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LONG SUCCESS INTERNATIONAL (HOLDINGS) LIMITED

百齡國際（控股）有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8017)

**1. PROPOSED SUBSCRIPTIONS FOR NEW SHARES
UNDER SPECIFIC MANDATES
AND
2. CONNECTED TRANSACTION IN RELATION TO A
PROPOSED SUBSCRIPTION
FOR NEW SHARES UNDER SPECIFIC MANDATE**

THE SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that after trading hours on 14 October 2010, the Company and each of the Subscribers (one of whom is a connected person of the Company) entered into four separate subscription agreements, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Subscription Shares at HK\$0.145 per Subscription Share. The Subscription Agreements are not inter-conditional.

The total number of 853,000,000 Subscription Shares represent: (i) approximately 56.16% of the existing issued share capital of the Company of 1,518,945,000 Shares as at the date of this announcement; and (ii) approximately 35.96% of the issued share capital of the Company of 2,371,945,000 Shares as enlarged by the issue and allotment of the Subscription Shares. The Subscription Shares will be issued under specific mandates to be obtained at the SGM.

CONNECTED TRANSACTION

As at the date of this announcement, View Good is a connected person of the Company within the meaning of the GEM Listing Rules, the subscription relating to 406,000,000 Subscription Shares by View Good constitutes a connected transaction under Chapter 20 of the GEM Listing Rules and is subject to, among other things, the approval of the Independent Shareholders at the SGM with vote to be taken by way of poll. Wide Fine and its associates have to abstain from voting at the SGM in respect of the resolutions proposed to approve the VG Subscription.

An Independent Board Committee has been formed to advise the Independent Shareholders on the terms of the VG Agreement and the transactions contemplated thereunder. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in accordance with the GEM Listing Rules.

A circular containing, among other things, (1) further details about the Subscriptions, (2) a letter of recommendation from the Independent Board Committee on the VG Subscription, and (3) a letter of advice from the independent financial adviser on the VG Subscription, together with a notice convening the SGM, will be despatched to the Shareholders not later than 4 November 2010 (being 15 business days after the date of this announcement) in accordance with the Listing Rules.

The aggregate net proceeds from the Subscriptions of approximately HK\$120 million will be applied as general working capital to develop and expand the Group's principal businesses and future business developments.

A. THE SUBSCRIPTION AGREEMENTS

On 14 October 2010 (after trading hours), the Company entered into four separate subscription agreements with each of the Subscribers in relation to the Subscriptions.

Parties

- (i) the Company;
- (ii) Mr. Chan, Mr. Keung, Win Right and View Good as the Subscribers.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save as disclosed herein, Mr. Chan, Mr. Keung and Win Right (together with its ultimate beneficial owners) are third parties independent of the Company and its connected persons.

As at the date of this announcement, Mr. Chan holds 3,200,000 Shares and Mr. Keung holds 9,500,000 Shares.

Number of Subscription Shares

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

Name of Subscriber	Number of Subscription Shares	Aggregate amount of Subscription Price HK\$
Mr. Chan	5,000,000	725,000
Mr. Keung	20,000,000	2,900,000
Win Right	422,000,000	61,190,000
View Good	406,000,000	58,870,000
Total	853,000,000	123,685,000

The total number of 853,000,000 Subscription Shares represent: (i) approximately 56.16% of the existing issued share capital of the Company of 1,518,945,000 Shares as at the date of this announcement; and (ii) approximately 35.96% of the issued share capital of the Company of 2,371,945,000 Shares as enlarged by the issue and allotment of the Subscription Shares.

Ranking of Subscription Shares

The Subscription Shares shall rank pari passu in all respects with the existing Shares in issue as at the date of allotment.

Subscription Price

The Subscription Price of HK\$0.145 per Subscription Share was determined with reference to the prevailing market price of the Shares and was negotiated on arm's length basis between the Company and the Subscribers. The Directors (including the independent non-executive Directors (except for their views on the VG Subscription, which will be provided after reviewing the advice from the independent financial adviser)) consider the Subscription Price to be fair and reasonable.

The Subscription Price represents:

- (i) a premium of approximately 5.84% over the closing price of HK\$0.137 per Share as stated in the daily quotation sheet of the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 7.73% over the average closing price of approximately HK\$0.1346 per Share as stated in the daily quotation sheet of the Stock Exchange for the last five trading days up to and including the Last Trading Day; and

- (iii) a premium of approximately 6.85% over the average closing price of approximately HK\$0.1357 per Share as stated in the daily quotation sheet of the Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

Each of the Subscribers will pay a sum equivalent to their respective aggregate amount of Subscription Price to the Company in cash upon Completion.

Conditions precedent

Completion of the issue and subscription for the Subscription Shares is conditional upon satisfaction of the following conditions (“Conditions”):

- (i) in the case of the I3P Subscriptions, the Company having obtained the approval of the Shareholders (other than those who are taken as materially interested in the relevant transaction) at the SGM on the I3P Agreements and the specific mandates to issue the relevant Subscription Shares, and in the case of VG Subscription, the Company having obtained the approval of the Independent Shareholders at the SGM on the VG Agreement and the specific mandate to issue the relevant Subscription Shares to VG;
- (ii) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares; and
- (iii) the Company having obtained all necessary approvals in relation to the Subscriptions (including but not limited to the Bermuda Monetary Authority and/or the SFC granting permission to allot and issue the Subscription Shares (if required)).

The Conditions cannot be waived by any party to the Subscription Agreements. If the any of the Conditions cannot be satisfied/fulfilled on or before 10 December 2010 or such later date as agreed by the respective parties to the Subscription Agreements in writing, the relevant Subscription Agreement(s) shall terminate save in respect of any antecedent breach of any obligation thereunder.

Completion

Completion of the Subscription Agreements shall take place within 7 business days after the fulfillment of the Conditions (or such date and time as agreed between the Company and the Subscribers). The completion of each of the Subscription Agreements is not inter-conditional upon each other.

Mandate to issue the Subscription Shares

The Subscription Shares will be issued pursuant to specific mandates to be obtained at the SGM.

Application for listing

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

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

The effect of the Subscriptions on the shareholding structure of the Company (assuming no exercise of the outstanding options under the share option scheme of the Company and there is no further issue of Shares prior to the issue and allotment of the consideration shares to the vendor under the Ever Stable Acquisition) is set out below:

	Before completion of the Subscriptions		Immediately after completion of the Subscriptions		Immediately after completion of the Subscriptions and the issue of consideration shares under the Ever Stable Acquisition	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Wide Fine (Note 1)	248,125,000	16.34	248,125,000	10.46	248,125,000	9.59
Mr. Zhang Chi (Note 2)	36,350,000	2.39	36,350,000	1.53	36,350,000	1.4
View Good (Note 3)	–	–	406,000,000	17.12	406,000,000	15.69
Sub-total	284,475,000	18.73	690,475,000	29.11	690,475,000	26.68
Mr. Chan	3,200,000	0.21	8,200,000	0.35	8,200,000	0.32
Mr. Keung	9,500,000	0.63	29,500,000	1.24	29,500,000	1.14
Win Right (Note 4)	–	–	422,000,000	17.79	422,000,000	16.31
Mr. Leung Wa (Note 5)	–	–	–	–	216,000,000	8.34
Other public Shareholders	1,221,770,000	80.43	1,221,770,000	51.51	1,221,770,000	47.21
Total	1,518,945,000	100.00	2,371,945,000	100.00	2,587,945,000	100.00

Notes:

1. The 248,125,000 Shares are beneficially owned by and registered in the name of Wide Fine International Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Wong Kam Leong, an executive Director.
2. Mr. Zhang Chi is a non-executive Director.
3. View Good is beneficially owned by Ms. Tam Sio Wan, the wife of Mr. Wong Kam Leong.
4. Win Right is beneficially owned by Mr. Liang Yu Cheng and Mr. Wu Shao Hong, both are Independent Third Parties.
5. Mr. Leung Wa is the vendor under the Ever Stable Acquisition who is entitled to the issue and allotment of 216,000,000 Shares as consideration shares within two months from the date of completion of the Ever Stable Acquisition.

C. EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Apart from the fund raising activities mentioned below, the Group has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
16 November 2009	Placing of new Shares under the 2009 General Mandate and the 2009 Specific Mandate respectively	HK\$44,000,000	Financing the Mega Bright Acquisition, redemption of Redeemable Convertible Note and as general working capital of the Group	HK\$26,600,000 has been applied as part payment of the balance of purchase price under the Mega Bright Acquisition; HK\$15,450,000 has been applied for the redemption of the Redeemable Convertible Note and HK\$1,950,000 has been applied as working capital
10 February 2010	Placing of new Shares under the 2010 Specific Mandate	HK\$34,650,000	Financing the Ever Stable Acquisition and as general working capital of the Group.	HK\$30,000,000 applied as part payment of the refundable deposit for the Ever Stable Acquisition; and HK\$4,650,000 has been applied as working capital
16 April 2010	Placing of new Shares under the 2010 General Mandate	HK\$22,200,000	Financing the Ever Stable Acquisition and as general working capital of the Group	All has been applied as part payment of the refundable deposit for the Ever Stable Acquisition
30 June 2010	Placing of new shares under the 2010 General Mandate	HK\$24,200,000	Financing the Ever Stable Acquisition and as the general working capital of the Group	All has been applied as part payment of the refundable deposit for the Ever Stable Acquisition

D. INFORMATION ABOUT THE GROUP, VIEW GOOD AND WIN RIGHT

The Group is principally engaged in the paper manufacturing and biodegradable materials manufacturing businesses.

View Good, a limited liability company incorporated in Hong Kong, is an investment holding company.

Win Right, a limited liability company incorporated in Hong Kong, is an investment holding company.

E. REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Board has been actively in search of attractive investment in environmental business in the PRC and globally with a view to generating positive cash flow and earnings for the Group in the long term and has identified a number of investment opportunities but negotiations are still at their preliminary stage and no legally binding agreements have been entered as at the date of this announcement. In view of the current market conditions, the Directors (other than the independent non-executive Directors' views on the VG Subscription, which will be provided after reviewing the advice of the independent financial adviser) consider that the Subscriptions represent a good opportunity to raise additional funding to strengthen the capital base of the Company and to provide financial flexibility when investment opportunities materialise and that the terms of the Subscriptions are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The total proceeds from the Subscriptions will be HK\$123,685,000. After deducting the professional fees and other expenses in respect of which the Company is liable for in relation to the Subscriptions, the maximum net proceeds from the Subscriptions is estimated to be approximately HK\$120,000,000. The net price of each Subscription Share will be approximately HK\$0.1407. The aggregate nominal value of the Subscription Shares is HK\$34,120,000.

The net proceeds from the Subscriptions will be applied as general working capital to develop and expand the Group's principal businesses and future business developments.

F. GEM LISTING RULES IMPLICATIONS

View Good is beneficially owned by Ms. Tam Sio Wan, the wife of Mr. Wong Kam Leong, an executive Director and also the substantial Shareholder and therefore, an associate of a connected person of the Company within the meaning of the GEM Listing Rules. VG Subscription constitutes a connected transaction under Chapter 20 of the GEM Listing Rules and is subject to the approval of the Independent Shareholders. Wide Fine and its associates will be required to abstain from voting in respect of VG Agreement and the transactions contemplated thereunder.

Each of Mr. Chan and Mr. Keung, being materially interested in his respective subscription for Shares and also being Shareholders holding 3,200,000 Shares and 9,500,000 Shares respectively, will be required to abstain from voting at the SGM in respect of the resolution relating to his respective subscription agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as aforesaid, no Director or Shareholder has a material interest in the Subscriptions. Accordingly, (i) no Shareholder is required to abstain from voting at the SGM in respect of the resolutions relating to the subscription agreement made between the Company and Win Right, (ii) apart from Mr. Chan and his associates, no Shareholder is required to abstain from voting at the SGM in respect of the resolutions relating to the subscription agreement made between the Company and Mr. Chan, (iii) apart from Mr. Keung and his associates, no Shareholder is required to abstain from voting at the SGM in respect of the resolutions relating to the subscription agreement made between the Company and Mr. Keung, and (iv) apart from Wide Fine and its associates, no other Shareholder is required to abstain from voting at the SGM in respect of the resolutions relating to the VG Agreement.

G. GENERAL

A SGM will be convened and held for the Shareholders and the Independent Shareholders (as the case may be) to consider and, if thought fit, approve the Subscription Agreements and the specific mandates to issue the Subscription Shares.

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

A circular containing, among other things, further details of the Subscriptions, a letter from the Independent Board Committee and a letter of advice from the independent financial adviser, together with a notice convening the SGM, is expected to be despatched to the Shareholders not later than 4 November 2010 (being 15 business days after the date of this announcement) in accordance with the Listing Rules.

H. DEFINITIONS

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

“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules;
“Board”	the board of Directors;
“business day”	a day (excluding Saturday) on which banks in Hong Kong are generally open for business;
“Company”	Long Success International (Holdings) Limited (百齡國際(控股)有限公司)*, an exempted company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM;
“connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules;
“Directors”	directors of the Company;
“2009 General Mandate”	the general unconditional mandate to issue 154,889,000 Shares granted to the Directors at the annual general meeting of the Company held on 11 August 2009;
“2009 Specific Mandate”	the specific mandate granted to the Directors at the special general meeting held on 11 December 2009 to allot, issue or otherwise deal in up to 70,000,000 Shares;
“2010 General Mandate”	the general unconditional mandate to issue 225,589,000 Shares granted to the Directors at the special general meeting of the Company held on 15 March 2010;
“2010 Specific Mandate”	the specific mandate granted to the Directors at the special general meeting held on 15 March 2010 to allot, issue or otherwise deal in up to 159,110,000 Shares;

“Ever Stable Acquisition”	the proposed acquisition of the entire equity interest in Ever Stable Holdings Limited which holds 60% interest in Dongguan Jiu He Bioplastics Company Limited, a sino-foreign equity joint venture company incorporated in the PRC with limited liability engaging in the development, production and sales of biodegradable materials and related products, particulars of which are set out in the Company’s circular dated 17 June 2010;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board comprises Mr. Ng Kwok Chu, Winfield, Mr. Ng Chau Tung, Robert, Mr. Tse Ching Leung and Mr. Wang Qinyi, has been constituted to advise the Independent Shareholders on the VG Agreement and the transactions contemplated thereunder;
“Independent Shareholder(s)”	Shareholder(s) (other than Wide Fine and its associates and parties acting in concert with them);
“Last Trading Day”	14 October 2010, being the last full trading day for the Shares immediately before the issue of this announcement;

“Mega Bright Acquisition”	the acquisition of 100% equity interest in Mega Bright Investment Development Limited which holds 51% interest in Jining Gangning Paper Co., Ltd., a sino-foreign joint venture company incorporated in the PRC engaging in the manufacture and sale of various types of kraft paper, brief particulars of which are set out in the Company’s circular dated 14 May 2009 and completion of the same took place on 1 July 2009;
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Redeemable Convertible Note”	the redeemable convertible note, bearing an interest rate of 36% per annum payable monthly to the holder(s) thereof issued by the Company in the principal amount of HK\$15,000,000 on 13 July 2009;
“Share(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“SGM”	the special general meeting of the Company to be convened to consider, if thought fit, and approve by the Shareholders or Independent Shareholders (as the case may be), among other things, the Subscription Agreements, the issue and allotment of the Subscription Shares and the transactions contemplated thereunder;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreements”	the I3P Agreements and VG Agreement;
“VG Agreement”	the subscription agreement dated 14 October 2010 entered into between the Company and View Good in relation to the VG Subscription;

“VG Subscription”	the subscription of 406,000,000 new Shares by View Good pursuant to the terms of the VG Agreement;
“I3P Agreements”	three subscription agreements all dated 14 October 2010 entered into between the Company and each of Win Right, Mr. Keung and Mr. Chan in relation to the I3P Subscription;
“I3P Subscription”	the subscription of a total of 447,000,000 new Shares by Win Right, Mr. Keung and Mr. Chan pursuant to the terms of the I3P Agreements;
“Mr. Chan”	Mr. Chan Sheung Wai, an Independent Third Party;
“Mr. Keung”	Mr. Keung Kam Wing Vincent, an Independent Third Party;
“Independent Third Party(ies)”	third party(ies) and their ultimate beneficial owner(s) which are independent of the Company, the directors, chief executive / substantial shareholders of the Company or its subsidiaries or any of their respective associates;
“Subscribers”	Mr. Chan, Mr. Keung, Win Right and View Good;
“Subscriptions”	I3P Subscription and VG Subscription;
“Subscription Shares”	853,000,000 new Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements;
“Subscription Price”	HK\$0.145 per Subscription Share;
“View Good”	View Good International Limited;
“Wide Fine”	Wide Fine International Limited, the substantial Shareholder of the Company, which is interested in approximately 16.34% of the issued share capital of the Company as at the date of this announcement;

“Win Right”

Win Right Holdings Limited, an Independent Third Party; and

“%”

per cent.

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

Hong Kong, 14 October 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 that:-

- 1. the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive;*
- 2. there are no other matters the omission of which would make any statement in this announcement misleading; and*
- 3. all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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

** for identification purpose only*