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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)

**LETTER OF INTENT FOR THE POSSIBLE ACQUISITION OF  
A CERTAIN PERCENTAGE OF THE SHAREHOLDINGS  
OF FAME SHINE HOLDINGS LIMITED**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

**LETTER OF INTENT IN RESPECT OF THE POSSIBLE ACQUISITION**

The Board is pleased to announce that on 8 September 2011 (after trading hours), the Company entered into the non-legally binding Letter of Intent with the Vendors in relation to the Possible Acquisition.

It is proposed that the Company will acquire certain percentage of the shareholdings in the Target Company, which is expected to be a controlling shareholding (subject to confirmation), from the Vendors such that the Purchaser shall acquire a certain percentage of the beneficial and contractual interest in Sunrise Silicon upon completion of the Possible Acquisition, subject to the condition that the Company and the Vendors enter into a definitive Formal Agreement.

Pursuant to the Letter of Intent, the Company and the Vendors will negotiate in good faith towards one another, acting reasonably, with a view to agreeing the terms of the Formal Agreement and signing the same within 3 months from the date of the Letter of Intent (or such later date as the parties thereto may mutually agree in writing).

**The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialized, it will constitute a connected transaction and may constitute a notifiable transaction for the Company under the GEM Listing Rules.**

\* For identification purpose only

**As the major terms of the Possible Acquisition has not been finalized and the Possible Acquisition may or may not proceed, Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company if and when the Formal Agreement is executed.**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

## **INTRODUCTION**

As stated in the announcement of the Company dated 21 July 2011, the Company is undergoing a preliminary negotiation with shareholders of Star Grace concerning the acquisition of the shareholdings in Star Grace.

Due to restructuring of the Target Group, the Company has been negotiating with Wide Fine (Asia) and Gain Concept, which collectively, are the beneficial owners of the 100% shareholdings in the Target Company, and such parties have agreed to enter into the Letter of Intent whereby the Company has agreed to purchase and the Vendors have agreed to sell certain percentage of the shareholdings, which is expected to be a controlling shareholding (subject to confirmation), in the Target Company, which is the beneficial owner of the entire issued share capital of Star Grace after the said restructuring.

## **LETTER OF INTENT FOR THE POSSIBLE ACQUISITION**

The Board is pleased to announce that the Company has entered into the non-legally binding Letter of Intent with the Vendors in relation to the Possible Acquisition.

**Date:** 8 September 2011 (after trading hours)

**Parties:** The Purchaser: The Company  
The Vendors: Wide Fine (Asia)  
Gain Concept

One of the Vendors, Wide Fine (Asia), is 100% beneficially owned by Mr. Wong. As Mr. Wong is an executive Director and chairman of the Board who is also beneficially interested in an aggregate of 654,125,000 Shares (representing approximately 24.93% of the entire issued share capital of the Company), Mr. Wong and Wide Fine (Asia) are a connected persons of the Company under Chapter 20 of the GEM Listing Rules. Therefore, the Possible Acquisition, if materialized, will constitute a connected transaction of the Company and be subject to the reporting, announcement, and independent Shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

In the event that the Possible Acquisition materializes, Mr. Wong and his respective associates are required to abstain from voting at the special general meeting of the Company to be convened to consider and, if thought fit, approve the Formal Agreement and the transactions contemplated thereunder by the independent Shareholders of the Company.

### **Terms of the Letter of Intent**

As at the date of this announcement, Star Grace has a beneficial and contractual interest in a certain percentage of the shareholdings of Sunrise Silicon. It is expected that the shareholdings of Sunrise Silicon ultimately owned by Star Grace will increase to approximately 90% (subject to confirmation), pursuant to a letter of intent dated 1 June 2011 entered into between Star Grace, Sunrise Silicon and the other then existing shareholders of Sunrise Silicon (including its ultimate beneficial owners).

It is proposed that the Company will acquire certain percentage of the shareholdings in the Target Company, which is expected to be a controlling shareholding (subject to confirmation), from the Vendors such that the Purchaser shall acquire a certain percentage of the beneficial and contractual interest in Sunrise Silicon upon completion of the Possible Acquisition, subject to the condition that the Company and the Vendors enter into a definitive Formal Agreement and the fulfillment of the relevant terms and condition contained therein.

Pursuant to the Letter of Intent, the Company and the Vendors will negotiate in good faith towards one another, acting reasonably, with a view to agreeing the terms of the Formal Agreement and signing the same within 3 months from the date of the Letter of Intent (or such later date as the parties thereto may mutually agree in writing).

The major terms of the Possible Acquisition, including the consideration and the method of payment, shall be subject to further negotiation between the parties to the Letter of Intent.

### *Exclusivity Period*

In consideration of resources invested by the Company in conducting the preliminary due diligence on the Target Group and its assets, the Vendors have agreed to grant an exclusive period of three months upon the signing of the Letter of Intent such that the Vendors shall refrain from engaging in negotiation and reaching any agreement with any third party in respect of the transfer of their equity interests or assets of the Target Group during the Exclusivity Period. If any third party has the intent to acquire the equity interests of the Target Group owned by the Vendors (either in part or in whole thereof), the Vendors shall inform the Company immediately and the Company shall have the right of priority to acquire the Target Group from the Vendors.

*Non legally-binding effect*

Save for the clauses relating to the Exclusivity Period, confidentiality, termination and the governing law and jurisdiction as stipulated under the Letter of Intent, all other terms of the Letter of Intent do not constitute legally-binding commitments in respect of the Possible Acquisition. The Possible Acquisition will be subject to the execution and completion of the Formal Agreement.

**INFORMATION ON THE GROUP**

The principal activity of the Company is investment holding, and its subsidiaries are mainly engaged in the manufacturing and sales of paper products, money-lending business and biodegradable materials manufacturing.

**INFORMATION ON THE VENDORS**

Gain Concept is a company incorporated in Hong Kong with limited liability, principally engaged in the business of investment holding.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, Gain Concept and its ultimate beneficial owner are Independent Third Parties.

Wide Fine (Asia) is a company incorporated in Hong Kong with limited liability, principally engaged in the business of investment holding.

As at the date of this announcement, Mr. Wong is the 100% beneficial owner of the entire issued share capital of Wide Fine (Asia). In view of Mr. Wong's capacity as the chairman of the Board, and an executive Director and a substantial shareholder of the Company, Wide Fine (Asia) and Mr. Wong are connected persons of the Company under Chapter 20 of the Listing Rules. The Possible Acquisition, if materialized, will constitute a connected transaction of the Company and be subject to the reporting, announcement, and independent Shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

**INFORMATION ON THE TARGET GROUP**

*The Target Company*

The Target Company is principally engaged in the business of investment holding.

As at the date of this announcement, the Target Company is the legal and beneficial owner of the entire issued share capital of Star Grace, which has a beneficial and contractual interest in a certain percentage of the shareholdings of Sunrise Silicon.

### *Star Grace*

Star Grace is an investment holding company incorporated in Hong Kong with limited liability, the entire issued share capital of which is wholly and beneficially owned by the Target Company, which as at the date of this announcement, has a beneficial and contractual interest in a certain percentage of the shareholdings of Sunrise Silicon.

### *Sunrise Silicon*

Sunrise Silicon is a company established under the laws of the PRC on 12 April 2007 with limited liability and is principally engaged in the business of manufacturing metallurgical silicon in the PRC and its operation includes production, sales and development of metallurgical silicon.

Sunrise Silicon is one of the largest silicon production enterprises in China with an annual production capacity of 33,000 tonnes per year, Further to the industrial plan strategized by the government of the Luoyang City of Henan Province of the PRC in the “11th five-year-plan”, Sunrise Silicon targets to produce 100,000 tonnes of metallurgical silicon per year. Its operation includes production, sales and development of metallurgical silicon.

Sunrise Silicon currently has two 39MVA metallurgical silicon furnaces in operation, which are one of the largest metallurgical silicon furnaces in the PRC. The large-scale furnaces employed in its production gives Sunrise Silicon a competitive edge in terms of a more even heat distribution and hence enhanced power consumption efficiency and shortened production time. Secondly, its capability in coping with mass production is particularly favorable for Sunrise Silicon in dealing with the high demand in metallurgical silicon as a result of the growth in the demand of polysilicon and solar grade silicon.

At present, there are thirty million tonnes of high grading silicon ore resources available for Sunrise Silicon to extract and to be converted into metallurgical silicon through a special and unique production process.

Sunrise Silicon currently owns a patented technology known as the “*Electrode Technology\**” (用於大型金屬硅電爐的復合自焙電極), which enables Sunrise Silicon to achieve greater economic efficiency in silicon production as compared to other manufacturers using the conventional domestic or imported electrode technology (which is of a poorer quality and often led to frequent shutdowns, resulting in economic inefficiency and increased operational costs).

Further, Sunrise Silicon owns another patented technology known as “*Cogeneration Technology\**” (金屬硅冶煉電爐餘熱發電裝置), which enables the neighbouring electricity plants to reuse wasted heat which are produced during the silicon manufacturing process to generate electricity which, in turn, will reduce the cost of electricity for operating the plant. This patented technology not only increases power consumption efficiency, but also enhances environmental friendliness. The National Development and Reform Commission of China hails Cogeneration Technology as one of the ten most important newly developed technologies and the patented technology is supported by government’s energy policy.

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## **REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION**

In view of the fact that China and the rest of the world are paying more attention to environment protection, and the requirements of environmental protection imposed under international and Chinese standards, the Proposed Acquisition is in line with the Group's business plan to engage in the environment protection industry as metallurgical silicon is one of the fundamental raw materials used in the production of solar panels or other solar related products.

This shares the same business belief as that of the Group in developing environmental friendly paper and advocating for a low-carbon and recyclable economy.

The Directors consider that the Possible Acquisition, if materialize, represents an attractive investment opportunity of the Group as it will provide the Group with an additional income source and an opportunity to diversify the business of the Group. The Directors believe that the Possible Acquisition would further enhance the growth of the Group and maximize returns to Shareholders.

Subject to the due diligence to be conducted by the Group on the Target Group, it is expected that the Possible Acquisition will be a good opportunity for the Group for its business diversification and investment prospects.

## **GENERAL**

**The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialized, it will constitute a connected transaction and may constitute a notifiable transaction for the Company under the GEM Listing Rules.**

**As the major terms of the Possible Acquisition has not been finalized and the Possible Acquisition may or may not proceed, Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company if and when the Formal Agreement is executed.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors from time to time
“Company” or “Purchaser”	Long Success International (Holdings) Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM (stock code: 8017)
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company (including independent non-executive directors) from time to time
“Exclusivity Period”	an exclusive period of three months upon the signing of the Letter of Intent (or such other date as the parties may mutually agree in writing), in which the Vendors will not negotiate with any party other than the Company for the Possible Acquisition
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into by the Company and the Vendors in relation to the Possible Acquisition
“Gain Concept”	Gain Concept Industries Limited, a company incorporated in Hong Kong with limited liability and the holder of 49% equity interest in the Target Company
“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 from time to time
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected persons of the Company
“Letter of Intent”	the non-legally binding letter of intent dated 8 September 2011 entered into between the Company and the Vendors setting out the preliminary intentions of the parties for the Possible Acquisition
“Mr. Wong”	Mr. Wong Kam Leong, an executive Director and chairman of the Company, and the beneficial owner of an aggregate of 654,125,000 Shares and the ultimate beneficial owner of 100% shareholdings of Wide Fine (Asia)
“Possible Acquisition”	the possible acquisition of a certain percentage of the shareholdings of the Target Company by the Group from the Vendors as contemplated in the Letter of Intent
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	holders of the issued Shares from time to time
“Share(s)”	share(s) of HK\$0.04 each in the capital of the Company
“Star Grace”	a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is beneficially owned by the Target Company, and as at the date of this announcement, has a certain percentage of the beneficial and contractual interest in the shareholdings of Sunrise Silicon
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Sunrise Silicon”	Henan Sunrise Silicon Technology Development Company Limited* (河南昇揚硅業科技發展有限公司), a company established under the laws of PRC principally engaged in the business of manufacturing metallurgical silicon in the PRC and its operation includes production, sales and development of metallurgical silicon
“Target Company”	Fame Shine Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are wholly owned by the Vendors as to 51% by Wide Fine (Asia) and 49% by Gain Concept
“Target Group”	the Target Company, Star Grace and Sunrise Silicon collectively
“Wide Fine (Asia)”	Wide Fine (Asia) Development Limited, a company incorporated in Hong Kong with limited liability and the holder of 51% equity interest in the Target Company
“Vendors”	Wide Fine (Asia) and Gain Concept collectively
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“RMB”	Renminbi, the lawful currency of the PRC

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

Hong Kong, 8 September 2011

*As at the date hereof, the Board comprises of four executive directors, namely Mr. Wong Kam Leong, Mr. Hu Dongguang, Mr. Wu Bingxiang and Dr. Guo Wanda 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 of the Company 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 of the Company, 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 in this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) 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).*