laws of the Company in force from time to time, shall not exceed the aggregate of:

- (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution; and
- (ii) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) then nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution);

and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company, the Companies Act 1981 of Bermuda or any other applicable laws of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this Resolution.



“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extend of any restrictions obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

B. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the authority pursuant to paragraph (a) above of this Resolution shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” shall have the same meaning as assigned to it under Ordinary Resolution 5A(d) of this notice.”

C. **“THAT:**

subject to the passing of this ordinary resolutions 5A and 5B above, the directors of the Company be and they are hereby authorised to exercise the authority referred to in paragraph (a) of Resolution 5A above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such Resolution.”

6. As special business, to consider and if thought fit, pass the following special resolutions:

**“THAT** the Bye-Laws of the Company be and are hereby amended in the following manner:

(a) Bye-Law 2

By deleting the definition of “associates” in its entirety and substituting therefor the following new definition:

“associates” shall have the meaning attributed to it in the GEM Listing Rules;”.

By replacing a reference to the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong) in the definition of “clearing house” with a reference to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

(b) Bye-Law 71

By adding the following sentence after the last sentence in Bye-Law 71:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required under the GEM Listing Rules”.

(c) Bye-Law 76

By renumbering Bye-Law 76 as Bye-Law 76(A) and inserting the following as a new Bye-law 76(B) immediately after Bye-law 76(A):

“76(B) Where any member is under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”

(d) Bye-Law 98(H)

1. By deleting the existing Bye-law 98(H) in its entirety and substituting therefor the following new Bye-Law 98(H):

“A Director shall not be entitled to vote (or shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his associate(s) has/have any material interest,

and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility or guaranteed or secured in whole or in part whether alone or jointly;
- (iii) any contract or arrangement concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested whether directly or indirectly as an officer or a shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that Company other than a company in which the Director together with any of his associates is beneficially interested in five (5) per cent. or more of the issued shares of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights;
- (vi) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to Directors and employees of the Company or of any of its subsidiaries and does not give the Director or his associate(s) any privilege not generally accorded to the class of persons to whom such scheme or fund relates; and

- (vii) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of, the employees of the Company or its subsidiaries under which the Director or his associate(s) may benefit.
- 2. By deleting the existing Bye-Law 98(K) in its entirety and substituting therefor the following new Bye-Law 98(K):
  - “98(K) If any question shall arise at any meeting of the Board as to the materiality of a Director's or his associate(s)' interest or the significance of a contract, arrangement or transaction or proposed contract, arrangement or transaction or as to the entitlement of any Director to vote or form part of a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting (or, where question relates to the interest of the Chairman, to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the Chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director and/or his associate(s) concerned (or, as appropriate, the Chairman) as known to such Director (or, as appropriate, the Chairman) has not been fairly disclosed to the Board.”

(e) Bye-Law 103

By deleting the existing Bye-Law 103 in its entirety and substituting therefor the following new Bye-Law 103:

- “103 No person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected provided that the minimum length of the period, during which such notice(s) is/are given, shall be at least seven (7) days and that the period for such lodgment of such notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such meeting.”

- (f) By substituting the existing Bye-Law 99 with the following new Bye-Law 99:

“99 Notwithstanding any other provisions in the Bye-Laws, at each annual general meeting one-third of the Directors for the time being (or , if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that each Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years at the annual general meeting.”

- (g) By substituting the existing Bye-Law 102(A) with the following new Bye-law 102(A):

“102(A) “The Company may from time to time in general meeting or at any special general meeting by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next general meeting or the next appointment of Directors or until their successors are elected or appointed or until their retirement by rotation or resignation and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Director or the number of Directors who are to retire by rotation at such meeting.”

- (h) By deleting the word “annual” before the words “general meeting” in the ninth sentence of Bye-Law 102(B).

- (i) By deleting the word “Special” before the words “Resolution remove any Director” in Bye-Law 104 and replacing it with the word “Ordinary”.

7. As special business to consider and if though fit, to adopt a share option scheme for the Company.
8. As special business consider and if though fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT conditional on (a) the shareholders of the Company approving the share option scheme of the Company in the form produced before this meeting and for the purpose of identification marked “A” and signed by the Chairman of the meeting (“Share Option Scheme”) and (b) the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the Share Option Scheme representing 10% of the issued share capital of the Company as at the date of the annual general meeting, the Share Option Scheme be and is hereby approved and adopted and that the directors of the Company be and are hereby authorised to grant options and to allot and issue shares pursuant to the exercise of any options granted under the Share Option Scheme.”

By Order of the Board of  
**Long Success International (Holdings) Limited**  
**Wong Kam Leong**  
*Chairman*

Hong Kong, 27 July 2006

*Notes:*

1. A member of the Company entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the annual general meeting will be dispatched to the shareholders. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 46/F, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.
3. The register of members of the Company will be closed from Wednesday, 16 August 2006 to Monday, 21 August 2006, both days inclusive, during which no share transfers will be effected. In order to qualify for the attendance of the annual general meeting, all transfers of shares accompanied by the relevant share certificate(s) must be lodged with the registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 15 August 2006.
4. In relation to proposed Resolution 5 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on the Growth Enterprise market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). The directors have no immediate plan to issue any new shares or to repurchase any existing shares of the Company pursuant to the said general mandate other than shares which may fall to be issued upon the exercise of any options granted under the Share Option Scheme of the Company or any scrip dividend scheme which may be approved by shareholders of the Company.
5. An explanatory statement giving the details of the grant of a mandate to repurchase shares of the Company as required by the GEM Listing Rules will be dispatched to shareholders.