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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)

**1. SUBSCRIPTION FOR SHARES TO BE ISSUED
UNDER GENERAL MANDATE; AND
2. CONNECTED TRANSACTION –
SUBSCRIPTION FOR SHARES BY CONNECTED PERSONS**

THE FIRST TRANCHE SUBSCRIPTION (subscription for Shares to be issued under the General Mandate)

On 16 November 2009 (after trading hours), the Company entered into the First Subscription Agreement with the First Tranche Subscribers pursuant to which the First Tranche Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to issue the First Tranche Subscription Shares at the Subscription Price of HK\$0.2 per Subscription Share. The First Tranche Subscription Shares will be issued under the General Mandate.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save as disclosed herein, the First Tranche Subscribers are third parties independent of the Company and its connected persons.

THE SECOND TRANCHE SUBSCRIPTION (subscription for Shares by connected persons)

On 16 November 2009 (after trading hours), the Company also entered into the Second Subscription Agreement with the Second Tranche Subscribers pursuant to which the Second Tranche Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Second Tranche Subscription Shares at the Subscription Price of HK\$0.2 per Subscription Share.

* for identification purpose only

One of the Second Tranche Subscribers, Wide Fine, is a substantial Shareholder of the Company and the other Second Tranche Subscriber, Mr. Zhang, is a director of a subsidiary of the Company. As the Second Tranche Subscribers are connected persons of the Company within the meaning of the GEM Listing Rules, the Second Tranche Subscription constitutes a connected transaction under Chapter 20 of the GEM Listing Rules and is subject to the approval of the Independent Shareholders.

An Independent Board Committee has been formed to advise the Independent Shareholders on the Second Tranche Subscription and the transactions contemplated thereunder. An independent financial adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in accordance with the GEM Listing Rules.

A circular containing, among other things, further details of the Second Tranche Subscription, a letter from the Independent Board Committee and a letter of advice from the independent financial adviser, together with a notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

The First Subscription Agreement and the Second Subscription Agreement are not inter-conditional.

The aggregate net proceeds from the Subscriptions of approximately HK\$44,000,000 will be applied for payment of balance of purchase price under the Acquisition, redemption of the Redeemable Convertible Note and general working capital of the Group.

A. THE FIRST SUBSCRIPTION AGREEMENT DATED 16 NOVEMBER 2009

Parties

- (i) the Company;
- (ii) Mr. Fang Daliang, Ms. Li Meilang, Ms. Li Hong, Mr. Chan Sheung Wai, Mr. Iam Sio Kuan and Mr. Chan Kai Tai as the First Tranche Subscribers.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save as disclosed herein, the First Tranche Subscribers and their ultimate beneficial owners (as the case may be) are third parties independent of the Company and its connected persons.

As at the date of this announcement, save for Ms Li Hong (who holds 6,100,000 Shares) and Mr. Chan Sheung Wai (who holds 600,000 Shares), the First Tranche Subscribers do not hold any Shares.

Number of First Tranche Subscription Shares

The First Tranche Subscription Shares represent (i) approximately 17.79% of the existing issued share capital of the Company of 865,445,000 Shares; (ii) approximately 15.11% of the issued share capital of the Company of 1,019,445,000 Shares as enlarged by the issue and allotment of the First Tranche Subscription Shares; and (iii) approximately 14.14% of the issued share capital of the Company of 1,089,445,000 Shares as enlarged by the issue and allotment of the First Tranche Subscription Shares and the Second Tranche Subscription Shares.

Allocation of First Tranche Subscription Shares

The following table summaries the number of First Tranche Subscription Shares and the aggregate amount of the Subscription Price to be paid by the First Tranche Subscribers:

Name of First Tranche Subscriber	Number of First Tranche Subscription Shares	Aggregate amount of Subscription Price (HK\$)
Fang Daliang	20,000,000	4,000,000
Li Meilang	50,000,000	10,000,000
Li Hong	45,000,000	9,000,000
Chan Sheung Wai	5,000,000	1,000,000
Iam Sio Kuan	24,000,000	4,800,000
Chan Kai Tai	10,000,000	2,000,000
Total:	154,000,000	30,800,000

Each of the First Tranche Subscribers will pay a sum equivalent to their respective aggregate amount of Subscription Price to the Company as deposit within seven (7) business days from the signing of the First Subscription Agreement and such deposit shall be refunded in full to the First Tranche Subscribers if the conditions precedent of the First Subscription Agreement cannot be satisfied.

Ranking of First Tranche Subscription Shares

The First Tranche Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue at the time of issue and allotment of the First Tranche Subscription Shares.

Completion of First Tranche Subscription

The First Tranche Subscription is expected to be completed within two (2) business days from the date of fulfillment of the conditions precedent set out below or such later date as the Company and the First Tranche Subscribers may agree in writing. Completion of the subscriptions by each of the First Tranche Subscribers is not inter-conditional.

Conditions of the First Subscription Agreement

Completion of the First Subscription Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the First Tranche Subscription Shares; and
- (ii) (if required) the Bermuda Monetary Authority granting permission to allot and issue the First Tranche Subscription Shares.

If the above conditions precedent of the First Subscription Agreement are not fulfilled on or before 14 December 2009 or such later date as the parties to the First Subscription Agreement may agree in writing, the First Subscription Agreement shall terminate save in respect of any antecedent breach of any obligation thereunder and the Company shall return to each of the First Tranche Subscribers the respective amount of deposit (but without interest) paid by them within seven (7) business days.

Listing of First Tranche Subscription Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the First Tranche Subscription Shares.

The First Subscription Agreement and the Second Subscription Agreement are not inter-conditional.

General Mandate to issue the First Tranche Subscription Shares

The First Tranche Subscription Shares will be issued under the General Mandate. Under the General Mandate, the Company is authorized to issue 154,889,000 Shares. As at the date of this announcement, the General Mandate has not been utilized.

B. SECOND SUBSCRIPTION AGREEMENT DATED 16 NOVEMBER 2009

Parties

- (i) the Company;
- (ii) Wide Fine, a company incorporated in Hong Kong as an investment holding company and a substantial Shareholder of the Company holding approximately 24.63% of the issued share capital of the Company as at the date of this announcement, being wholly owned by Mr. Wong, the Chairman and an executive Director of the Company; and
- (iii) Mr. Zhang, a director of a subsidiary of the Company, who holds 1,350,000 Shares as at the date of this announcement

Number of Second Tranche Subscription Shares

The Second Tranche Subscription Shares represent (i) approximately 8.09% of the existing issued share capital of the Company of 865,445,000 Shares; (ii) approximately 7.48% of the issued share capital of the Company of 935,445,000 Shares as enlarged by the issue and allotment of the Second Tranche Subscription Shares alone; and (iii) approximately 6.43% of the issued share capital of the Company of 1,089,445,000 Shares as enlarged by the issue and allotment of the First Tranche Subscription Shares and the Second Tranche Subscription Shares.

Allocation of Second Tranche Subscription Shares

The following table summaries the number of Second Tranche Subscription Shares and the aggregate amount of the Subscription Price to be paid by each of the Second Tranche Subscribers:

Name of Second Tranche Subscriber	Number of Second Tranche Subscription Shares	Aggregate amount of Subscription Price (HK\$)
Wide Fine	35,000,000	7,000,000
Mr. Zhang	35,000,000	7,000,000
Total:	70,000,000	14,000,000

Each of the Second Tranche Subscribers will pay a sum equivalent to their respective aggregate amount of Subscription Price to the Company as deposit within seven (7) business days from the signing of the Second Subscription Agreement and such deposit shall be refunded in full to the Second Tranche Subscribers if the conditions precedent of the Second Subscription Agreement cannot be satisfied.

Ranking of Second Tranche Subscription Shares

The Second Tranche Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue at the time of issue and allotment of the Second Tranche Subscription Shares.

Completion of Second Tranche Subscription

The Second Tranche Subscription is expected to be completed within two (2) business days from the date of fulfillment of the conditions precedent set out below or such later date as the Company and the Second Tranche Subscribers may agree in writing.

Conditions of the Second Subscription Agreement

Completion of the Second Subscription Agreement is conditional upon:

- (i) the approval by the Independent Shareholders in relation to, inter alia, the Second Subscription Agreement, the issue and allotment of the Second Tranche Subscription Shares and the transactions contemplated thereunder at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Second Tranche Subscription Shares; and
- (iii) (if required) the Bermuda Monetary Authority granting permission to allot and issue the Second Tranche Subscription Shares.

If the above conditions precedent of the Second Subscription Agreement are not fulfilled on or before 19 December 2009 or such later date as the parties to the Second Subscription Agreement may agree in writing, the Second Subscription Agreement shall terminate save in respect of any antecedent breach of any obligation thereunder and the Company shall return to each of the Second Tranche Subscribers the respective amount of deposit (but without interest) paid by them within seven (7) business days.

Listing of Second Tranche Subscription Shares

Approval for the issue and allotment of the Second Tranche Subscription Shares by the Independent Shareholders will be sought at the SGM. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Second Tranche Subscription Shares.

The First Subscription Agreement and the Second Subscription Agreement are not inter-conditional.

C. SUBSCRIPTION PRICE

The Subscription Price for both the First Tranche Subscription and the Second Tranche Subscription is HK\$0.2 per Subscription Share, which was determined after arm's length negotiations between the Company and the Subscribers with reference to the prevailing market price of the Shares.

The Board considers the Subscription Price under the First Tranche Subscription to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the independent financial adviser) considers the Subscription Price under the Second Tranche Subscription to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Subscription Price represents:

- (i) a discount of approximately 5.66% to the closing price of HK\$0.212 per Share as stated in the daily quotation sheet of the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 5.30% to the average closing price of approximately HK\$0.2112 per Share as stated in the daily quotation sheet of the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 5.53% to the average closing price of approximately HK\$0.2117 per Share as stated in the daily quotation sheet of the Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

D. EFFECT OF THE SUBSCRIPTIONS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The effect of the Subscriptions on the shareholding structure of the Company (assuming no exercise of the outstanding options under the share option scheme of the Company) is set out below:

Name of Shareholder	As at the date of this announcement		Immediately after completion of the First Tranche Subscription (but before completion of the Second Tranche Subscription)		Immediately after completion of the Subscriptions	
	Number of Shares	% (approx.)	Number of Shares	% (approx.)	Number of Shares	% (approx.)
Wide Fine International Limited (Note 1)	213,125,000	24.63%	213,125,000	20.91%	248,125,000	22.78%
Yip Wai Ki (Note 2)	500,000	0.06%	500,000	0.05%	500,000	0.05%
Zhang Chi	1,350,000	0.15%	1,350,000	0.13%	36,350,000	3.34%
Fang Daliang	–	–	20,000,000	1.96%	20,000,000	1.83%
Li Meilang	–	–	50,000,000	4.90%	50,000,000	4.59%
Li Hong	6,100,000	0.70%	51,100,000	5.01%	51,100,000	4.69%
Chan Sheung Wai	600,000	0.07%	5,600,000	0.55%	5,600,000	0.51%
Iam Sio Kuan	–	–	24,000,000	2.36%	24,000,000	2.20%
Chan Kai Tai	–	–	10,000,000	0.98%	10,000,000	0.92%
Subtotal	221,675,000	25.61%	375,675,000	36.85%	445,675,000	40.91%
Other public Shareholders	643,770,000	74.39%	643,770,000	63.15%	643,770,000	59.09%
Total	865,445,000	100%	1,019,445,000	100%	1,089,445,000	100%

Notes:

- The 213,125,000 Shares are beneficially owned by and registered in the name of Wide Fine International Limited (“Wide Fine”), a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Wong Kam Leong, an executive Director.
- Mr. Yip Wai Ki is an executive Director.

E. EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summarizes the fund raising activities of the Group for the 12 months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
24 February 2009	Placing of new Shares under the 2008 General Mandate	HK\$10,800,000	General working capital to develop and expand the Group's principal business and future business developments	All of which has been applied as part payment of the refundable deposit under the Acquisition
19 June 2009	Issuing of convertible note under the 2008 General Mandate	HK\$14,800,000	Financing the Acquisition and as general working capital of the Group	All of which has been applied as part payment of the balance of purchase price under the Acquisition
3 August 2009	Placing of new Shares under the 2008 General Mandate	HK\$10,300,000	Financing the Acquisition and as general working capital of the Group	All of which has been applied as part payment of the balance of purchase price under the Acquisition

F. REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Group is principally engaged in paper manufacturing business; sharing of profits of a junket representative of a VIP lounge in a casino in Macau; money lending business and IT consulting services. In view of the current market conditions, the Directors (other than the independent non-executive Directors whose opinion on the Second Tranche Subscription will be provided after reviewing the advice of the independent financial adviser) consider that the Subscriptions represent a good opportunity to broaden the capital base of the Company and that the terms of the Subscriptions are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The total proceeds from the Subscriptions will be HK\$44,800,000. After deducting the professional fees and other expenses in respect of which the Company is liable for in relation to the Subscriptions, the maximum net proceeds from the Subscriptions is estimated to be approximately HK\$44,000,000. The net price of each Subscription Share will be approximately HK\$0.196. The aggregate nominal value of the First Tranche Subscription Shares and the Second Tranche Subscription Shares is HK\$8,960,000.

The net proceeds from the Subscriptions will be applied (i) as to HK\$26,600,000 for payment of outstanding purchase price under the Acquisition, (ii) as to HK\$15,450,000 for the redemption of the Redeemable Convertible Note and (iii) as to the balance as general working capital of the Group.

G. GEM LISTING RULES IMPLICATIONS

One of the Second Tranche Subscribers, Wide Fine, is a substantial Shareholder of the Company and the other Second Tranche Subscriber, Mr. Zhang, is a director of a subsidiary of the Company. As the Second Tranche Subscribers are connected persons of the Company within the meaning of the GEM Listing Rules, the Second Tranche Subscription constitutes a connected transaction under Chapter 20 of the GEM Listing Rules and is subject to the approval of the Independent Shareholders. Wide Fine and Mr. Zhang, and their respective associates will be required to abstain from voting in respect of the Second Tranche Subscription and the transactions contemplated thereunder.

H. GENERAL

An Independent Board Committee has been formed to advise the Independent Shareholders on the Second Tranche Subscription and the transactions contemplated thereunder. An independent financial adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in accordance with the GEM Listing Rules.

A circular containing, among other things, further details of the Second Tranche Subscription, a letter from the Independent Board Committee and a letter of advice from the independent financial adviser, together with a notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

I. DEFINITIONS

In this announcement, unless otherwise defined, terms used shall have the following meanings:

“Acquisition”	the acquisition of 100% equity interest in Mega Bright Investment Development Limited which holds 51% interest in Jining Gangning Paper Co., Ltd., a sino-foreign joint venture company incorporated in the PRC engaging in the manufacture and sale of various types of kraft paper, brief particulars of which are set out in the Company’s circular dated 14 May 2009 and completion of the same took place on 1 July 2009;
“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules;
“Board”	the board of Directors;
“business day”	a day (excluding Saturday) on which banks in Hong Kong are generally open for business;
“Company”	Long Success International (Holdings) Limited (百齡國際(控股)有限公司)*, an exempted company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM;
“connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules;
“Redeemable Convertible Note”	the redeemable convertible note in the principal amount of HK\$15,000,000 with an interest rate of 36% per annum issued by the Company on 13 July 2009;
“Directors”	directors of the Company;
“First Subscription Agreement”	the subscription agreement dated 16 November 2009 entered into between the Company and the First Tranche Subscribers in relation to the First Tranche Subscription;

“First Tranche Subscribers”	Mr. Fang Daliang, Ms. Li Meilang, Ms. Li Hong, Mr. Chan Sheung Wai, Mr. Iam Sio Kuan and Mr. Chan Kai Tai;
“First Tranche Subscription”	the subscription of the First Tranche Subscription Shares by the First Tranche Subscribers pursuant to the terms of the First Subscription Agreement;
“First Tranche Subscription Shares”	154,000,000 new Shares to be subscribed by the First Tranche Subscribers pursuant to the First Subscription Agreement;
“General Mandate”	the general unconditional mandate to issue 154,889,000 Shares granted to the Directors at the annual general meeting of the Company held on 11 August 2009;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“2008 General Mandate”	the general unconditional mandate to issue Shares granted to the Directors at the annual general meeting of the Company held on 30 July 2008;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board comprising Mr. Ng Kwok Chu, Winfield; Mr. Ng Chau Tung, Robert and Mr. Tse Ching Leung, has been constituted to advise the Independent Shareholders on the Second Tranche Subscription and the transactions contemplated thereunder;
“Independent Shareholder(s)”	Shareholder(s) (other than the Second Tranche Subscribers and their associates and parties acting in concert with them);

“Last Trading Day”	16 November 2009, being the last full trading day for the Shares immediately before the issue of this announcement;
“Mr. Wong”	Mr. Wong Kam Leong, the Chairman and an executive Director of the Company;
“Mr. Zhang”	Mr. Zhang Chi, a director of the board of Jining Gangning Paper Co, Ltd., a 51%-owned subsidiary of the Company;
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Second Subscription Agreement”	the subscription agreement dated 16 November 2009 entered into between the Company and the Second Tranche Subscribers in relation to the Second Tranche Subscription;
“Second Tranche Subscribers”	Mr. Zhang and Wide Fine;
“Second Tranche Subscription”	the subscription of the Second Tranche Subscription Shares by the Second Tranche Subscribers pursuant to the terms of the Second Tranche Subscription Agreement;
“Second Tranche Subscription Shares”	70,000,000 new Shares to be subscribed by the Second Tranche Subscribers pursuant to the Second Subscription Agreement;
“Share(s)”	share(s) of HK\$0.04 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“SGM”	the special general meeting of the Company to be convened to consider, if thought fit, and approve by the Independent Shareholders, among other things, the Second Subscription Agreement, the issue and allotment of the Second Tranche Subscription Shares and the transactions contemplated thereunder;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscribers”	First Tranche Subscribers and Second Tranche Subscribers
“Subscriptions”	the First Tranche Subscription and the Second Tranche Subscription;
“Subscription Price”	HK\$0.2 per Subscription Share;
“Subscription Share(s)”	the First Tranche Subscription Shares and the Second Tranche Subscription Shares;
“Wide Fine”	Wide Fine International Limited, a substantial Shareholder of the Company, which is interested in approximately 24.63% of the issued share capital of the Company as at the date of this announcement; and
“%”	per cent.

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

Hong Kong, 16 November 2009

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Wong Kam Leong, Ms. Li Jie Yi, Mr. Yip Wai Ki and Mr. Wu Bing Xiang; and three independent non-executive Directors, namely Mr. Ng Kwok Chu, Winfield, Mr. Ng Chau Tung, Robert and Mr. Tse Ching Leung.

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:-

- 1. the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- 2. there are no other matters the omission of which would make any statement in this announcement misleading; and*
- 3. 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.*

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the Company’s website at www.long-success.com.