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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)

**PLACING OF WARRANTS WITH  
AN AGGREGATE VALUE OF HK\$22,500,000**

**Placing Agent**



太平基業證券有限公司  
PACIFIC FOUNDATION SECURITIES LTD

On 5 November 2010, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company agreed to appoint the Placing Agent and the Placing Agent agreed to act as placing agent, on a fully underwritten basis, for the purposes of arranging subscribers for the subscription of the Warrants.

The Issue Price per Warrant is HK\$0.01 and the Subscription Price is HK\$0.15 (subject to adjustment).

Upon the exercise of the subscription rights attaching to the Warrants in full, a maximum of 150,000,000 New Shares will be issued and allotted, representing approximately 9.88% of the existing issued share capital of the Company and approximately 8.99% of the issued share capital of the Company as enlarged by the issue and allotment of the New Shares.

Set out below are the details of the Placing Agreement.

**THE PLACING AGREEMENT DATED 5 NOVEMBER 2010**

**Parties**

Issuer : the Company

Placing Agent : Pacific Foundation Securities Limited

The Placing Agent is a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 (dealing in securities) regulated activities and its principal activity is provision of securities brokerage services. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

### **The Placees**

The Warrants shall be offered to not less than six Placees. The choice of Placees for the Warrants shall be determined solely by the Placing Agent, subject to the requirement that such Placee shall be an independent institution or private investor and the requirements of the GEM Listing Rules (in particular, the Placing Agent shall use all reasonable endeavours to ensure that the Placees and their ultimate beneficial owners shall be third parties independent of and not connected to the Company and the connected persons (as defined in the GEM Listing Rules) of the Company and shall not be parties to be acting in concert with any of the directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates for the purposes of The Code on Takeovers and Mergers and Share Repurchase.)

### **Issue Price and Subscription Price**

The Issue Price per Warrant is HK\$0.01 and the Subscription Price is HK\$0.15 (subject to adjustment). The Issue Price and the Subscription Price were negotiated on an arm's length basis between the Placing Agent and the Company with reference to the prevailing market prices of the Shares. The Directors consider that the Issue Price and the Subscription Price are fair and reasonable.

### **Conditions**

The obligations of the Placing Agent under the Placing Agreement is conditional upon (i) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares to be issued upon conversion of the Warrants either unconditionally or subject to conditions to which the Placing Agent may accept and all other necessary waivers, consents and approvals as required under the GEM Listing Rules in relation to the Company with respect to the Placing Agreement and the transactions contemplated therein being obtained and/or complied with provided that certain clauses survive termination and (ii) any other approval as may be required for the Placing.

If the above condition is not fulfilled at or before 5:00 p.m. on 30 November 2010 or such later time or date as may be agreed between the Placing Agent and the Company, the obligations of the Placing and the Company under the Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against the other party, save for any antecedent breach thereof.

## **Completion**

Completion of the Placing shall take place within 5 Business Days after the date of fulfillment of the condition set out above.

## **Fees and expenses**

In consideration of the services of the Placing Agent in relation to the Placing, the Company shall pay a placing commission of HK\$100,000 to the Placing Agent. The Company shall also pay the reasonable costs, charges, fees and expenses in relation to the Placing.

## **PRINCIPAL TERMS OF THE WARRANTS**

The principal terms of the Warrants are summarized below:

### **Number of New Shares Covered by the Warrants**

Upon the exercise of the subscription rights attaching to the Warrants in full, a maximum of 150,000,000 New Shares (with an aggregate nominal value of HK\$6,000,000 of the New Shares), will be issued and allotted, representing approximately 9.88% of the existing issued share capital of the Company and approximately 8.99% of the issued share capital of the Company as enlarged by the issue and allotment of the New Shares.

### **Subscription period**

From the date of issue of the Warrants to the expiry of the second anniversary of the issue of the Warrants.

### **Subscription Price**

The Subscription Price per New Share will be HK\$0.15 (subject to adjustment).

The Subscription Price and the Issue Price per Warrant (in aggregate) (being HK\$0.16) represents:-

- (i) a premium of approximately 6.67% to the closing price of HK\$0.150 per Share as quoted on the Stock Exchange on 5 November 2010, being the last trading day of the Shares immediately prior to the date of the Placing Agreement;
- (ii) a premium of approximately 4.85% to the average closing price of approximately HK\$0.1526 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 5 November 2010; and
- (iii) a premium of approximately 10.73% to the average closing price of approximately HK\$0.1445 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 5 November 2010.

Subject to the terms and conditions of the Warrants, the Subscription Price may be subject to adjustment upon, among other things, (1) consolidation or sub-division of the Shares; (2) capitalization issue of the Shares by the Company (other than in lieu of a cash dividend); (3) capital distribution (as defined in the instrument creating the Warrants) made by the Company or grant of rights to acquisition of assets of the Group; (4) an offer or grant by the Company to Shareholders of new Shares for subscription by way of rights or of options or warrants to subscribe for new Shares, at a price less than 90% of the market price (calculated in accordance with the terms of the Warrants); (5) an issue for cash of convertible securities by the Company, if the total effective consideration is less than 90% of the market price (calculated in accordance with the terms of the Warrants), or the terms of any such issue being altered so that the said total effective consideration is less than 90% of the market price (calculated in accordance with the terms of the Warrants); (6) an issue for cash of Shares by the Company (other than pursuant to the share option scheme of the Company) at less than 90% of the market price (calculated in accordance with the terms of the Warrants); and (7) a cancellation of any Shares or convertible securities which have been purchased by the Company (other than on the Stock Exchange) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price. Every adjustment to the Subscription Price will be certified either by the auditors of the Company or an independent merchant bank or other financial institution selected by the Company.

Payment of the Subscription Price must be made in immediately available funds.

### **Transferability**

The Warrants are transferable in amounts equivalent to the aggregate Subscription Price in respect of 10,000 Shares for the time being in force (or an integral multiple thereof).

### **Ranking of the New Shares**

The New Shares, when issued and allotted, will rank *pari passu* with the fully paid Shares in issue on the date of allotment and issue of such New Shares.

### **Voting**

The Warrantholders will not be entitled to attend or vote at any general meetings of the Company by reason only of it being a Warrantholder.

### **Listing**

No application will be made for a listing of the Warrants on the Stock Exchange or any other stock exchange.

## **GENERAL MANDATE**

The Warrants and the New Shares will be allotted and issued under the general mandate which was granted to the Directors pursuant to an ordinary resolution of the Company passed at its annual general meeting on 23 August 2010 to allot and issue up to 150,000,000 New Shares, representing 9.88% of the aggregate nominal amount of the share capital of the Company in issue on that date. Such general mandate has not been previously utilized prior to the entering into of the Placing Agreement. As the Warrants and the New Shares are to be issued under the aforesaid general mandate, the Placing is not subject to Shareholders' approval.

## **APPLICATION FOR LISTING**

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

## **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the date of this announcement, the Company has the following convertible securities or obligations in relation to issue of Shares:

- (i) share options in respect of 110,150,507 Shares under share option schemes adopted by the Company on 21 August 2006;
- (ii) 853,000,000 fully paid Shares to be issued by the Company pursuant to certain Subscription Agreements details of which are set out in the circular of the Company dated 3 November 2010;
- (iii) the issue of 216,000,000 fully paid Shares as consideration shares under the acquisition of Ever Stable Holdings Limited details of which are set out in the circular of the Company dated 17 June 2010; and
- (iv) the Convertible Bonds in the principal amount of HK\$40,000,000 issued by the Company for the acquisition of Mega Bright Investment Developments Limited details of which are set out in the circular of the Company dated 14 May 2009.

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; and (ii) upon completion of the Placing (assuming exercise in full of the Warrants). The information below comes from the Disclosure Interest of register of the Company.

Shareholders	As at the date of this announcement		Upon completion of the Placing (assuming full exercise of the Warrants)		Upon completion of the Placing (assuming full exercise of the Warrants, Convertible Bonds, and other obligation to issue Shares and the completion of the Subscription Obligations) (Note 6)	
	Shares	%	Shares	%	Shares	%
Wide Fine (Note 1)	248,125,000	16.34	248,125,000	14.87	248,125,000	8.79
Zhang Chi (Note 2)	36,350,000	2.39	36,350,000	2.18	36,350,000	1.29
Li Meilang	78,190,000	5.15	78,190,000	4.68	78,190,000	2.77
View Good (Note 3)	-	-	-	-	406,000,000	14.39
Win Right (Note 4)	-	-	-	-	422,000,000	14.96
Leung Wa (Note 5)	-	-	-	-	216,000,000	7.66
Convertible Bond holders	-	-	-	-	83,333,333	2.95
The Placee(s)	-	-	150,000,000	8.99	150,000,000	5.32
Other public Shareholders	1,156,280,000	76.12	1,156,280,000	69.28	1,181,280,000	41.87
<b>Total</b>	<b>1,518,945,000</b>	<b>100.00</b>	<b>1,668,945,000</b>	<b>100.00</b>	<b>2,821,278,333</b>	<b>100.00</b>

*Notes:*

1. The 248,125,000 Shares are beneficially owned by and registered in the name of Wide Fine International Limited (“Wide Fine”), a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Wong, an executive Director.
2. Mr. Zhang Chi is a non-executive Director.
3. View Good International Limited (“Good View”) is beneficially owned by Ms. Tam Sio Wan, the wife of Mr. Wong. View Good is the subscriber entitled to subscribe for 406,000,000 Shares pursuant to certain subscription agreements details of which are set out in the announcement dated 14 October 2010 and the circular dated 3 November 2010.
4. Win Right Holdings Limited (“Win Right”) is beneficially owned by Mr. Liang Yu Cheng and Mr. Wu Shao Hong, both are Independent Third Parties. Win Right is the subscriber entitled to subscribe for 422,000,000 Shares pursuant to certain subscription agreements details of which are set out in the announcement dated 14 October 2010 and the circular dated 3 November 2010.
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.

6. The table above assumes no Shares will be issued pursuant to the share option scheme of the Company or otherwise between the date of this announcement and the date of completion (both days inclusive). As at the date of this announcement, there were outstanding options issued pursuant to the share option scheme of the Company which entitle the holders thereof to receive an aggregate of 110,150,507 Shares upon full exercise of such options.

### **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of the Announcement</b>
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 applied as part payment of the balance of purchase price under the Mega Bright Acquisition; HK\$15,450,000 applied for the redemption of the Redeemable Convertible Note and HK\$1,950,000 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 applied as working capital

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of the Announcement</b>
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 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 applied as part payment of the refundable deposit for the Ever Stable Acquisition
14 October 2010	Placing of new Shares under the 2010 Specific Mandate	HK\$120,000,000	For future business development relating to environmental business in the Guangdong Province, the PRC and / or general working capital to facilitate the operation of the Group.	Not applicable.

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months before the date of this announcement.

### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in the (i) paper manufacturing production business; (ii) sales of biodegradable and related products; and (iii) money lending services.

The Directors consider that, in the event the Warrants are exercised, the Placing represents a good opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. The Directors consider the terms of the Placing Agreement (including the Issue Price and the Subscription Price) are fair and reasonable and the Placing are in the interest of the Company and the Shareholders as a whole.



The gross proceeds from the Placing will be HK\$1,500,000 (i.e. The Issue Price without taking into account of the exercise of the Warrants). After taking into account the estimated expenses of approximately HK\$250,000 in relation to the Placing (without taking into account of the exercise of the Warrants), the net proceeds of approximately HK\$1,250,000 from the Placing (without taking into account of the exercise of the Warrants) is intended to be used as general working capital of the Group. If the Warrants are exercised in full, an additional amount of approximately HK\$22,000,000 will be raised. The additional net proceeds of approximately HK\$22,000,000 (with minimal administrative expenses) is intended to be used as general working capital of the Group.

The net price of the New Share is expected to be approximately HK\$0.155 per Share.

## **DEFINITIONS**

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

“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
“acting in concert”	has the meanings ascribed to it in the Hong Kong Code on Takeovers and Mergers
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks in Hong Kong are generally open for business throughout their normal business hours

“Company”	Long Success International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM Board of the Stock Exchange
“Convertible Bonds”	the convertible bonds in the principal amount of HK\$40,000,000 that may be issued by the Company for the acquisition of Mega Bright Investment Developments Limited; further details of which are set out in the circular of the Company dated 14 May 2009
“Director(s)”	the director(s) of the Company
“Ever Stable Acquisition”	the acquisition of the entire equity interest in Ever Stable Holdings Limited, particulars of which were set out in the Company’s circular dated 17 June 2010
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Price”	the issue price of the Warrants, which shall be HK\$0.01 per Warrant
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of the Stock Exchange with responsibility of GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Mega Bright Acquisition”	the acquisition of 100% equity interest in Mega Bright Investment Development Limited particulars of which were set out in the Company’s circular dated 14 May 2009 and completion of the same took place on 1 July 2009
“New Shares”	the new Shares to be issued by the Company upon the exercise of the subscription rights attaching to the Warrants by the holders thereof
“Placee(s)”	the subscribers of the Warrants procured by the Placing Agent

“Placing”	the Placing of the Warrants by the Placing agent, on a fully underwritten basis, pursuant to the terms of the Placing Agreement
“Placing Agent”	Pacific Foundation Securities Limited, the placing agent for the Warrants
“Placing Agreement”	the conditional placing agreement dated 5 November 2010 entered into between the Company and the Placing Agent in relation to the Placing
“PRC”	the People’s Republic of China
“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 share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the sum payable in respect of each Share to which the registered holder of each Warrant will be entitled upon exercise of the subscription rights represented thereby, being HK\$0.15 or such adjusted price as may for the time being be applicable in accordance with the terms of the Warrants
“Warrants”	unlisted warrants of the Company in registered form conferring rights entitling the registered holder(s) thereof to subscribe for up to HK\$22,500,000 in aggregate in cash for 150,000,000 New Shares at the Subscription Price (subject to adjustment) to be issued by the Company pursuant to the Placing
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“%”

per cent.

On behalf of the Board  
**Long Success International (Holdings) Limited**  
**Wong Kam Leong**  
*Chairman*

Hong Kong, 5 November 2010

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Wong Kam Leong, Mr. Hu Dongguang, Mr. Wu Bingxiang and Dr. Guo Wanda; one non-executive director, namely Mr. Zhang Chi; and for 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 of the Company 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 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.*

\* *for identification purpose only*