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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)

**SUPPLEMENTAL AGREEMENT RELATING TO
VERY SUBSTANTIAL ACQUISITION CONCERNING THE POSSIBLE
ACQUISITION OF ENTIRE EQUITY INTEREST
IN HONG KONG COMPANY**

Further to the announcement of the Company dated 12 February 2009, on 30 March 2009, the Company and the New Vendor have entered into the Supplemental Agreement for the purpose of varying the terms of payment of the Consideration as follows:

- (i) the Refundable Deposit of HK\$47.5 million will be payable on or before 10 April 2009 instead of within 20 Business Days upon signing of the Acquisition Agreement;
- (ii) the amount of the Second Payment will be reduced from HK\$76 million to HK\$56 million;
- (iii) the Second Payment will be payable within 4 months after the SGM instead of 1 month after the SGM;
- (iv) the consideration payable by the issue of Convertible Bonds will be increased from HK\$30 million to HK\$40 million;
- (v) the Conversion Price will be changed from HK\$0.15 to HK\$0.12 per Conversion Share; and
- (vi) the consideration payable by the issue of Promissory Notes will be increased from HK\$36.5 million to HK\$46.5 million.

INTRODUCTION

Reference is made to the announcement made by the Company on 12 February 2009 in relation to the very substantial acquisition concerning the possible acquisition of the entire equity interest in the Hong Kong Company (the “**Announcement**”). Unless defined otherwise, terms used herein shall have the same meanings as those defined in the Announcement.

On 10 February 2009, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the New Vendor pursuant to which the New Vendor has agreed to sell and the Purchaser has agreed to acquire the entire equity interest in the Hong Kong Company (in turn the 51% equity interest in the Joint Venture Company) at a consideration of HK\$190 million. The Joint Venture Company currently holds certain assets, relating to carrying on a paper manufacturing business, acquired by the Assets Transfer Agreement and the Property Lease and Purchase Agreement.

Pursuant to the Acquisition Agreement, the Consideration will be satisfied by (i) the Refundable Deposit of HK\$47.5 million in cash; (ii) the Second Payment of HK\$76 million in cash; and (iii) the Final Payment of HK\$66.5 million in the form of Convertible Bonds and the Promissory Notes.

THE SUPPLEMENTAL AGREEMENT

On 30 March 2009, the Purchaser and the New Vendor entered into the supplemental agreement (the “**Supplemental Agreement**”) to the Acquisition Agreement for the purpose of varying the terms of payment of the Consideration. Accordingly, the payment terms of the Consideration have been revised as follows:

- (i) as to HK\$47.5 million by cash as the Refundable Deposit payable on or before 10 April 2009;
- (ii) as to HK\$56 million by cash as the Second Payment payable within 4 month after the approval of the Acquisition Agreement and the transactions contemplated thereunder at the SGM;
- (iii) as to HK\$40 million by issue of the Convertible Bonds convertible into 333,333,333 Conversion Shares at a conversion price of HK\$0.12 per Conversion Share by the Company to the New Vendor or his nominee(s) within 1 month upon Completion; and
- (iv) as to HK\$46.5 million by issue of the Promissory Notes by the Company to the New Vendor or his nominee(s) which bear an interest of 1% above the prime rate as quoted by the Hongkong and Shanghai Banking Corporation Limited within 1 month upon Completion.

Save and except for the above variations to terms of payments for the Consideration, all other terms and conditions of the Acquisition Agreement remain in full force and effect.

CHANGES IN SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately after Completion of the Acquisition:

Shareholders	As at the date of this announcement [#]		Upon completion of the Acquisition and full conversion of the Convertible Bonds	
	Number of Shares	%	Number of Shares	%
Wide Fine International Limited (<i>Note 1</i>)	852,500,000	28.12	852,500,000	25.33
Mr. Yip Wai Ki (<i>Note 2</i>)	10,000,000	0.33	10,000,000	0.30
Public Shareholders				
– the New Vendor	–	–	333,333,333	9.90
– other public Shareholders	2,169,482,028	71.55	2,169,482,028	64.47
Total	<u>3,031,982,028</u>	<u>100.00</u>	<u>3,365,315,361</u>	<u>100.00</u>

Notes:

1. Wide Fine International Limited is beneficially and wholly owned by Mr. Wong Kam Leong, an executive Director.
2. Mr. Yip Wai Ki is a Director.

#Source: the records from Computershare Hong Kong Investor Services Ltd. and the Company reflecting the shareholding structure of the Company on 30 March 2009. In the event that the figures in the shareholding structure are different from those as disclosed in the above table, the Company would issue an announcement regarding the difference(s).

Assuming there is an immediate exercise in full of the conversion rights attaching to the Convertible Bonds at the conversion price of HK\$0.12 per Conversion Share by the New Vendor or his nominee(s), the Company will allot and issue an aggregate of 333,333,333 new Shares, representing approximately 11.00% of the existing issued share capital of the Company and approximately 9.90% of the issued share capital of the Company as enlarged by allotment and issue of the Conversion Shares. The Conversion Shares will be issued under a specific mandate proposed to be obtained at the SGM. The issue of the Conversion Shares by the Company will not result in a change of control of the Company.

The initial conversion price of the Conversion Shares is at HK\$0.12 per Share and has been determined after arm's length negotiations between the Company and the New Vendor taking account of the prevailing market prices of the Shares. The initial conversion price of the Convertible Bonds of HK\$0.12 per Conversion Share represents:

- (i) a premium of approximately 200.00% over the closing price of the Shares of HK\$0.040 per Share as quoted on the Stock Exchange on 30 March 2009, being the last trading day before the date of signing of the Supplemental Agreement;
- (ii) a premium of approximately 192.68% over the average of the closing prices of the Shares of HK\$0.041 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including 30 March 2009; and
- (iii) a premium of approximately 207.69% over the average of the closing prices of the Shares of HK\$0.039 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 30 March 2009.

The Directors consider that the proposed conversion price is fair and reasonable so far as the Company and the Shareholders are concerned.

GENERAL

A circular containing, among other things, (i) further details of the Acquisition; and (ii) the notice of the SGM will be despatched to the Shareholders as soon as practicable.

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

Hong Kong, 31 March 2009

As at the date hereof, the executive Directors are Mr. Wong Kam Leong, Miss Li Jie Yi and Mr. Yip Wai Ki, and the independent non-executive Directors are Mr. Ng Kwok Chu, Winfield, Mr. Ng Chau Tung, Robert and Mr. Cheng Tze Kit, Larry.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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** For identification purpose only*