
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Long Success International (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

**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 GRANT OF THE EQUITY LINE OF CREDIT TO THE COMPANY
(2) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(3) NOTICE OF SPECIAL GENERAL MEETING

A notice convening the special general meeting of Long Success International (Holdings) Limited to be held at the Function Room of Macau Jockey Club, 1/F China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong at 11:30 a.m. on Wednesday, 2 November 2011 is set out on pages 19 to 20 of this circular. A form of proxy is also enclosed. Whether or not you intend to attend the meeting, you are requested to complete and return the form of proxy to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

This circular will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and the Company website at www.long-success.com.

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. 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: (i) the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions shall have the respective meanings set out opposite them:

“Agreement”	the agreement entered into between the Company and the Investor after trading hours on 9 September 2011 in relation to the Equity Line of Credit and the Option as amended and supplemented by the First Supplemental Agreement and the Second Supplemental Agreement
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Borrowing Request”	a request in writing made by the Investor to the Share Lender pursuant to the Share Lending Agreement specifying the number of Loan Shares required by the Investor, which shall be equal to the Number of Option Shares, and the mode and place of delivery which shall, where relevant, include the bank agent clearing or settlement system and account to which delivery of the Loan Shares is to be made
“Business Day(s)”	any day(s) (except any Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Closing Date”	the second Trading Day immediately following the last Trading Day of the Pricing Period provided that the Subscription Conditions are satisfied
“Closing Statement”	A statement(s) from the Investor to the Company on the Closing Statement Date, which statement shall state the Number of Option Shares to be subscribed for by the Investor and the applicable Subscription Price
“Closing Statement Date”	the Trading Day immediately following the last Trading Day of each Pricing Period
“Commitment Period”	the period commencing on (and including) the date of when the Company has first satisfied or fulfilled the Conditions Precedent to the Agreement and expiring upon the earlier of (i) the expiry of the 36 consecutive months from such date, and (ii) the date on which the aggregate of the Option Shares subscribed by the Investor under the Agreement equals the Total Commitment
“Company”	Long Success International (Holdings) Limited, a company incorporated in Bermuda with limited liability, Shares of which are listed on the Stock Exchange

DEFINITIONS

“Conditions Precedent”	conditions precedent to the Agreement as set out in the paragraph headed “Conditions Precedent to the Agreement” below
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Delivery Date”	the date of delivery of the Loan Shares by the Share Lender to the Investor, which shall be the Trading Day immediately after the date on which the Borrowing Request is received by the Share Lender
“Director(s)”	director(s) of the Company
“Equity Line of Credit”	the equity line of credit granted by the Investor to the Company which shall be accessed, at the option of the Company, by the exercise of the Option during the Commitment Period in accordance with the terms of the Agreement
“Equivalent Shares”	Option Shares of the same quantity and description (or reasonable equivalent) as the relevant Loan Shares
“Ever Stable”	Ever Stable Holdings Limited (永順控股有限公司), incorporated in the British Virgin Islands with limited liability, as an investment holding company
“Ever Stable Acquisition”	the acquisition of the entire equity interest in Ever Stable pursuant to the share transfer agreement dated 26 March 2010
“First Supplemental Agreement”	the supplemental agreement dated 16 September 2011 made between the Company and the Investor for amending a term of a condition precedent of the Agreement
“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
“Independent Third Party(ies)”	third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its connected persons
“Investor”	Lyceum Partners LLC, a US-based private investment firm specializing in providing capital to individuals and companies in the form of share purchases
“Last Trading Day”	9 September 2011, being the date of the Agreement

DEFINITIONS

“Latest Practicable Date”	30 September 2011, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing” or “Listed”	the grant of a listing of and permission to deal in the Shares on the Stock Exchange and the term “ Listed ” shall be construed accordingly
“Loan”	subject to the terms of the Share Lending Agreement, the lending of Loan Shares from the Share Lender to the Investor
“Loan Shares”	any number of Shares transferred in a Loan under the Share Lending Agreement until such Equivalent Shares are redelivered to the Share Lender under the Share Lending Agreement
“Material Adverse Effect”	any effect, whether financial or otherwise, which individually or taken as a whole, could reasonably be expected to be material and adverse to the Company and its subsidiaries and/or any condition, circumstance or situation that would prohibit or otherwise interfere with the ability of the Company to enter into and perform any of its obligations under the Agreement in any respect
“Material Change in Ownership”	any change in the control or beneficial ownership of the Shares and securities which are convertible into Shares by the substantial shareholders, directors and officers as at the date of the Agreement resulting in them ceasing or beginning directly or indirectly to control, or own issued Shares and securities which are convertible into Shares of a combined total of 15% of the issued Shares in the Company from time to time. For the avoidance of doubt, any reduction in such percentage purely as a consequence of new issue of securities pursuant to fund raising or acquisitions shall not be treated as a Material Change in Ownership
“Number of Option Shares”	in respect of a Tranche Notice, the aggregate number of Option Shares stated in the Tranche Notice that the Company requires the Investor to subscribe for provided that such number shall not exceed the Total Commitment
“Option”	the option granted by the Investor to the Company to require the Investor to subscribe for the Option Shares up to the Total Commitment under the Agreement, and to thereby enable the Company to access the Equity Line of Credit
“Option Share(s)”	new Shares to be allotted and issued by the Company upon the exercise of all or any part of the Option

DEFINITIONS

“Pricing Period”	with regard to any Tranche Notice being served by the Company, a period of 5 consecutive Trading Days commencing on the Trading Day after the Tranche Notice Date, provided that if the Investor has not received the Loan Shares in accordance with the terms of the Share Lending Agreement by such date, the Pricing Period shall commence on the Trading Day after the date on which the Investor shall have received the Loan Shares from the Share Lender at the Investor’s brokerage account in the US
“SGM”	the special general meeting of the Company to be convened and held to seek the Shareholders’ approval for the Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate
“Second Supplemental Agreement”	the supplemental agreement dated 27 September 2011 made between the Company and the Investor for amending a definition, a term in respect of delivery of Tranche Notice(s) and a term of a condition precedent of the Agreement.
“Share Lender”	Mr. Sam Hon Sum, a Hong Kong citizen
“Share Lending Agreement”	the agreement entered into between the Share Lender and the Investor after trading hours on 9 September 2011 for lending of Shares by the Share Lender to the Investor
“Shareholder(s)”	registered holder(s) of the Shares in issue
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Specific Mandate”	the mandate to allot and issue the Option Shares to be sought at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Conditions”	the conditions precedent to the closing of the subscription of the Option Shares in each tranche, which have been set out in the paragraph headed “Subscription Conditions for the Investor’s subscription in each tranche” below
“Subscription Price”	The price of issue of Option Shares, the determination mechanism of which are set out in the paragraph headed “Equity Line of Credit and Option granted to the Company” below
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Repurchases
“Third Party New Shares”	the Shares or securities convertible into the Shares to be issued to any third party other than the Investor at a subscription price per Share below the Subscription Price per Option Share

DEFINITIONS

“Threshold Price”	a price per Share set by the Company in the Agreement below which the Company does not wish to allot and issue Shares to the Investor, which price shall not be less than HK0.175 (as amended by the Second Supplemental Agreement) per Share or such amount as may be agreed by the Company and the Investor as a result of a subdivision, consolidation, stock split or similar restructuring of the Shares of the Company
“Total Commitment”	the subscription for an aggregate total of 1,000,000,000 Option Shares under the Option by the Investor, where the aggregate nominal value of such Shares is HK\$40,000,000
“Trading/Traded/Tradable”	trading and dealing in the Shares on the Stock Exchange (without restriction) and the terms “ Traded ” and “ Tradable ” shall be construed accordingly
“Trading Day(s)”	a day (days) on which the securities of the Company are traded on the Stock Exchange, and if on any business days of the Stock Exchange, the securities of the Company are suspended from trading on the Stock Exchange, such day(s) will be excluded from being counted in the Trading Day(s)
“Tranche Limit”	the maximum number of Option Shares to be subscribed by the Investor for each tranche
“Tranche Notice(s)”	written notice(s) issued by the Company to the Investor being delivered on any Trading Day during the Commitment Period in respect of the exercise of part or all of the Option by the Company subject to the Tranche Limit
“Tranche Notice Date”	the Business Day on which a Tranche Notice is delivered by the Company to the Investor pursuant to the Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US”	United States of America
“US Dollar”	US dollars, the lawful currency of United States of America
“%”	per cent.

LETTER FROM THE BOARD



LONG SUCCESS INTERNATIONAL (HOLDINGS) LIMITED

百齡國際(控股)有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8017)

Executive Directors:

Mr. Wong Kam Leong (*Chairman*)
Mr. Hu Dongguang (*Chief Executive Officer*)
Mr. Wu Bingxiang
Dr. Guo Wanda

Registered Office:

Canon's Court,
22 Victoria Street,
Hamilton HM 12,
Bermuda

Independent non-executive Directors:

Mr. Ng Kwok Chu, Winfield
Mr. Ng Chau Tung, Robert
Mr. Tse Ching Leung
Mr. Wang Qingyi

*Head Office and Principal Place
of Business:*

26/F, EIB Centre,
40-44 Bonham Strand,
Sheung Wan,
Hong Kong

3 October 2011

To the Shareholders,

Dear Sir or Madam,

**(1) PROPOSED GRANT OF THE EQUITY LINE OF CREDIT TO THE COMPANY
(2) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 12 September 2011 regarding the Agreement, the announcement of the Company dated 16 September 2011 regarding the First Supplemental Agreement and the announcement of the Company dated 27 September 2011 regarding the Second Supplemental Agreement.

The Company announced on 12 September 2011 that on 9 September 2011 (after trading hours), the Company entered into the Agreement with the Investor, pursuant to which the Company is granted the Option to require the Investor to subscribe for up to an aggregate of 1,000,000,000 Options Shares if the Option structured under the Equity Line of Credit is exercised in full.

The Company will, upon the exercise of all or any part of the Option, allot and issue the Option Shares under the Specific Mandate to be sought at the SGM.

* For identification purpose only

LETTER FROM THE BOARD

Subsequently, the Company and the Investor have, on 16 September 2011 (after trading hours), entered into the First Supplemental Agreement to amend a term of a condition precedent of the Agreement such that the condition precedent to the closing of each tranche of the Agreement which states “*the trading price of the Shares shall be equal to or greater than HK\$0.36 per share on the date and at the time the Option Shares have been delivered to the Buyer’s brokerage account in the United States*” shall be amended by deleting the words “Option Shares” and replacing such words with “Loan Shares”.

Further, the Company and the Investor have, on 27 September 2011 (after trading hours), entered into the Second Supplemental Agreement to amend a definition, a term in respect of delivery of Tranche Notice(s) and a term of a condition precedent of the Agreement such that:

- (i) a definition of the Agreement which states “*Threshold Price shall mean HK\$0.25 or such amount as may be agreed upon by Buyer and the Company as a result of a subdivision, consolidation, stock split or similar restructuring of the Shares of the Company*” shall be amended by deleting the amount “HK\$0.25” and replacing such amount with “HK\$0.175”.
- (ii) a term in respect of delivery of Tranche Notice(s) of the Agreement which states “*The Company may at any time during the Commitment Period exercise the Option by issuing Tranche Notices to the Buyer except that it may not, without the prior written consent of the Buyer, deliver a Tranche Notice until...(iii) the trading price of the shares shall be equal to or greater than HK\$0.36 per share on the Tranche Notice Date*” shall be amended by deleting the amount “HK\$0.36” and replacing such amount with “HK\$0.25”.
- (iii) a condition precedent to the closing of each tranche of the Agreement which states (as amended by the First Supplemental Agreement) “*the trading price of the Shares shall be equal to or greater than HK\$0.36 per share on the date and at the time the Loan Shares have been delivered to the Buyer’s brokerage account in the United States*” shall be amended by deleting the amount “HK\$0.36” and replacing such amount with “HK\$0.25”.

The purpose of this circular is to provide you with information regarding, among other things, (i) further details of the Agreement and the Share Lending Agreement and the transaction contemplated thereunder; (ii) the grant of the Specific Mandate; and (iii) a notice convening the SGM.

THE AGREEMENT

Date

9 September 2011 as amended by the supplemental agreements on 16 September 2011 and 27 September 2011

Parties

Issuer: The Company

Investor: Lyceum Partners LLC

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors having made all reasonable inquiry, the Investor and its ultimate beneficial owners are Independent Third Parties. Based on the information provided by the Investor, the Investor is a US-based private investment firm specializing in providing capital to individuals and companies in the form of share purchases.

Equity Line of Credit and Option granted to the Company

Under the Agreement, the Company has been granted the Equity Line of Credit by way of utilization of the Option, pursuant to which the Company may require the Investor to subscribe for up to 1,000,000,000 Option Shares (i.e. the Total Commitment) during the Commitment Period, subject to the terms and conditions of the Agreement.

The total aggregate number of Option Shares to be subscribed by the Investor during the Commitment Period shall not exceed the Total Commitment.

Set out below are details of the Option:

Term: The Option is exercisable by the Company during the Commitment Period, being the period commencing on (and including) the date when the Company has first satisfied or fulfilled the Conditions Precedent pursuant to the Agreement and expiring upon the earlier of (i) the expiry of the 36 consecutive months from such date, and (ii) the date on which the aggregate of the Option Shares subscribed by the Investor under the Agreement equals the Total Commitment.

The Company may exercise the Option by issuing multiple Tranche Notices during the Commitment Period except that it may not, without the prior written consent of the Investor, deliver a Tranche Notice until (i) the expiry of the Pricing Period relating to any Tranche Notice previously issued by the Company, (ii) the Option Shares specified in the relevant previous Tranche Notice have been Listed and become Tradable, and (iii) the trading price of the Shares shall be equal to or greater than HK\$0.25 per Share on the Tranche Notice Date.

Subscription Price per Option Share: With regard to any Pricing Period, the Subscription Price per Option Share shall be 83% of the 5-day average of the closing prices of the Shares during such period. If the Subscription Price per Option Share shall be lower than the Threshold Price being a minimum of HK\$0.175 per Option Share (as adjusted by any subdivision, consolidation or otherwise as set out in the Agreement), the Investor shall pay the Subscription Price per Option Share equal to the Threshold Price. The Subscription Price shall be calculated and funded in US Dollars.

LETTER FROM THE BOARD

The Company shall not make any rights issue, open offer, bonus issue, subdivision, consolidation, stock split or similar restructuring of the Shares of the Company during the relevant Pricing Period.

The minimum Threshold Price of HK\$0.175 per Option Share (as amended by the Second Supplemental Agreement) was arrived at after arm's length negotiations between the Company and the Investor and represents:

- (i) a premium of approximately 96.63% to the closing price of HK\$0.089 per Share as quoted on the Stock Exchange on 27 September 2011, being the date of the Second Supplemental Agreement;
- (ii) a premium of approximately 139.73% to the closing price of HK\$0.073 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (iii) a premium of approximately 81.91% to the average closing price of HK\$0.0962 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 27 September 2011, being the date of the Second Supplemental Agreement;
- (iv) a premium of approximately 57.80% to the average closing price of HK\$0.1109 per Share as quoted on the Stock Exchange for the last ten trading days ended on and including 27 September 2011, being the date of the Second Supplemental Agreement; and
- (v) a discount of approximately 8.38% to the audited net asset value per Share of approximately HK\$0.191 as at 31 March 2011 based on the number of issued Shares as at 27 September 2011, being the date of the Second Supplemental Agreement.

The Board considers that the Threshold Price (as amended by the Second Supplemental Agreement) is fair and reasonable and in the interest of the Company and Shareholders.

Shareholders and potential investors shall be fully aware that the Threshold Price of HK\$0.175 is not the final Subscription Price per Option Share.

LETTER FROM THE BOARD

Option Shares:

The Company shall exercise any part of the Option by serving a Tranche Notice specifying the Number of Option Shares. The Investor shall respond to any Tranche Notice by delivering a Closing Statement, which shall set out, inter alia, the Subscription Price to be paid to the Company on or prior to the Closing Date.

The maximum Number of Option Shares to be subscribed by the Investor in respect of the first tranche shall be 50,000,000 Option Shares. Thereafter, the parties will agree on the Tranche Limit for each tranche based on market conditions. If the market conditions change, the Investor is authorized to increase or decrease the maximum Number of Option Shares specified in the Tranche Notice.

Based on the Total Commitment, up to a total of 1,000,000,000 Option Shares will be allotted and issued upon the full exercise of the Option, representing approximately 38.11% of the existing issued Shares or approximately 27.59% of the issued share capital of the Company as enlarged by the issue and allotment of such 1,000,000,000 Option Shares.

The Company will apply to the Stock Exchange for the Listing of, and permission to deal in, 1,000,000,000 Option Shares.

Undertakings by the Investor
under the Agreement:

Pursuant to the Agreement, the Investor undertakes that it shall not:

- (i) effect or procure to be effected any short selling, as prohibited by Section 170 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), of any Shares and it shall, in respect of the Shares, comply with all applicable laws and regulations of Hong Kong including but not limited to the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
- (ii) at any point in time hold directly or indirectly in excess of 9.99% in aggregate of the total issued share capital of the Company from time to time (save and except with the written consent of the Company) and in the calculation of such shareholding interest, the number of Option Shares yet to be allotted and issued to the Investor pursuant to a Tranche Notice shall not be taken into account; and

LETTER FROM THE BOARD

- (ii) at any point in time hold directly or indirectly the Shares of the Company in excess of the number of Shares held by the single largest Shareholder, Mr. Wong Kam Leong.

Indemnity given by the Company under the Agreement:

The Company shall indemnify and defend the Investor and its affiliates against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all damages or losses incurred or sustained by, or imposed upon, the Investor and its affiliates based upon, arising out of, with respect to or by reason of:

- (a) any material inaccuracy in or material breach of any of the representations or warranties of the Company contained in the Agreement or any ancillary documents, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of each relevant Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or
- (b) any material breach or non-fulfillment of any material covenant, agreement or obligation to be performed by the Company pursuant to the Agreement.

Conditions Precedent to the Agreement

The right of the Company to access the Equity Line of Credit is subject to and conditional upon the following Conditions Precedent:

- (a) the Company having obtained the approval of its Shareholders at the SGM in respect of the Agreement and the transactions contemplated in the Agreement and the grant of the Specific Mandate;
- (b) compliance by the Company and the Investor of all applicable laws, rules and regulations in their respective jurisdictions, including but not limited to, the GEM Listing Rules for the entering into of the Agreement and all the other transactions contemplated thereunder; and
- (c) the Stock Exchange having granted the Listing of, and permission to deal in, 1,000,000,000 Option Shares.

If any of the above Conditions Precedent are not satisfied or waived on or before 1 December 2011 (or such later date as may be agreed by the parties), the Agreement shall lapse and shall have no further force or effect and none of the parties shall have any claim against the others under the Agreement.

LETTER FROM THE BOARD

Subscription Conditions for the Investor's subscription in each tranche

The closing of the subscription of the Option Shares in each tranche shall occur only if the following Subscription Conditions have been satisfied, which conditions may be waived by the Investor:

- (i) the satisfaction of the Conditions Precedent;
- (ii) compliance by the Company and the Investor of all applicable laws, rules and regulations and all other transactions contemplated thereunder;
- (iii) the Company having obtained all the necessary consents, if any, and not withdrawn or revoked by third parties (including, without limitation, government bodies, the Stock Exchange and other relevant authorities under the Agreement) and if such consents are obtained subject to any conditions and where such conditions affect any of the parties, such conditions being acceptable to the party concerned and if, such conditions are required to be fulfilled before the Closing Date;
- (iv) the subscription and payment for the Option Shares in the relevant tranche not being prohibited or enjoined (temporarily or permanently) by any applicable law or governmental or other regulation to which the Investor and/or the Company are subject (other than by reason of the Investor's own breach of its representations, warranties and/or undertakings under the Agreement, or the default of the Investor);
- (v) all matters and all documentation and other instruments in connection with the issuance, allotment and subscription of the Option Shares shall be reasonably satisfactory in form and substance to the Investor and the Investor shall have received copies of all documents which it may reasonably request in connection with the issuance and subscription of the Option Shares;
- (vi) there being no change during the period between the date of the Agreement and on the applicable Closing Date, in any law, governmental or other regulation applicable in Hong Kong which would adversely affect in any material aspect the holding or disposal of Shares by or by order of the Investor or any other rights of the Investor or any person acting by order of the Investor in respect of these Shares;
- (vii) there being no law and/or governmental or other regulation in Hong Kong, including, without limitation, the Takeovers Codes issued by the Securities and Futures Commission of Hong Kong on the applicable Tranche Notice Date or Closing Date which would require the Investor and/or any person acting by the Investor's order to make a mandatory offer for all the issued Shares and other securities of the Company;
- (viii) there being no law or governmental or other regulation applicable in Hong Kong on the applicable Tranche Notice Date or Closing Date which would require the Investor and/or any person acting by order of the Investor to comply with prospectus registration requirements in Hong Kong;

LETTER FROM THE BOARD

- (ix) the representations and warranties of the Company contained in the Agreement remaining to be true and correct in all material respects as at the date made and as at the relevant Tranche Notice Date or Closing Date as repeated at that time (except that representations and warranties that are expressed by their terms to be made as at a specific date need to be true and correct in all material respects only as at such specific date);
- (x) the Company having performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Agreement to be performed, satisfied or complied with by the Company at or prior to the applicable Tranche Notice Date or Closing Date;
- (xi) the Investor has not given a notice to the Company on or before the applicable Tranche Notice Date that either (i) the Share Lender has failed to duly perform its obligations pursuant to the terms of the Share Lending Agreement, or (ii) the Share Lending Agreement has been terminated;
- (xii) the Option Shares subscribed under the relevant Closing Statement Date shall be Listed on the relevant Closing Date; and
- (xiii) the Trading of the Option Shares are not restricted by the Stock Exchange on the Tranche Notice Date or the Closing Date; and
- (xiv) the trading price of the Shares shall be equal to or greater than HK\$0.25 per share on the date and at the time the Loan Shares have been delivered to the Investor's brokerage account in the US.

Share Lending Agreement

Pursuant to the terms of the Share Lending Agreement, within 1 Trading Day after the Tranche Notice Date, the Investor shall issue a Borrowing Request to the Share Lender. The Investor shall not be entitled to issue a Borrowing Request unless it has received a Tranche Notice from the Company.

The Share Lender shall by 4:00 p.m. (Hong Kong time) of the Delivery Date deliver such number of Loan Shares stated in the relevant Borrowing Request, to a securities account designated by the Investor in the Borrowing Request or as otherwise notified by the Investor to the Share Lender in writing from time to time.

Within 3 Trading Days after payment by the Investor of the Subscription Price in accordance with the Agreement, the Investor shall deliver the Equivalent Shares to the Share Lender by crediting such Equivalent Shares to the securities account of the Share Lender (or as otherwise designated by the Share Lender and notified to the Investor from time to time).

In consideration of the Share Lender agreeing to lend the Loan Shares to the Investor for the mere purpose of facilitating the exercise of the Option by the Company under the Agreement, the Company has agreed with the Share Lender to reimburse the Share Lender for all costs, fees and expenses incurred by the Share Lender in direct connection with the lending of the Loan Shares stipulated in the Share Lending Agreement.

LETTER FROM THE BOARD

As at the date of the Share Lending Agreement, the Share Lender was interested in 62,000,000 Shares. To facilitate the subscription for the Option Shares by the Investor under the Agreement, the Share Lender agrees to lend the Loan Shares according to the terms of the Share Lending Agreement.

The Share Lender is a party in the Share Lending Agreement for the primary purpose of facilitating the Investor's subscription of the Option Shares under the Agreement. The Share Lender itself does not have any interest whatsoever in the Option Shares and the transactions contemplated under the Agreement. In addition, the Share Lender will not receive any fee in relation to the lending of the Loan Shares. There is no transaction between the Company and the Share Lender which falls under Rule 20.13 of the GEM Listing Rules; and the lending and redelivery of Shares by the Share Lender and the Investor will purely be transactions between the Share Lender and the Investor and do not constitute a connected transaction of the Company as defined under the GEM Listing Rules.

The Share Lending Agreement is subject to the completion of the Agreement and the terms of the Agreement.

Termination of the Agreement

The Agreement may be terminated at any time during the Commitment Period by the mutual written consent of the Company and the Investor.

The Agreement may be terminated during the Commitment Period by the Investor by giving 5 Business Days' prior written notice of such termination to the Company, if within a period of 30 days from the date which the Company enters into a definitive agreement with any third party, the principal purpose of which is to secure any equity financing which provides for (i) the issuance of the Third Party New Shares or securities convertible into the Shares at a subscription price per Share lower than that of the Subscription Price per Option Share immediately before the date of the new issue notice, other than an underwritten public offering, or (ii) the implementation by the Company of a pricing mechanism to the effect that the Subscription Price per Option Share would be set below the Threshold Price (unless otherwise agreed by the parties).

The Agreement may be terminated during the Commitment Period by the Investor or the Company by giving 5 Business Days' prior written notice of such termination to the other party within a period of 30 days from the occurrence of any of the following events, during the Commitment Period:

- (a) there has been any Material Adverse Effect or any Material Change in Ownership of the Company; or
- (b) hostilities not presently existing commence (whether war has been declared or not) or in the opinion of the Investor there is a major act of terrorism or significant escalation in existing hostilities (whether war has been declared or not) involving any one or more of Hong Kong and the US.

The Company shall grant the Investor a right-of-first-refusal in respect of the Third Party New Shares in accordance with the Agreement. The Company shall give prior written notice to the Investor before issuing any Third Party New Shares, and within 3 Business Days after such date, the Investor shall be entitled to subscribe for all or part of the Third Party New Shares by giving the Company a written notice.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activities during the past 12 months immediately before the Latest Practicable Date:

Date of announcement	Event	Net proceeds	Intended use of proceeds as stated in the announcement	Actual use of proceeds/Remarks
14 October 2010	Placing of new Shares	HK\$120,000,000	For the 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	Approximately HK\$78.7 million has been utilized for payment for Ever Stable Acquisition. Approximately HK\$34.5 million has been utilized as redemption of the promissory note. Approximately HK\$6.8 million has been utilized as general working capital of the Group.
5 November 2010	Placing of warrants	HK\$1,250,000	As the general working capital of the Group	All applied as the general working capital of the Group
17 November 2010	Issue of convertible notes	HK\$77,000,000	As the payment for the Ever Stable Acquisition and as the general capital of the Group	Approximately HK\$24 million has been utilized for payment for Ever Stable Acquisition. Approximately HK\$35 million has been utilized for expansion of the paper manufacturing business. Approximately HK\$18 million has been utilized as general working capital of the Group.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

Assuming that there will be no other change in the shareholding structure of the Company immediately before the exercise of the Option in full, the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the issue of 1,000,000,000 Option Shares in full to the Investor (i.e. the Total Commitment) are as follows:

Name of Shareholder	As at the Latest Practicable Date <i>No. of Shares</i>	Immediately after the issue of 1,000,000,000 Option Shares in full to the Investor <i>No. of Shares</i>
Wide Fine International Limited (<i>Note 1</i>) (<i>approx.</i>) %	248,125,000 9.46	248,125,000 6.85
View Good International Limited (<i>Note 2</i>) (<i>approx.</i>) %	406,000,000 15.47	406,000,000 11.20
Nicky International Limited (<i>Note 3</i>) (<i>approx.</i>) %	216,000,000 8.23	216,000,000 5.96
Leung Wa (<i>approx.</i>) %	6,000,000 0.23	6,000,000 0.17
Sub-total: (<i>approx.</i>) %	<hr/> 876,125,000 33.39	<hr/> 876,125,000 24.18
Investor (<i>approx.</i>) %	0 0	1,000,000,000 27.59
Public (<i>approx.</i>) %	<hr/> 1,747,820,000 66.61	<hr/> 1,747,820,000 48.23
Sub-total: (<i>approx.</i>) %	<hr/> 1,747,820,000 66.61	<hr/> 2,747,820,000 75.82
Total:	<hr/> <hr/> 2,623,945,000	<hr/> <hr/> 3,623,945,000

Note 1: Wide Fine International Limited (“Wide Fine”) is the beneficial owner of 248,125,000 Shares. Mr. Wong Kam Leong (“Mr. Wong”), an executive Director of the Company is the sole beneficial owner of Wide Fine and is deemed to be interested in Shares held by Wide Fine.

Note 2: View Good International Limited is beneficially and wholly owned by Ms. Tam Sio Wan, the wife of Mr. Wong.

Note 3: Nicky International Limited is beneficially and wholly owned by Mr. Chen Jianqiu and Mr. Leung Wa in equal shares.

LETTER FROM THE BOARD

REASON FOR ENTERING INTO THE AGREEMENT

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

If the Option is exercised in full, the gross proceeds and net proceeds to be raised by the Company will be HK\$175,000,000 and about HK\$163,000,000 (based on the assumption that all 1,000,000,000 Option Shares are issued at the Threshold Price of HK\$0.175 and the total costs payable by the Company is about HK\$12,000,000) respectively, and the net Subscription Price will be approximately HK\$0.163 per each Option Share. The Company intends to apply the net proceeds from the allotment and issue of the Option Shares in part for general working capital to develop and expand the Group's principal business and future business developments.

The Directors are of the view that any allotment and issue of the Option Shares offer a good opportunity to raise additional capital for the Company and to strengthen the financial position of the Group. In addition, given the Option is granted to the Company which shall exercise the same at its option, it is considered that the Group will have flexibility in raising funds by exercising the Option during the Commitment Period. Accordingly, the Directors consider that the Agreement and the transactions contemplated thereunder are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

THE SPECIFIC MANDATE

If the Option is exercised in full, the Company will allot and issue 1,000,000,000 Option Shares (based on the minimum Threshold price of HK\$0.175).

At the annual general meeting of the Company held on 11 August 2011, the Board was granted by the Shareholders a general mandate to allot, issue and deal with up to 524,789,000 Shares, being 20% of the issued share capital of the Company as at 11 August 2011. The existing general mandate is insufficient to cover the new Shares which may be allotted and issued upon full exercise of the Option.

The Directors consider it reasonable and in the interests of the Company and the Shareholders as a whole to put forward a resolution at the SGM to approve the grant of the Specific Mandate to allot and issue the Option Shares. Any Shareholder with a material interest in the Agreement and his associates shall abstain from voting in favour of the resolution to approve the Specific Mandate. However, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting for the approval of the grant of the Specific Mandate. The Specific Mandate is proposed to be granted to the Directors by the Shareholders to issue not more than 1,000,000,000 new Shares, representing approximately 38.11% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 27.59% of the issued share capital of the Company as enlarged by the issue of the Option Shares.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, 1,000,000,000 Option Shares.

LETTER FROM THE BOARD

SPECIAL GENERAL MEETING

Pages 19 to 20 of this circular contain a notice convening the SGM which will be held at the Function Room of Macau Jockey Club, 1/F China Merchants Tower, Shun Tak Centre, 200 Connaught Road, Central, Hong Kong on Wednesday, 2 November 2011, at 11:30 a.m. for the Shareholders' to consider and approve, if thought fit, (i) the Agreement and the transactions contemplated thereunder and (ii) the grant of the Specific Mandate.

A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the meeting, you are requested to complete and return the form of proxy to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for the meeting or any adjournment thereof (as the case may be). The completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to (i) the Agreement and the Share Lending Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 document misleading.

RECOMMENDATION

The Directors believe that (i) the Agreement and the transactions contemplated thereunder and (ii) the grant of the Specific Mandate are in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of such resolution to be proposed at the SGM.

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

NOTICE OF SPECIAL GENERAL MEETING



LONG SUCCESS INTERNATIONAL (HOLDINGS) LIMITED

百齡國際(控股)有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8017)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an special general meeting (“**Meeting**”) of Long Success International (Holdings) Limited (“**Company**”) will be held at the Function Room of Macau Jockey Club, 1/F China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Wednesday, 2 November 2011, at 11:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in the Option Shares (as defined below):

- (a) the agreement dated 9 September 2011 entered into between the Company and Lyceum Partners LLC as amended by the First Supplemental Agreement and the Second Supplemental Agreement, copies of which have been initialed by the chairman of this meeting and for the purpose of identification marked “A” (“**Agreement**”), in relation to the grant of an option (“**Option**”) to the Company to require the Investor to subscribe for up to an aggregate of 1,000,000,000 option shares (“**Option Shares**”) if the Option structured under the equity line of credit is exercised in full, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the allotment and issue of the Option Shares subject to and pursuant to the terms and conditions of the Agreement be and is hereby approved; and
- (c) the directors of the Company be and are hereby authorised:
 - (i) to allot and issue the Option Shares subject to and pursuant to the terms and conditions of the Agreement; and
 - (ii) to do and execute all such acts, matters, deeds, documents and things as they may consider appropriate, necessary or desirable for or in connection with the Agreement, and the allotment and issue of the Option Shares.”

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

Hong Kong, 3 October 2011

* For identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

Head Office and Principal Place of Business:

26/F, EIB Centre,
40-44 Bonham Strand,
Sheung Wan,
Hong Kong

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on GEM, all the resolutions to be voted by poll at the SGM.
2. Every member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy need not be a member of the Company.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof (as the case may be).
4. A form of proxy for use at the meeting is enclosed. Whether or not you are able to attend the meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon.
5. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjournment thereof should they so wish, and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint registered holders of any share(s) of the Company, any one of such joint holders may attend and vote at the meeting, either in person or by proxy, in respect of such share(s) as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share(s) shall alone be entitled to vote in respect thereof.