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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)

**SUPPLEMENTAL AGREEMENT IN RELATION
TO MAJOR TRANSACTION**

Reference is made to the announcements of the Company dated 4 February 2010, 26 March 2010 and 30 September 2010 and the circular of the Company dated 17 June 2010. On 26 March, 2010, the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the entire equity interest in the BVI Company at the consideration of HK\$280 million.

On 28 March 2011(after trading hours), the Vendor and the Purchaser entered into the Supplemental Agreement to amend certain terms and conditions of the Acquisition Agreement to reflect the current company structure of the BVI Company.

In addition to the 60% equity interest in the Joint Venture Company, the BVI Company further owns 100% of World Champion Investments Limited which in turns holds the entire equity interest of Zhongshan Jiu He Bioplastic Company Limited (the “**Zhongshan Company**”). The Zhongshan Company is to be included in the calculation of the terms concerning (1) registered capital and paid-up capital of the Joint Venture Company and (2) profit guarantee.

Further, pursuant to the Supplemental Agreement, the parties agreed to amend, change and postpone the effective period for the profit guarantee from the three financial years of 2011, 2012 and 2013 to 2012, 2013 and 2014 respectively.

Save for the terms varied and supplemented by the Supplemental Agreement, all other terms and conditions of the Acquisition Agreement shall remain in full force and effect in all respects.

INTRODUCTION

Reference is made to the announcements of the Company dated 4 February 2010, 26 March 2010 and 30 September 2010 (the “**Announcements**”) and the circular of the Company dated 17 June 2010 (the “**Circular**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

On 26 March 2010, the Purchaser, a direct wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire equity interest in the BVI Company at a consideration of HK\$280 million.

The BVI Company was incorporated in the BVI with limited liability on 12 November 2009. It holds 60% equity interest in the Joint Venture Company.

The Joint Venture Company was incorporated in the PRC with limited liability on 11 February 2010 and is owned as to 60% by the BVI Company and 40% by the PRC Partner as at the date of this announcement. It will be principally engaged in the sales of biodegradable resin and its related products.

It is noted that the completion of the Acquisition took place on 30 September 2010.

THE SUPPLEMENTAL AGREEMENT

The Board wishes to announce that, on 28 March 2011 (after trading hours), the Purchaser entered into a supplemental agreement to the Acquisition Agreement (the “**Supplemental Agreement**”) with the Vendor to amend certain terms of the Acquisition Agreement to reflect the current company structure of the BVI Company.

Change in the Current Company Structure of the BVI Company

In addition to the 60% equity interest in the Joint Venture Company, the BVI Company also holds 100% of the World Champion Investments Limited which in turns holds the entire equity interest in the Zhongshan Jiu He Bioplastic Company Limited (the “**Zhongshan Company**”). The Zhongshan Company was a wholly-owned foreign enterprise with limited liability incorporated in the PRC on 4 March 2011 and is owned as to 100% by the BVI Company as at the date of this announcement. It will be principally engaged in the development and production of biodegradable resin and its related products.

Registered Capital and Paid-up Capital of the Joint Venture Company

Pursuant to the Acquisition Agreement, the Vendor has the obligation to increase the registered capital of the Joint Venture Company to not less than US\$17,000,000 and has agreed to guarantee and procure the paid-up capital of the Joint Venture Company to be not less than US\$17,000,000 on or before 30 September 2010.

The terms concerning the registered capital and paid-up capital of the Joint Venture Company are revised to reflect the engagement of the Zhongshan Company and the change in the expected obligation fulfillment date.

Pursuant to the Supplemental Agreement, the Vendor has the obligations to increase the total registered capital of the Joint Venture Company together with the Zhongshan Company to not less than US\$17,000,000 and has agreed to guarantee and procure the total paid-up capital of the Joint Venture Company together with the Zhongshan Company to be not less than US\$17,000,000 on or before 30 June 2013.

Profit Guarantee

Pursuant to the Acquisition Agreement, the Vendor shall provide a profit guarantee in favour of the Purchaser, as the profit after taxation of the Joint Venture Company will not be less than HK\$60 million, HK\$80 million and HK\$100 million for the financial years 2011, 2012 and 2013 respectively. The financial year-end date is on 31 December of each year.

If the Joint Venture Company fails to meet the aforesaid profit guarantees in any of the three financial years, the Vendor shall pay the Purchaser a compensation equivalent to the shortfall of HK\$36 million, HK\$48 million and HK\$60 million respectively for 2011, 2012 and 2013 respectively. If the Joint Venture Company records a loss in any of the three years, the Vendor shall pay the Purchaser a compensation equivalent to the loss attributable to the 60% equity interest in the Joint Venture Company for that year plus the shortfall of the aforesaid guaranteed profit for that year.

The terms of the profit guarantee are revised to reflect the engagement of the Zhongshan Company and to amend, change and postpone the effective period for the profit guarantee from the three financial years 2011, 2012 and 2013 to 2012, 2013 and 2014 respectively.

According to the Supplemental Agreement, the Vendor shall provide a profit guarantee in favour of the Purchaser, as the total profit after taxation of the Joint Venture Company and the Zhongshan Company will not be less than HK\$60 million, HK\$80 million and HK\$100 million for 2012, 2013 and 2014 respectively.

If the Joint Venture Company and the Zhongshan Company fail to meet the aforesaid profit guarantees in any of the three years, the Vendor will pay the Purchaser a compensation equivalent to the shortfall of HK\$36 million, HK\$48 million and HK\$60 million respectively for 2012, 2013 and 2014 respectively. If the Joint Venture Company and the Zhongshan Company together record a loss in any of the three financial years, the Vendor shall pay the Purchaser a compensation equivalent to the loss attributable to the 60% equity interest in the Joint Venture Company for that year plus the shortfall of the aforesaid guaranteed profit for that year.

Save for the terms varied and supplemented by the Supplemental Agreement, all the terms and conditions of the Acquisition Agreement remain in full force and effect. Furthermore, the amendments were determined after arm's length negotiation between the parties to the Acquisition Agreement.

INFORMATION ON ZHONGSHAN COMPANY

The Zhongshan Company was a wholly-owned foreign enterprise with limited liability incorporated in PRC on 4 March 2011, with a registered capital of US\$4,000,000. It will be principally engaged in the development and production of biodegradable resin and its related products. As at the date of this announcement, the Zhongshan Company is owned as to 100% by World Champion Investments Limited, a direct wholly-owned subsidiary of the BVI Company.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Joint Venture Company originally planned to set up a factory in Dongguan. However, upon inspection, the project designer is of the view that the electricity supply of the proposed location is unstable and it was discovered that there is a shortage of labour in the city. The situation may hinder the long-term operation of the Joint Venture Company. In order to enable the Joint Venture Company to achieve satisfactory sales and profit, the management of the BVI Company set up the Zhongshan Company and proposed for the Zhongshan Company to construct a factory in Zhongshan. It is confirmed that the electricity supply in Zhongshan is stable and the labour supply is adequate. In addition, the new proposed location is close to the local container terminal which provides a convenient and economic mode of transportation.

The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 28 March 2011

As at the date hereof, the four executive Directors are Mr. Wong Kam Leong, Mr. Hu Dongguang, Mr. Wu Bingxiang and Dr. Guo Wanda, one non-executive director, namely Mr. Zhang Chi; and four independent non-executive Directors are 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 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.

* For identification purpose only