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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the 2013 annual report of Long Success International (Holdings) Limited (the “Company”) dated 30 June 2013 (the “2013 Annual Report”) regarding the pending litigation as mentioned in Note 41.

Unless otherwise defined, capitalized terms used in this announcement shall have the same respective meanings as those defined in the 2013 Annual Report.

The board of directors (the “Board”) of the Company wishes to clarify and elaborate the details of the litigation and its progress as below.

1. BACKGROUND OF THE LITIGATION

Plaintiff: Li Bo (李博) (the “Plaintiff”)

Defendant: Jining Gangning Paper Company Limited (濟寧港寧紙業有限公司) (“Jining Gangning”), a 51% indirectly owned subsidiary of the Company.

On 16 January 2009, Jining Gangning and the Plaintiff signed a purchase agreement for the land and building (the “Purchase Agreement”) at a consideration of RMB55 million. Subsequently, Jining Gangning and the Plaintiff signed two supplementary agreements on 5 June 2010 and 13 September 2010 (together the “Supplementary Agreements”) to revise the consideration to RMB37 million.

Pursuant to the Supplemental Agreement dated on 13 September 2010, Jining Gangning has to settle the consideration on or before 31 January 2011.

Jining Gangning had fully paid the consideration of RMB37 million in which payment of RMB4.5 million had been delayed in arrear for 2 months.

* For identification purpose only

2. THE PLAINTIFF'S CLAIMS

As a result of delay in payment, the Plaintiff considers that Jining Gangning has failed to fulfill the obligations stipulated in the Supplementary Agreements which constitute the breach and termination of the Supplementary Agreements and brought the lawsuit to Jining City People's Court (濟寧市任城區人民法院) (the "Court") on 15 May 2012 with the following claims:

- (a) Requesting the Court to order Jining Gangning to pay the difference between the First Agreement and the Supplementary Agreements of RMB18 million together with the default interest of RMB3 million.
- (b) Requesting the Court to order the defendant borne the litigation fees relevant to the lawsuit.

3. POSITION OF THE COMPANY

The Company has engaged legal advisor as to the laws of the People's Republic of China (the "PRC Lawyer") and is seeking advice from them. As advised by the PRC Lawyer, the delay in settlement should have no impact on the validity of the Supplementary Agreements. As such, the Company believes that there is no strong evidence or grounds to support the Plaintiff's claims.

4. PROGRESS IN LITIGATION

Jining Gangning had appointed the PRC Lawyer to handle the case. The litigation is still under mediation and no conclusion has yet been reached as at the date of this announcement.

The Company will keep the shareholders of the Company and potential investors informed of any further developments in connection with the above litigation by way of further announcement(s) as and when appropriate.

By Order of the Board
Long Success International (Holdings) Limited
Siu Chi Keung
Director

Hong Kong, 6 August 2013

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Kaneko Hiroshi, Mr. Siu Chi Keung and Mr. Lu Shiyong; and three independent non-executive Directors, namely Mr. Ho Lok Cheong, Mr. Tam Yuk Sang, Sammy and Dr. Ng Chi Yeung, Simon.

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 herein or this announcement misleading. This announcement will remain at www.hkgem.com 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.