
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 (the “Company”), 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 transfer was effected for transmission to the purchaser or the transferee.

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This circular, for which the directors of the Company (the “Directors”) 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 (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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**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) PROPOSED REFRESHMENT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
(2) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME,
(3) RE-ELECTION OF DIRECTORS,
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting (the “AGM”) of the Company to be held at the Function Room of Macau Jockey Club, 1/F China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong at 11 a.m. on Monday, 23 August 2010 is set out on pages 30 to 34 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit it to the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

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

* for identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“Adoption Date”	23 August 2010 or the date on which the New Scheme becomes unconditional, whichever is the later;
“AGM”	the annual general meeting of the Company to be held at the Function Room of Macau Jockey Club, 1/F China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong at 11 a.m. on Monday, 23 August 2010;
“2009 AGM”	the annual general meeting of the Company held on 11 August 2009;
“associates”	has the same meaning ascribed thereto in the GEM Listing Rules;
“Auditors”	the auditors of the Company from time to time;
“Board”	the board of Directors;
“Business Day(s)”	any day on which the Stock Exchange is open for the business of trading in securities;
“Bye-Laws”	the bye-laws of the Company;
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time);
“Company”	Long Success International (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM;
“connected person”	has the same meaning ascribed thereto in the GEM Listing Rules;
“Date of Grant”	in respect of an Option, the Business Day on which the Board resolves to make an Offer of that Option to a Participant;
“Director(s)”	director(s) of the Company;
“Employee”	any full time employee, or part-time employee with weekly working hours of 10 hours or above, of any member of the Group, including (without limitation) any executive or non-executive director of any member of the Group;

DEFINITIONS

“Existing Issue Mandate”	the general unconditional mandate granted to the Directors by the Shareholders at the SGM to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the then issued share capital of the Company as at the date of the SGM;
“Existing Mandates”	collectively, the Existing Issue Mandate and the Existing Repurchase Mandate;
“Existing Repurchase Mandate”	the general unconditional mandate granted to the Directors by the Shareholders at the 2009 AGM to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the then issued share capital of the Company as at the date of the 2009 AGM;
“Existing Scheme”	the share option scheme adopted by the Company on 21 August 2006;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the New Scheme, or (where the context so permits) a person who is entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“HK\$” and “cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong;
“Latest Practicable Date”	20 July 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Date”	the date on which dealings in the Shares first commence on GEM;
“New Issue Mandate”	the general unconditional mandate proposed to be granted to the Directors by the Shareholders at the AGM to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;

DEFINITIONS

“New Mandates”	collectively, the New Issue Mandate and New Repurchase Mandate;
“New Repurchase Mandate”	the general unconditional mandate proposed to be granted to the Directors by the Shareholders at the AGM to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;
“New Scheme”	the new share option scheme which is proposed to be adopted by the Company at the AGM, the principal terms of which are set out in Appendix II to this circular;
“Offer”	the offer of the grant of an Option under the New Scheme;
“Option(s)”	option(s) to subscribe for Shares granted and to be granted under the New Scheme;
“Option Period”	a period to be determined and notified by the Board to each Grantee and in any event such period of time shall not be more than ten years from the Date of Grant;
“Participant(s)”	all Employees, any advisers (professional or otherwise), consultants, distributors, suppliers, strategic partners, licensors, agents, customers, joint venture partners, or service 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;
“PRC”	the People’s Republic of China;
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company held on 15 March 2010;
“Share(s)”	share(s) of HK\$0.04 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s) from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Subscription Agreements”	the four subscription agreements all dated 30 June 2010 entered into between the Company and each of the subscribers respectively in relation to the subscriptions of the Subscription Shares, details of which are set out in the Company’s announcement dated 30 June 2010;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option under the New Scheme;
“Subscription Shares”	a total of 121,000,000 new Shares;
“subsidiary”	has the same meaning ascribed thereto in the GEM Listing Rules;
“Substantial Shareholders”	has the same meaning ascribed thereto in the GEM Listing Rules;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD



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. Hu Dongguang

Ms. Li Jie Yi

Mr. Wu Bingxiang

Dr. Guo Wanda

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Non-executive Director:

Mr. Zhang Chi

Head Office and Principal Place

of Business:

26/F, EIB Centre,

40-44 Bonham Strand,

Sheung Wan,

Hong Kong

Independent non-executive Directors:

Mr. Ng Kwok Chu, Winfield

Mr. Ng Chau Tung, Robert

Mr. Tse Ching Leung

Mr. Wang Qingyi

21 July 2010

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED REFRESHMENT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
(2) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME,
(3) RE-ELECTION OF DIRECTORS,
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM relating to (i) the granting of the New Mandates; (ii) the adoption of New Scheme; and (iii) the re-election of Directors in order to enable you to make an informed decision on whether to vote for or against those resolutions.

* for identification purpose only

LETTER FROM THE BOARD

2. NEW ISSUE MANDATE AND NEW REPURCHASE MANDATE

The Company's Existing Issue Mandate and Existing Repurchase Mandate were approved by the Shareholders at the SGM and 2009 AGM respectively. The Existing Issue Mandate and the Existing Repurchase Mandate will lapse at the conclusion of the AGM. At the AGM, the following ordinary resolutions, among other matters, will be proposed:

- (i) to grant the New Issue Mandate to the Directors to enable them to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution approving the New Issue Mandate;
- (ii) to grant the New Repurchase Mandate to the Directors to enable them to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution approving the New Repurchase Mandate; and
- (iii) to increase the number of Shares to be allotted, issue and dealt with under the New Issue Mandate by an additional number representing such number of Shares repurchased under the New Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company had an aggregate of 1,397,945,000 Shares. The Company has entered into the Subscription Agreements with certain subscribers on 30 June 2010, pursuant to which a total of 121,000,000 Shares may be allotted to such subscribers upon completion thereof. If completion of the Subscription Agreements takes place prior to the AGM, the issued share capital of the Company would be increased by 121,000,000 Shares to an aggregate of 1,518,945,000 Shares on the basis that no other Shares are issued or repurchased prior to the AGM. Therefore, subject to the passing of the resolutions approving the New Mandates, the Company would be allowed under the New Mandates, (i) if completion of the Subscription Agreements does not take place prior to AGM, to allot and issue a maximum of 279,589,000 Shares and to repurchase a maximum of 139,794,500 Shares on the basis that no further Shares are issued or repurchased prior to the AGM, or (ii) if completion of the Subscription Agreements takes place prior to AGM, to allot and issue a maximum of 303,789,000 Shares and to repurchase a maximum of 151,894,500 Shares on the basis that, save for the Subscription Shares, no other Shares are issued or repurchased prior to the AGM.

The New Issue Mandate and the New Repurchase Mandate, if granted, will remain in force until (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 to be held by the Bye-Laws or any applicable laws of Bermuda; or (iii) the revocation or variation of the New Issue Mandate or the New Repurchase Mandate (as the case may be) by ordinary resolutions of the Shareholders in a general meeting, whichever occurs first.

LETTER FROM THE BOARD

An explanatory statement containing information relating to the New Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the GEM Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the New Repurchase Mandate.

3. ADOPTION OF THE NEW SCHEME

The Directors propose to adopt the New Scheme which will be put to the Shareholders for approval at the AGM. The Existing Scheme was adopted by the Company on 21 August 2006 and will expire on 17 August 2010, being ten years from the Listing Date as stipulated in the Existing Scheme document.

The adoption of the New Scheme is conditional upon:

- (i) the Shareholders approving the New Scheme at the AGM; and
- (ii) the Stock Exchange granting approval of the listing of and permission to deal in the Shares to be issued and allotted pursuant to the exercise of the Options granted under the New Scheme up to 10% of the total number of Shares in issue as at 23 August 2010.

Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the Options granted under the New Scheme representing up to 10% of the total number of Shares in issue as at 23 August 2010.

As at the Latest Practicable Date, the Company had granted 236,850,000 Options under the Existing Scheme to subscribe for an aggregate of 236,850,000 Shares, of which 120,449,493 Options were exercised and 110,150,507 Options remaining outstanding, 6,250,000 Options were lapsed and no Options were cancelled. Under the Existing Scheme, such 110,150,507 outstanding Options shall continue to be valid and exercisable in accordance with the rules of the Existing Scheme. The Directors confirm that no further Options will be granted under the Existing Scheme prior to the date of the AGM.

The Directors consider that the New Scheme, which will be valid for ten years from the date of its adoption, will provide the Company with more flexibility in long term planning of granting Options to Participants in a longer period in the future. This can provide appropriate incentive or rewards to Participants for their contribution to the Group. The Board believes that the authority given to the Board under the New Scheme to specify any minimum holdings period and/or performance targets as conditions in any Option granted and the requirement for a minimum Subscription Price as well as the authority to select the appropriate Participants as prescribed by the rules of the New Scheme will serve to protect the value of the Company and to achieve such purpose of retaining and motivating high quality personnel to contribute to the Group.

LETTER FROM THE BOARD

The Directors consider that it is not appropriate to value the Options that can be granted under the New Scheme on the assumption that they had been granted at the Latest Practicable Date, as various determining factors (such as the Subscription Price, the timing of granting of such Options, exercise period and performance targets which the Directors may set under the New Scheme) for the calculation of such value cannot be reasonably fixed at this stage. It would not be meaningful and to certain extent would be misleading to the Shareholders if the value of the Options is calculated based on a set of speculated assumptions.

On the basis of 1,397,945,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued or repurchased by the Company prior to the AGM, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the New Scheme and any other schemes of the Company will be 139,794,500 Shares.

In the event that completion of the Subscription Agreements takes place prior to the AGM, on the basis of 1,397,945,000 Shares in issue as at the Latest Practicable Date and assuming that no other Shares, save for the Subscription Shares, are issued or repurchased by the Company prior to the AGM, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the New Scheme and any other schemes of the Company will be 151,894,500 Shares, being 10% of the total number of Shares in issue as at the Latest Practicable Date as enlarged by the issue and allotment of the Subscription Shares, should the New Scheme be adopted.

A summary of the principal terms of the New Scheme is set out in Appendix II to this circular. The full terms of the New Scheme can be inspected at the principal place of business of the Company at 26/F., EIB Centre, 40-44 Bonham Strand, Sheung Wan, Hong Kong from the date of this circular to and including the date of the AGM and at the AGM.

At the AGM, an ordinary resolution will be proposed to approve the adoption of the New Scheme and authorize the Directors to grant Options thereunder and to allot and issue Shares pursuant to the New Scheme.

None of the Directors is a trustee of the New Scheme or has any direct or indirect interest in such trustee, if any.

4. RE-ELECTION OF DIRECTORS

In accordance with bye-law 99 of the Bye-Laws, Ms. Li Jie Yi and Mr. Ng Chau Tung Robert will retire from office by rotation and, being eligible, offer themselves for re-election at the AGM.

Also, in accordance with bye-law 102 of the Bye-Laws, any Director appointed to fill in a casual vacancy or as an additional Director shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. Hu Dongguang, Mr. Wu Bingxiang, Dr. Guo Wanda, Mr. Zhang Chi, Mr. Tse Ching Leung and Mr. Wang Qingyi, being new Directors appointed by the Board, shall retire from office at the AGM and, being eligible, offer themselves for re-election at the AGM.

Brief biographical details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix III to this circular.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING

The notice of the AGM which contains, inter alia, ordinary resolutions to approve the New Mandates, the adoption of the New Scheme and the re-election of Directors is set out on pages 30 to 34 of this circular.

Mr. Zhang Chi and his associates, holding in aggregate 36,350,000 Shares, representing approximately 2.6% of the issued share capital of the Company, and 6,500,000 underlying Shares attached to the Options granted by the Company, will abstain from voting on the resolution to approve the re-election of himself as an executive Director. To the best knowledge of the Directors, having made all reasonable enquiries, save for Mr. Zhang Chi, no other Shareholders are required to abstain from voting at the AGM pursuant to the GEM Listing Rules.

Whether or not you intend to attend the AGM, you are requested to complete the enclosed form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM if you so wish.

6. GEM LISTING RULES REQUIREMENT

According to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions proposed at the AGM will be taken by way of a poll.

7. RECOMMENDATION

The Directors consider that the proposals for (i) the granting of the New Mandates; (ii) the adoption of the New Scheme; and (iii) the re-election of Directors are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

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

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide the requisite information to you for your consideration of the New Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,397,945,000 Shares of HK\$0.04 each.

Subject to the passing of the resolution in relation to the New Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the New Repurchase Mandate to repurchase a maximum of 139,794,500 Shares or 151,894,500 Shares (if completion of the Subscription Agreements takes place prior to the AGM) on the basis that no further Shares, other than the Subscription Shares, are issued or repurchased by the Company prior to the AGM, representing approximately 10% of the issued share capital of the Company as at the date of passing the resolution.

The Shares repurchased by the Company shall, subject to applicable laws, be automatically cancelled upon such repurchase.

2. REASONS FOR REPURCHASES

The Directors believe that the New Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. The Directors have no present intention to repurchase any Shares but consider that the New Repurchase Mandate will provide the Company the flexibility to make such purchase when appropriate and beneficial to the Company. Such repurchases 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 earning per Share.

3. FUNDING OF REPURCHASES

Repurchase of Shares will be funded out of funds legally available for such purpose and in accordance with the memorandum of the Company and the Bye-Laws, the GEM Listing Rules and the applicable laws of Bermuda.

In the event that the proposed New Repurchase Mandate is exercised in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital or the gearing positions of the Company (as compared with the position disclosed in the audited financial statements for the year ended 31 March 2010). However, the Directors do not propose to exercise the New Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

4. SHARE PRICES

The highest and lowest prices at which Shares have been traded on GEM in each of the past twelve months were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
July	0.2160	0.1400
August	0.1880	0.1480
September	0.2800	0.1530
October	0.2700	0.1990
November	0.2310	0.2000
December	0.2140	0.1070
2010		
January	0.3050	0.1340
February	0.2850	0.2170
March	0.3350	0.2120
April	0.2500	0.2150
May	0.2270	0.1570
June	0.2060	0.1560
July (up to the Latest Practicable Date)	0.2090	0.1450

5. CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company if the New Repurchase Mandate is approved at the AGM.

No connected person has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the New Repurchase Mandate is approved.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchase pursuant to the New Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of the Company and the Bye-Laws and the applicable laws of Bermuda.

7. CODE ON TAKEOVERS AND MERGERS

If, as a result of a repurchase of 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 Rule 32 of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the register of the Substantial Shareholders maintained by the Company pursuant to Part XV of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name	Number of Shares held	Approximate percentage of shareholding (on the basis of 1,397,945,000 Shares in issue)	Approximate percentage of shareholding if the New Repurchase Mandate is exercised in full (on the basis of 1,258,150,500 Shares in issue)	Approximate percentage of shareholding if the New Repurchase Mandate is exercised in full (on the basis of 1,367,050,500 Shares in issue)
			(Note 1)	(Note 1)
Wong Kam Leong (Note 2)	248,125,000	17.75%	19.72%	18.15%
Li Meilang	78,190,000	5.59%	6.21%	5.72%

Note 1: If completion of the Subscription Agreements takes place prior to the AGM and that no further Shares (save for the Subscription Shares) are issued or repurchased by the Company prior to the AGM.

Note 2: As at the Latest Practicable Date, Wide Fine International Limited ("Wide Fine") is the beneficial owner of 248,125,000 Shares. Mr. Wong Kam Leong ("Mr. Wong") is the sole beneficial owner of Wide Fine and is deemed to be interested in Shares held by Wide Fine.

In the event that the Directors shall exercise in full the New Repurchase Mandate, the total interests of the above Shareholders would increase to approximately the percentage shown in the last column above and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. In any event, the Directors have no present intention to repurchase Shares to such extent which will result in a mandatory general offer required to be made if the proposed New Repurchase Mandate is approved at the AGM. Moreover, the Directors have no intention to exercise the New Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed minimum percentage as required under the GEM Listing Rules.

8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the six months period prior to the Latest Practicable Date whether on the GEM or otherwise.

The following is a summary of the principal terms of the New Scheme.

1. PURPOSE, ELIGIBILITY, DURATION AND ADMINISTRATION

- (A) The purpose of the New Scheme is to enable the Company to grant Options to selected Participants as incentives or rewards for their contribution to the Group. The Participants as defined in the New Scheme shall include all Employees, any advisers (professional or otherwise), consultants, distributors, suppliers, strategic partners, licensors, agents, customers, joint venture partners, or service 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.
- (B) On and subject to the terms of the New Scheme, Options can be granted under the New Scheme for a period of ten years after the Adoption Date. After the expiry of the ten-year period, no further Options will be offered or granted but in all other respects the provisions of the New Scheme shall remain in force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Scheme. Options shall continue to be exercisable subject to the terms of the New Scheme and in accordance with their terms of issue after the end of the ten-year period until the end of the Option Period.
- (C) The New Scheme shall be subject to the administration by the Board, and the decision of the Board shall be final and binding on all parties. The Board, subject to the GEM Listing Rules, shall have the right (i) to interpret and construe the provisions of the New Scheme, (ii) to determine the persons who will be awarded Options under the New Scheme, and the number and Subscription Price of Options awarded thereto, (iii) to make such appropriate and equitable adjustments to the terms of Options granted under the New Scheme as it deems necessary, and (iv) to make such other decisions or determinations as it shall deem appropriate in the administration of the New Scheme.
- (D) No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his/her behalf in his/her capacity as a member of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the New Scheme may be allocated or delegated, against any reasonable cost or expense (including legal fees) or liability (including any reasonable sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the New Scheme unless arising out of such person's own fraud or bad faith.

2. GRANT OF OPTIONS

- (A) On and subject to the terms of the New Scheme, the Board shall be entitled at any time within ten years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select to take up Options pursuant to which such Participant may subscribe for such number of Shares at the Subscription Price as the Board may determine. Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the Board may determine provided that the terms and conditions shall not be inconsistent with any other terms and conditions of the New Scheme.
- (B) An Offer shall be made to a Participant by letter (in duplicate) 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 New 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 (but if in part only, in respect of a board lot or an integral multiple thereof), and/or any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally. The Offer shall remain open for acceptance by the Participant to whom an Offer is made for a period of 14 days from the Date of Grant, provided that no such Offer shall be open for acceptance after the tenth anniversary of the Adoption Date or after the New Scheme has been terminated in accordance with the provisions hereof or after the Participant, who is an Employee, to whom the Offer is made has ceased to be an Employee, or after the Participant who is an adviser, consultant, distributor, supplier, agent, customer, joint venture partner, services provider to the Group ceases such relationship with the Group.
- (C) An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect (with retrospective effect from the Date of Grant) when the duplicate letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance or payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company. Such remittance shall not be refundable in any circumstances.
- (D) Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on GEM or an integral multiple thereof. To the extent that the Offer (or any part thereof) is not accepted within 14 days from the Date of Grant in the manner indicated in paragraph 2(C), it will be deemed to have been irrevocably declined and the Offer will lapse.

- (E) An Offer 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, no Option may be granted during the period commencing one month immediately preceding the earlier of:
- (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with Rule 17.48 of the GEM Listing Rules) for the approval of the Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and
 - (ii) the deadline for the Company to publish an announcement of its results for any year, half-year or quarter-year period under Rules 18.49, 18.78 or 18.79 of the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement.

3. SUBSCRIPTION PRICE

The Subscription Price shall, subject to any adjustments made pursuant to paragraph 7, be a price determined by the Board at its absolute discretion and notified to a Participant and shall be no less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant which must be a Business Day; and
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (iii) the nominal value of a Share.

4. EXERCISE OF OPTIONS

- (A) An Option shall be personal to the Grantee and shall not be assignable or transferrable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any other person over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall result in any outstanding Option or part thereof granted to such Grantee automatically lapsing without incurring any liability on the part of the Company.

- (B) Subject to paragraph 5 and fulfilment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein (if applicable), an Option may be exercised in whole or in part (but if in part only, in respect of a board lot or an integral multiple thereof) in the manner as set out in paragraph 4(C) by the Grantee (or his or her personal representatives) giving notice in writing, which notice shall constitute an irrevocable instruction, to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. All costs and taxes incurred or arising out of such exercise of an Option shall be borne by the Grantee. Within 20 Business Days after receipt of the notice mentioned in this paragraph 4(B) and, if applicable, receipt of the Company's independent financial adviser or the Auditors' certificate pursuant to paragraph 7, the Company shall allot and issue, and shall instruct the Share Registrar to issue, the relevant Shares to the Grantee (or his or her personal representatives) credited as fully paid and issue to the Grantee (or his or her personal representatives) a share certificate in respect of the Shares so allotted.
- (C) Subject as hereinafter provided and subject to such other terms and conditions upon which such Option was granted in accordance with the provisions of paragraph 2(B), the Option may be exercised by the Grantee at any time during the Option Period, provided that:
- (i) in the event of the Grantee ceases to be Participant for any reason other than (a) on his or her death; or if applicable (b) the termination of his or her employment on one or more of the grounds specified in paragraph 5(A)(iv), the Grantee may exercise the Option within three months following the date of cessation in accordance with the provisions of paragraph 4(B) up to his or her entitlement under paragraph 4(B) at the date of cessation (to the extent not already exercised) which date shall be the last actual working day on which the Grantee was physically at work with the Company or the relevant subsidiary whether salary is paid in lieu of notice;
 - (ii) in the event the Grantee who is an Employee dies before exercising the Option in full and none of the events which would be a ground for termination of his or her employment under paragraph 5(A)(iv) arises, the personal representative(s) of the Grantee shall be entitled within a period of 12 months from the date of death to exercise the Option up to the entitlement under paragraph 4(B) of such Grantee as at the date of death (to the extent not already exercised) in accordance with the provisions of paragraph 4(B);
 - (iii) in the event of the Grantee, who is an adviser, consultant, distributor, supplier, agent, customer, joint venture partner or service provider to the Group ceasing to be party to such relationships with the Group, the Grantee may exercise the Option for such period as the Board shall, in its absolute discretion, determine, failing which the Option shall lapse automatically pursuant to paragraph 5(A)(viii);

- (iv) if a general offer, including without limitation a voluntary offer (other than by way of scheme of arrangement pursuant to sub-paragraph (v) below), is made to all the Shareholders (or all such holders other than the offeror and/or its associates (as such term is defined in the Codes on Takeovers and Mergers and Share Repurchases) and/or any person controlled by the offeror and/or any person acting in concert with the offeror) to acquire all or part of the issued Shares and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option either to its full extent or to the extent notified by the Company, in accordance with the provisions of paragraph 4(B), at any time within such period as shall be notified by the Company;
- (v) 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 Grantee and the Grantee shall be entitled to exercise the Option either to its full extent or to the extent notified by the Company in accordance with the provisions of paragraph 4(B), at any time within such period as shall be notified by the Company;
- (vi) in the event a notice is given by the Company to the 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 Grantee and the Grantee 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 under paragraph 4(B) or to the extent specified in such notice, in accordance with the provisions of paragraph 4(B) 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;
- (vii) other than a scheme of arrangement contemplated in sub-paragraph (v) above, 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 or creditors to consider such a scheme or arrangement and the Grantee may by notice in writing to the Company (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 under paragraph 4(B) or to the extent specified in such notice in accordance with the provisions of paragraph 4(B), 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 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.

- (D) The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Bye-Laws of the Company as amended from time to time and will rank pari passu with the fully paid Shares in issue on the date of exercise of the Option and in particular will rank in full for all dividends or other distributions declared paid or made on or after the date of exercise of the Option other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor is before the date when the name of Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a date upon which the register of members of the Company is closed, then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened.
- (E) Any Options granted but not exercised may be cancelled if the Grantee so agrees and new Options may be granted to the Grantee provided such grant of the new Options must fall within the limits prescribed by paragraph 6 and otherwise comply with the terms of the New Scheme.

5. LAPSE OF OPTION

- (A) An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:
- (i) the expiry of the Option Period;
 - (ii) the expiry of the periods referred to in paragraphs 4(C)(i), (ii), (vi) or (vii);
 - (iii) subject to the scheme of arrangement (referred to in paragraph 4(C)(v)) becoming effective, the expiry of the period referred to in paragraph 4(C)(v);
 - (iv) the date on which the Grantee of an 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, that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or insolvent or entered into voluntary winding up or receivership or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
 - (v) the date of the commencement of the winding-up of the Company 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;
 - (vi) the date on which the Grantee commits a breach of paragraph 4(A);

- (vii) the date on which the Board receives notice or becomes aware of 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 has made any arrangement or composition with his, her or its creditors generally or had winding up proceedings commenced against him, her or it;
 - (viii) the date on which the Grantee who is an adviser, consultant, distributor, supplier, agent, customer, joint venture partner or service provider to the Group shall cease to be party to such relationships with the Group and the Board shall not have exercised its discretion to determine the period during which the Grantee may exercise the Option after such cessation pursuant paragraph 4(C)(iii);
 - (ix) the date on which the Option is cancelled by the Board as referred to in paragraph 4(E);
 - (x) 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 Group.
- (B) Transfer of employment from one company in the Group to another company in the Group shall not be considered a cessation of employment.

6. MAXIMUM NUMBER OF SHARES SUBJECT TO OPTIONS

- (A) Subject to paragraphs 6(B), (C), (D) and (E) below, the limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Scheme and any other share option scheme of the Company must not exceed 30% of the Shares in issue from time to time.
- (B) The total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the New Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (C) The Company may renew the Scheme Mandate Limit at any time subject to prior Shareholders’ approval. However, the Scheme Mandate Limit as renewed must not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders’ approval. Options previously granted under the New Scheme and other share option schemes (including those outstanding, cancelled, lapsed in accordance with the New Scheme or other share option scheme or exercised Options) will not be counted for the purpose for calculating the limit as renewed. A circular containing information required under the GEM Listing Rules must be sent to Shareholders in connection with the meeting at which their approval will be sought.

- (D) The Company may also seek separate Shareholders' approval for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought. A circular must be sent to 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, how the terms of such Options serve such purpose and such other information as required under the GEM Listing Rules.
- (E) The total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time. Any further grant of Options to such Participant which would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue must be subject to Shareholders' approval with such Participant and his or her associates abstaining from voting. A circular must be sent to the Shareholders disclosing the identity of the Participant, the number and terms of the Options granted and to be granted and such other information as required under the GEM Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Participant must be fixed before the Shareholders' approval is sought and the date of board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

7. REORGANISATION OF CAPITAL STRUCTURE

- (A) Subject to paragraph 6, in the event there is a change in the Shares of the Company through a consolidation, subdivision, capitalisation of profits or reserves, issue of shares by way of rights issue or a reduction of share capital or similar reorganisation of the share capital of the Company, such corresponding adjustments shall be made in:
- (a) the aggregate number of Shares available for the grant of Options under the New Scheme; and
 - (b) the number of Shares subject to outstanding Options; and/or
 - (c) the Subscription Price per Share of each outstanding Option.

The Auditors or an independent financial adviser (acting as experts and not as arbitrators and absent manifest error whose decision shall be final and binding) shall at the request of the Company certify in writing to the Board that such alterations, according to their opinion based on fairness and reasonableness, either generally or as regards a particular Grantee (except in the case of a capitalisation issue where no such certification shall be required unless otherwise expressly required by the Board) give the Grantee the same proportion of the equity capital as to which the Grantee was previously entitled, provided that:

- (i) the aggregate percentage of the issued share capital of the Company available for the grant of Options shall remain as nearly as possible as it was before such change;
 - (ii) any such alterations shall be made on the basis that the relevant total Subscription Price payable by a Grantee on the full exercise of any outstanding Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
 - (iii) no such alterations shall be made to the effect that a Share will be issued at less than its nominal value;
 - (iv) no such alterations shall be made to the effect of which would be to increase the proportion of the issued share capital of the Company for which any Grantee is entitled to subscribe pursuant to the Options held by him/her.
- (B) No alteration shall be made to the New Scheme as a result of the issue of the Shares as consideration in a transaction by any member of the Group.
- (C) The costs of the Company's independent financial adviser or the Auditors shall be borne by the Company.

8. SHARE CAPITAL

- (A) The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.
- (B) The Options do not carry any right to vote in general meeting of the Company, or any right to dividend, or any other rights whether or not arising on the liquidation of the Company.

9. DISPUTES

Any dispute arising in connection with the New Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Company's independent financial adviser or Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding.

10. ALTERATION OF THE NEW SCHEME

- (A) Any alteration to the provisions of the New Scheme relating to the matters set out in Rule 23.03 of the GEM Listing Rules must be approved by the Shareholders in general meeting.
- (B) Any alteration to the terms and conditions of the New Scheme, which is of a material nature, or any change to the terms of Options granted must be approved by the Shareholders, save where such alteration takes effect automatically under the existing terms of the New Scheme.
- (C) The amended terms of the New Scheme shall comply with the relevant requirements under Chapter 23 of the GEM Listing Rules.

11. GRANT OF OPTIONS TO A CONNECTED PERSON

- (A) The grant of Options to any Director, chief executive or Substantial Shareholder or any of their respective associates requires the approval of the independent non-executive Directors (excluding an independent non-executive Director who is the Grantee of the Options).
- (B) Where any grant of Options to a Substantial Shareholder or an independent non-executive Director or any of their respective associates will result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the Date of Grant to exceed in aggregate 0.1% of the Shares in issue from time to time and having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet at the date of each grant and if such Date of Grant is not a Business Day, the Business Day immediately preceding the relevant Date of Grant, in excess of HK\$5 million, such grant of Options must be subject to Shareholders' approval in a general meeting and the Company shall send a circular to the Shareholders containing all such information 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.
- (C) The requirements for granting of Options to a Director or chief executive of the Company set out in this paragraph do not apply where the Participant is only a proposed Director or chief executive of the Company.
- (D) Shareholders' approval as described in paragraph 11(B) above is also required for any change in the terms of Options granted to a Participant who is a Substantial Shareholder or an independent non-executive Director or any of their respective associates (other than those changes which will take effect automatically in accordance with the terms of their respective grants and the New Scheme).

12. TERMINATION

The Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of the New Scheme and in such event no further Options will be offered or granted but in all other respects the provisions of the New Scheme shall remain in full force and effect. Options granted and accepted prior to such termination which have not expired shall continue to be exercisable subject to the terms of the New Scheme and in accordance with their terms of issue after the termination of the New Scheme.

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

Executive Directors

(1) Mr. Hu Dongguang

Mr. Hu Dongguang, aged 61, has been appointed as an executive Director and the Chief Executive Officer of the Company with effect from 18 January 2010. Mr. Hu is a senior economist in the PRC and holds a Bachelor's Degree in economics from Beijing Economics Institute (now Capital University of Economics and Business) (北京經濟學院 (現首都經貿大學)). Mr. Hu has more than 30 years extensive experience in development planning, capital operations, administration management and sales management. Mr. Hu also served as the deputy secretary for Food Industries, the Ministry of Light Industry (輕工業部食品工業司), the managing director of 香港穗華公司, a window company of the Ministry of Light Industry in Hong Kong, the chairman of the Council of China Beverage Industry Association (中國飲料工業協會), a deputy director of Economic and Trade Division, the Ministry of Light Industry of the PRC (中國輕工業部經濟貿易部), the assistant to the head of Light Weaving Office of Ningxia Province (寧夏省輕紡廳), the director of Legal Regulation Office (法規處), the deputy division chief of Survey and Investigations Division (調研處), a consultant in the Sixth Specialist Consultant Team of the People's Government of Beijing (北京人民政府第六屆專家顧問團) and a vice chairman of Chinese Cultural Industries Development Fund (中國文化產業發展基金). Mr. Hu is responsible for administrative aspects and business development of the Group.

Save as disclosed above, Mr. Hu did not hold any directorships in any listed public companies in Hong Kong or overseas in the last three years and he did not hold any other positions with the Company or its subsidiaries as at the Latest Practicable Date.

Mr. Hu has entered into a service contract with the Company for a term of three years commencing on 18 January 2010. His appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws and is subject to termination by inter alia either party giving not less than three months' written notice. Mr. Hu is entitled to annual emoluments of HK\$360,000 and discretionary bonus which was determined by the Board with reference to his duties and responsibilities and the prevailing market conditions.

Mr. Hu does not have any relationships with any Directors, senior management, substantial or controlling shareholder of the Company. Mr. Hu was interested in 11,000,000 underlying Shares attached to the Options granted by the Company as at the Latest Practicable Date.

Save as disclosed above, there are no other matters concerning Mr. Hu that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

(2) Ms. Li Jie Yi

Ms. Li Jie Yi, aged 43, has been appointed as an executive Director of the Company with effect from 15 November 2007. Ms. Li has vast experience in the gaming industry in Macau, in particular, in relation to the financial control and management of VIP lounges in casinos. Ms. Li is responsible for administrative aspects and business development of the Group.

Save as disclosed above, Ms. Li did not hold any directorships in any listed public companies in Hong Kong or overseas in the last three years and she did not hold any other positions with the Company or its subsidiaries as at the Latest Practicable Date.

There is no service contract between the Company and Ms. Li and she has no fixed term of service with the Company. Ms. Li is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Ms. Li is entitled to a director's fee of HK\$240,000 per annum, which was determined by the Board with reference to her duties and responsibilities and the prevailing market conditions.

Ms. Li is a sister-in-law of Mr. Wong Kam Leong, an executive Director. Save as disclosed above, Ms. Li does not have any relationships with any other Directors, senior management, substantial or controlling shareholder of the Company. Ms. Li did not have any interests in the Shares or underlying Shares of the Company or its associated corporations within the meaning of Part XV of SFO as at the Latest Practicable Date.

Save as disclosed above, there are no other matters concerning Ms. Li that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

(3) Mr. Wu Bingxiang

Mr. Wu Bingxiang, aged 45, has been appointed as an executive Director of the Company with effect from 1 September 2009. Mr. Wu is also the chairman of Jining Gangning Paper Co, Ltd., a 51%-owned subsidiary of the Company, in Shandong Province in the PRC. From 2000 to 2008, Mr. Wu was a deputy general manager and an executive director of a building materials company in the PRC and has extensive experience in management, merchandising and marketing in the PRC. Mr. Wu is responsible for administrative aspects and business development of the paper manufacturing business of the Group.

Save as disclosed above, Mr. Wu did not hold any directorships in any listed public companies in Hong Kong or overseas in the last three years and he did not hold any other positions with the Company or its subsidiaries as at the Latest Practicable Date.

There is no service contract between the Company and Mr. Wu and he has no fixed term of service with the Company. Mr. Wu is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Mr. Wu is entitled to a director's fee of HK\$240,000 per annum which was determined by the Board with reference to his duties and responsibilities and the prevailing market conditions.

Mr. Wu does not have any relationships with any Directors, senior management, substantial or controlling shareholder of the Company. Mr. Wu was interested in 10,200,000 underlying Shares attached to the Options granted by the Company as at the Latest Practicable Date.

Save as disclosed above, there are no other matters concerning Mr. Wu that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

(4) Dr. Guo Wanda

Dr. Guo Wanda, aged 44, has been appointed as an executive Director of the Company with effect from 1 May 2010. Dr. Guo is a vice president of China Development Institute of Shenzhen. He is also the chairman of Shenzhen Association of Management Consultants. Dr. Guo graduated from Nankai University in Tianjin with a Bachelor's Degree and a Master's Degree in economics. He also obtained a Doctor of Philosophy in economics from the same university in 1991. Dr. Guo has extensive experience in China macroeconomics, industrial economy, industrial investment and corporate development strategy. Dr. Guo has been an independent non-executive director of Powerleader Science & Technology Group Limited, which is listed on the GEM, since 2008, and Shenzhen FIYTA Holdings Limited, which is listed on the Shenzhen Stock Exchange, since 2005 respectively. Dr. Guo has been assessed and approved as a researcher by 廣東省職稱評定委員會 (Title Evaluation Committee of Guangdong Province). He has worked with various government departments, corporations and research institutes, namely, as an assistant to the general manager at 深圳廣順股份有限公司 (Shenzhen Guangshun Co., Ltd.), the chairman and general manager of 湖北沙市廣順公司 (Hubei Shashi Guangshun Company), the director of 深圳市政府信息中心宏觀室 (division of macroeconomic of Shenzhen Municipal Government Information Center), the editor-in-chief of 經濟動態 (Economic Dynamic), a committee member of 深圳市委市政府決策諮詢委員會 (advisory committee of Shenzhen municipal government), a member of 深圳市社科聯主席團 (the presidium of Shenzhen Academy of Social Sciences), an expert of 深圳市軟科學專家委員會 (Shenzhen Soft Science Expert Committee), a general manager of 綜合開發研究院所屬腦庫投資管理公司 (Shenzhen ThinkTank Investment & Management Co., Ltd. under China Development Institute of Shenzhen) and a vice president of 深圳市宏觀經濟學會 (Macroeconomic Association of Shenzhen City). Dr. Guo assists the Company in its proposed acquisition of the entire equity interest in Ever Stable Holdings Limited, a BVI company which owns 60% of Dongguan Jiu He Bioplastics Company Limited, a joint venture company engaging in the development, production and sales of biodegradable resin and related products (details of which are set out in the circular of the Company dated 17 June 2010).

Save as disclosed above, Dr. Guo did not hold any directorships in any listed public companies in Hong Kong or overseas in the last three years and he did not hold any other positions with the Company or its subsidiaries as at the Latest Practicable Date.

Dr. Guo has entered into a service contract with the Company for a term of three years commencing on 1 May 2010. His appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws and is subject to termination by inter alia either party giving not less than three months' written notice. Dr. Guo is entitled to annual emoluments of HK\$240,000 and discretionary bonus, which was determined by the Board with reference to his duties and responsibilities and the prevailing market conditions.

Dr. Guo does not have any relationships with any Directors, senior management, substantial or controlling shareholder of the Company. He did not have any interests in the Shares and underlying Shares of the Company or its associated corporations within the meaning of Part XV of SFO as at the Latest Practicable Date.

Save as disclosed above, there are no other matters concerning Dr. Guo that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

Non-Executive Director

(5) Mr. Zhang Chi

Mr. Zhang Chi, aged 44, has been appointed as a non-executive Director of the Company with effect from 18 January 2010. Mr. Zhang has become a qualified lawyer in the PRC since 1987 and is currently working with Zhong Yuan Law Firm in Guangdong Province. Mr. Zhang is also a vice chairman of Guangdong Lawyers Association (廣東省律師協會) and a honorary chairman of Zhongshan Lawyers Association (中山市律師協會). Mr. Zhang specialises in civil and commercial law, environmental law and financial and securities law in the PRC. Mr. Zhang is holding and has held various public offices, including being a member of the Sixth Council of All China Lawyers Association (中華全國律師協會), a member of the Tenth Zhongshan Municipality Committee of the Chinese People's Political Consultative Conference (政協中山市第十屆委員會), a legal adviser to Zhongshan Municipal People's Government (中山市人民政府), a member of Guangdong Returned Overseas Chinese Adolescent Committee (廣東省僑青委), an arbitrator of Guangzhou Arbitration Commission (廣州仲裁委員會), the PRC legal adviser to Ocean Junior Chamber, Hong Kong (香港浩洋青年商會), and a legal adviser to a number of listed companies and large enterprises in Hong Kong and the PRC.

Save as disclosed above, Mr. Zhang did not hold any directorships in any listed public companies in Hong Kong or overseas in the last three years and he did not hold any other positions with the Company or its subsidiaries as at the Latest Practicable Date.

There is no service contract between the Company and Mr. Zhang and he has no fixed term of service with the Company. Mr. Zhang is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Mr. Zhang is entitled to a director's fee of HK\$120,000 per annum which was determined by the Board with reference to his duties and responsibilities and the prevailing market conditions.

Mr. Zhang does not have any relationships with any Directors, senior management, substantial or controlling shareholder of the Company. Mr. Zhang was interested in 36,350,000 Shares and 6,500,000 underlying Shares attached to the Options granted by the Company as at the Latest Practicable Date.

Save as disclosed above, there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

Independent Non-Executive Directors (“INED”)**(6) Mr. Ng Chau Tung, Robert**

Mr. Ng Chau Tung, Robert, aged 54, has been appointed as an INED and a member of audit committee and remuneration committee of the Company with effect from 3 January 2006. Mr. Ng is the chief executive officer of a private company, which mainly involves in financial arrangement for listed companies and small and medium enterprises, and trading of environmental protection or energy saving products. Mr. Ng holds a Bachelor of Business Administration from The Chinese University of Hong Kong. He is a Registered Financial Planner, a member of the Institute of Financial Accountant (U.K.) and a Full Member (Certified Professional Economist) of Hong Kong Society of Economists Limited. Mr. Ng has more than 20 years experience in the banking sector. He was the chairman of the Hong Kong Equipment Leasing Association and an independent non-executive committee member of the Finance House Association and the Hong Kong Deposit Taking Company Association.

Save as disclosed above, Mr. Ng did not hold any directorships in any listed public companies in Hong Kong and overseas in the last three years and he did not hold any other positions with the Company or its subsidiaries as at the Latest Practicable Date.

There is no service contract between the Company and Mr. Ng and he has no fixed term of service with the Company. Mr. Ng is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Mr. Ng is entitled to a director's fee of HK\$80,000 per annum which was determined by the Board with reference to his duties and responsibilities and the prevailing market conditions.

Mr. Ng does not have any relationships with any Directors, senior management, substantial or controlling shareholder of the Company. Mr. Ng was interested in 500,000 underlying Shares attached to the Options granted by the Company as at the Latest Practicable Date.

Save as disclosed above, there are no other matters concerning Mr. Ng that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

(7) Mr. Tse Ching Leung

Mr. Tse Ching Leung, aged 37, has been appointed as an INED and a member of audit committee and remuneration committee of the Company with effect from 1 September 2009. Mr. Tse holds an accounting degree from the City University of Hong Kong and has more than 15 years experience in professional auditing, accounting and financial management. He is the financial controller and company secretary of Sau San Tong Holdings Limited, a company listed on the GEM. Mr. Tse is an associate member of Hong Kong Institute of Certified Public Accountants.

Save as disclosed above, Mr. Tse did not hold any directorships in any listed public companies in Hong Kong or overseas in the last three years and he did not hold any other positions with the Company or its subsidiaries as at the Latest Practicable Date.

There is no service contract between the Company and Mr. Tse and he has no fixed term of service with the Company. Mr. Tse is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Mr. Tse is entitled to a director's fee of HK\$80,000 per annum which was determined by the Board with reference to his duties and responsibilities and the prevailing market conditions.

Mr. Tse does not have any relationships with any Directors, senior management, substantial or controlling shareholder of the Company. Mr. Tse was interested in 700,000 underlying Shares attached to the Options granted by the Company as at the Latest Practicable Date.

Save as disclosed above, there are no other matters concerning Mr. Tse that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

(8) Mr. Wang Qingyi

Mr. Wang Qingyi, aged 46, has been appointed as an INED of the Company with effect from 18 January 2010. Mr. Wang is a graduate of the Central Communist Party School (中央黨校) in economics. Mr. Wang is currently a deputy director of Hainan Province Yangpu Economic Development Zone (海南省洋浦經濟開發區) and a deputy secretary general of China Optimization Society of Capital Construction (中國基本建設優化研究會). Mr. Wang has more than 20 years of experience in economics and administration management. Mr. Wang has worked for State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), State Economic and Trade Commission (國家經濟貿易委員會) and Central Committee General Office (中央辦公廳). Mr. Wang was also an independent director of Jonjee Hi-tech Industrial & Commercial Co., Ltd. (中炬高新技術實業(集團)股份有限公司), a company listed in Shanghai, from July 2006 to May 2008.

Save as disclosed above, Mr. Wang did not hold any directorships in any listed public companies in Hong Kong or overseas in the last three years and he did not hold any other positions with the Company or its subsidiaries as at the Latest Practicable Date.

There is no service contract between the Company and Mr. Wang and he has no fixed term of service with the Company. Mr. Wang is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. No director's fee is payable to Mr. Wang.

Mr. Wang does not have any relationships with any Directors, senior management, substantial or controlling shareholder of the Company. Mr. Wang did not have any interests in the Shares and underlying Shares of the Company or its associated corporations within the meaning of Part XV of SFO as at the Latest Practicable Date.

Save as disclosed above, there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders nor is there any information to be disclosed by the Company pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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 IS HEREBY GIVEN THAT the annual general meeting (“AGM”) of the shareholders of Long Success International (Holdings) Limited (the “Company”) will be held at the Function Room of Macau Jockey Club, 1/F China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Monday, 23 August 2010 at 11 a.m. for the following purposes:

As ordinary business:

1. to receive and consider the audited financial statements and the reports of the directors (“Directors”) and auditors of the Company for the year ended 31 March 2010;
2.
 - (a) to re-elect Mr. Hu Dongguang as an executive Director;
 - (b) to re-elect Ms. Li Jie Yi as an executive Director;
 - (c) to re-elect Mr. Wu Bingxiang as an executive Director;
 - (d) to re-elect Dr. Guo Wanda as an executive Director;
 - (e) to re-elect Mr. Zhang Chi as a non-executive Director;
 - (f) to re-elect Mr. Ng Chau Tung Robert as an independent non-executive Director;
 - (g) to re-elect Mr. Tse Ching Leung as an independent non-executive Director;
 - (h) to re-elect Mr. Wang Qingyi as an independent non-executive Director;
 - (i) to authorize the board of Directors to fix their remuneration;
3. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;

* for identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

4. “**THAT**, the general mandates to allot, issue and deal with, and repurchase, shares of the Company granted to the Directors at the special general meeting of the Company held on 15 March 2010 and the annual general meeting of the Company held on 11 August 2009 respectively be and are hereby revoked and replaced by,

“A. **THAT**:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors 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;
- (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 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:
 - (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 are so authorised by a separate ordinary resolution of the shareholders of the Company) the 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);

NOTICE OF ANNUAL GENERAL MEETING

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 a general meeting revoking or varying the authority given to the Directors 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 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 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 extent of any restrictions or 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 during the Relevant Period of all powers of the Company to purchase its shares on the GEM 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;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company on the GEM or any other stock exchange recognised for this purpose by the SFC 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 4A(d) of this notice.”

“C. **THAT:**

subject to the passing of the ordinary resolutions 4A and 4B above, the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution 4A above in respect of the share capital of the Company referred to in subparagraph (ii) of paragraph (c) of such resolution.” ”

5. “**THAT** conditional upon the Listing Committee of the Stock Exchange 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 new share option scheme (the “New Scheme”) (a copy of which has been presented to the meeting marked “A” and signed for the purpose of identification by the chairman of the meeting), the New Scheme be and is hereby approved and adopted; and that the Directors be authorised to grant options and allot and issue shares of the Company pursuant to the New Scheme; and that the Directors be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary and expedient in order to give effect to the New Scheme.”

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

Hong Kong, 21 July 2010

Registered Office:

Canon’s Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head Office and Principal Place of Business:

26/F, EIB Centre,
40-44 Bonham Strand,
Sheung Wan,
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on GEM, all the resolutions to be voted by poll at the AGM.
2. Every member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy need not be a member of the Company.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M floor, Hopewell Centre, 183 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof.
4. A form of proxy for use at the meeting is enclosed. Whether or not you are able to attend the meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon.
5. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjournment thereof should they so wish, and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint registered holders of any share(s) of the Company, any one of such joint holders may attend and vote at the meeting, either in person or by proxy, in respect of such share(s) as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share(s) shall alone be entitled to vote in respect thereof.