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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)

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF A SUBSIDIARY**

The Board announces that on 31 August 2010, the Company as vendor entered into the Agreement with Income Plus as purchaser whereby the Company has agreed to sell and Income Plus has agreed to purchase the Sale Shares and the Shareholder's Loan for a total consideration of HK\$300,000. The Sale Shares represent the entire issued share capital of the Target Company and the Shareholder's Loan represents the total sum of the interest-free shareholder's loan advanced by the Company to the Target Company as at the Completion Date.

As the applicable percentage ratios in respect of the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

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**THE AGREEMENT**

**Date**

31 August 2010

**Parties**

- (1) the Company, as the vendor; and
- (2) Income Plus, as the purchaser

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Income Plus and its ultimate beneficial owner are independent third parties of the Company and its connected persons and are not connected persons of the Company.

### **Assets to be disposed of**

The assets to be disposed of comprise (i) the Sale Shares, representing the entire issued share capital of the Target Company; and (ii) the Shareholder's Loan, representing the interest-free shareholder's loan due to the Company by the Target Company as at the Completion Date.

### **Consideration**

The total consideration payable for the Sale Shares and the Shareholder's Loan is HK\$300,000 and shall be paid by Income Plus to the Company in cash upon Completion.

The consideration for the Disposal was arrived at after arm's length negotiations between the parties with reference to (i) the net liabilities of the Target Company and its subsidiaries ("Target Group") of approximately HK\$34.96 million included in the consolidated financial statements of the Company for the year ended 31 March 2010; and (ii) the net loss after taxation of the Target Group from 1 April 2009 to 31 March 2010 in the amount of approximately HK\$1.6 million. The Directors considered that the consideration was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Completion of the Disposal**

Completion of the Disposal took place upon the signing of the Agreement. Upon Completion, the Company ceased to hold any equity interest in the Target Company.

### **INFORMATION ON THE GROUP AND INCOME PLUS**

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 sale of customized software and provision of technical support.

Income Plus, incorporated under the laws of the British Virgin Islands, is an investment holding company.

### **THE TARGET COMPANY**

The Target Company, a wholly-owned subsidiary of the Company, carries the business of sales of customized software and related computer products and provision of technical support through its subsidiaries in Hong Kong and the PRC.

The following are the financial information on the Target Group included in the consolidated financial statements of the Company for the two years ended 31 March 2009 and 2010 respectively which were prepared in accordance with the accounting policies of Hong Kong Financial Reporting Standards:

	<b>For the year ended 31 March</b>	
	<b>2009</b>	<b>2010</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	9,863	2,446
Loss before taxation	2,734	1,636
Loss after taxation	2,891	1,636
Net liabilities	<u>33,279</u>	<u>34,963</u>

The net gain from the Disposal was approximately HK\$5.98 million, calculated by reference to the net liabilities of the Target Group included in the consolidated financial statements of the Company for the year ended 31 March 2010 and the consideration payable for the Disposal.

#### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

As mentioned in the 2010 Annual Report of the Company, the Group is optimistic on the long term prospect of its paper manufacturing business and the biodegradable materials manufacturing business, the latter is being acquired by the Company, in view of the PRC government's strong support for industries related to environmental protection and the stable growth of PRC's domestic consumption. The Group will continue to seek attractive business opportunities in areas involving environmental protection and recycling in the PRC and globally with a view to generating positive cash flow and earnings for the Group in the long run.

The Target Group has been operating at a loss for five consecutive years and their revenue has been deteriorating since 2008 with no signs of rebound. In view of the above, the Directors considered that the Disposal would allow the Group to relocate its resources and to focus on its other core businesses, ie paper manufacturing business and the biodegradable materials manufacturing business. The net proceeds of HK\$200,000 from the Disposal will be held by the Group as general working capital.

The Directors, including the independent non-executive Directors, were of the view that the terms of the Agreement were fair and reasonable and were on normal commercial terms and the Disposal was in the interests of the Company and Shareholders as a whole.

#### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios in respect of the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“Agreement”	the sale and purchase agreement dated 31 August 2010 and entered into between the Company as vendor and Income Plus as purchaser in relation to the Disposal;
“Board”	the board of directors of the Company;
“Company”	Long Success International (Holdings) Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on the Stock Exchange;
“Completion”	the completion of sale and purchase of the Sale Shares and Shareholder’s Loan under the Agreement;
“Completion Date”	the same date of signing of the Agreement;
“connected person(s)”	has the same meaning ascribed thereto in the GEM Listing Rules;
“Director(s)”	director(s) of the Company;
“Disposal”	the disposal of the Sale Shares and the Shareholder’s Loan by the Company to Income Plus pursuant to the Agreement;
“Group”	the Company and its subsidiaries;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, being the lawful currency of Hong Kong;
“Income Plus”	Income Plus Enterprises Limited, the purchaser under the Agreement;
“PRC”	the People’s Republic of China;

“Sale Shares”	10,000 ordinary shares of US\$1.00 each of the Target Company, representing 100% of its entire issued share capital;
“Share(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the ordinary share(s) in the issued share capital of the Company;
“Shareholder’s Loan”	the interest-free shareholder’s loan of HK\$29,208,356 advanced by the Company to the Target Company as at the Completion Date;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the same meaning ascribed thereto in the GEM Listing Rules;
“Target Company”	Mcmanners Management Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company; and
“US\$”	United States dollars, the official currency of the United States of America.

By order of the board of directors of  
**Long Success International (Holdings) Limited**  
**Wong Kam Leong**  
*Chairman*

Hong Kong, 31 August 2010

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Wong Kam Leong, Mr. Hu Dongguang, Ms. Li Jie Yi, Mr. Wu Bingxiang and Dr Guo Wanda; one non-executive Director, namely, Mr. Zhang Chi; and four independent non-executive Directors, namely Mr. Ng Kwok Chu, Winfield, Mr. Ng Chau Tung, Robert, Mr. Tse Ching Leung and Mr. Wang Qingyi*

*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 the information contained in this announcement 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 announcement misleading.*

*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 website at [www.long-success.com](http://www.long-success.com).*

*\* for identification purpose only*