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朗力福®

ONGLIFE GROUP HOLDINGS LIMITED

朗力福集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8037)

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

PLACING AGENTS



KINGSTON SECURITIES LIMITED

ATHENS CAPITAL

Athens Capital Limited

Placing of new Shares

On 10 February 2010, the Company entered into the Placing Agreement with the Placing Agents in relation to the Placing. Pursuant to the Placing Agreement, the Company has conditionally agreed to place, through the Placing Agents on a best-effort basis, a maximum of 106,680,000 new Shares to not less than six Places at HK\$0.215 per Share.

Assuming full placement of all Placing Shares comprising 106,680,000 new Shares, they represent 20.00% of the existing issued share capital of the Company of 533,400,000 Shares and about 16.67% of the issued share capital of the Company of 640,080,000 Shares as enlarged by the Placing as at the date of this announcement.

The Placing Price represents: (i) a discount of approximately 17.31% to the closing price of HK\$0.26 per Share as quoted on the Stock Exchange on 10 February 2010; and (ii) a discount of approximately 18.56% to the average closing price per Share of HK\$0.264 as quoted on the Stock Exchange for the last five trading days prior to the date of this announcement.

The maximum gross proceeds from the Placing will be approximately HK\$22.9 million. The maximum net proceeds of approximately HK\$22.1 million from the Placing is intended to be used for the general working capital of the Group. The maximum net proceeds raised per Placing Share upon completion of the Placing will be approximately HK\$0.208 per Placing Share.

The Placing Shares is conditional upon the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares under the Placing.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

10 February 2010 (after trading hours)

Parties

- (a) The Company; and
- (b) The Placing Agents

The Placing Agents have conditionally agreed to place a maximum of 106,680,000 new Shares on a best effort basis and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares being placed by the Placing Agents. The Directors are of the view that the placing commission is fair and reasonable.

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, the Placing Agents and their ultimate beneficial owners are third parties independent of and not connected persons of the Company or any director, chief executive, management shareholders, controlling shareholders or substantial shareholders (as defined under the GEM Listing Rules) of any member of the Group or any associate of them or any connected persons of the Company.

The Placing

The Company has conditionally agreed to place the Placing Shares, through the Placing Agents to not less than six Placees on a best-effort basis and none of whom will become a substantial shareholder of the Company as a result of the completion of the Placing. The Company will issue a further announcement upon completion of the Placing.

Placees

The Placees (and their respective ultimate beneficial owners) will be third parties independent of and not connected persons of the Company or any director, chief executive, management shareholders, controlling shareholders or substantial shareholders (as defined under the GEM Listing Rules) of any member of the Group or any associate of them or any connected persons of the Company.

Placing Shares

Assuming full placement of all Placing Shares comprising 106,680,000 new Shares, they represent 20.00% of the existing issued share capital of the Company of 533,400,000 Shares and about 16.67% of the issued share capital of the Company of 640,080,000 Shares as enlarged by the Placing as at the date of this announcement. The aggregate nominal value of the Placing Shares under the Placing will be HK\$10,668,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges and encumbrances and together with all rights attaching to them including the right to receive all dividends declared, made or paid on or after the date of allotment and issue.

Placing Price

The Placing Price represents: (i) a discount of approximately 17.31% to the closing price of HK\$0.26 per Share as quoted on the Stock Exchange on 10 February 2010; and (ii) a discount of approximately 18.56% to the average closing price per Share of HK\$0.264 as quoted on the Stock Exchange for the last five trading days prior to the date of this announcement.

The estimated expenses for the Placing are approximately HK\$800,000, comprising placing commission (2.5% of the gross proceeds from the Placing, if implemented in full), and other professional fees and expenses. Assuming that all the Placing Shares are successfully placed, the maximum net proceeds per Placing Share upon completion of the Placing will be approximately HK\$0.208 per Placing Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agents with reference to the recent trading price of the Shares. The Board also considers that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Condition Precedent of the Placing Agreement

The Placing is conditional upon the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares under the Placing. Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing

Subject to satisfaction of the condition precedent set out above, completion of the Placing Agreement is expected to take place on or before the Completion Date, i.e. 12 March 2010.

Termination of the Placing

The Placing Agents may terminate the Placing Agreement without any liability to the Company, by notice in writing to the Company at any time prior to 9:30 a.m. on the Completion Date upon the occurrence of any of the following events which, in the absolute opinion of each of the Placing Agents, has or may have an adverse effect on the business or financial conditions, affairs or prospects of the Company or the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in this Agreement:

- (A) there develops, occurs or comes into force:
 - (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material change in, or which may result in a material change in, political, economic, fiscal, financial, regulatory or stock market conditions; or

- (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iii) any material change in conditions of local, national or international securities markets occurs; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere; or
 - (vi) any litigation or claim being instigated against the Company or any member of the Group; or
- (B) any material breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (C) there is any adverse change in the financial position of the Company which is material in the context of the Placing;

then and in any such case, the Placing Agents may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company provided that such notice is received prior to 9:30 a.m. on the Completion Date.

Upon the giving of the above mentioned notice by the Placing Agents to the Company, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement; and outstanding liabilities under the terms of the Placing Agreement.

General Mandate to Issue New Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of AGM. Under the General Mandate, the Company is authorized to issue up to 106,680,000 Shares. From the date of the AGM to the date of this announcement, no new Share has been issued under the General Mandate. Upon completion of the Placing, 106,680,000 Shares will be issued under the General Mandate and no Shares will remain outstanding under the General Mandate.

Reason for the Placing

The Company and its subsidiaries are principally engaged in manufacture, research and development and distribution of consumer cosmetic, health related products, capsules products, health supplement wine and dental materials and equipment and operates only in the PRC.

In view of the current market conditions, the Directors consider that the Placing represents an opportunity to raise fund for the general working capital of the Group. The Directors consider that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Use of proceeds

Assuming the Placing Shares are successfully placed, the maximum gross proceeds from the Placing will be approximately HK\$22.9 million and the maximum net proceeds (after deducting the placing commission, other professional fees and expenses) will be approximately HK\$22.1 million which is intended to be used for the general working capital of the Group. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.208 per Placing Share.

DETAILS OF PREVIOUS FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

POSSIBLE CHANGE IN THE SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full) is set out below:

Shareholders	Existing (as at the date of this announcement)		Immediately after the completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Sino Katalytics Investment Corporation	119,465,000	22.40	119,465,000	18.66
China Medical Device Group Limited (Note 1)	84,150,000	15.78	84,150,000	13.15
Au Yeung Kai Chor	35,000,000	6.56	35,000,000	5.47
Eftops Limited	35,000,000	6.56	35,000,000	5.47
CITIC International Assets Management Limited (Note 2)	31,500,000	5.90	31,500,000	4.92
Public Shareholders:				
Places	—	—	106,680,000	16.67
Other public Shareholders	228,285,000	42.80	228,285,000	35.66
Total	533,400,000	100.00	640,080,000	100.00

Notes:

1. China Medical Device Group Limited is a company wholly owned by Mr. Zheng Lixin, an executive Director; and
2. These shares are held by CITIC International Assets Management Limited, a company 40% owned by CITIC International Financial Holdings Limited which 70.32% owned by China CITIC Bank Corporation Limited, which 67.26% owned by CITIC Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“AGM”	the annual general meeting of the Company held on 18 February 2009;
“Board”	the board of Directors;
“Company”	Longlife Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the GEM;
“Completion Date”	on or before 12 March 2010, or such later date as the Company and the Placing Agents shall agree;
“connected person(s)”	has the meaning as ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM, among other things, to allot, issue and deal with up to 20% of the then issued share capital of the Company as at date of the AGM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules;
“Placee(s)”	any professional or institutional or other investor(s) procured by the Placing Agents or their respective agent(s) to purchase any of the Placing Shares pursuant to the Placing Agreement;
“Placing”	the placing of the Placing Shares to not fewer than six Placees on a best-effort basis by the Placing Agents and their respective agent(s) pursuant to the Placing Agreement;
“Placing Agents”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and Athens Capital Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“Placing Agreement”	the placing agreement dated 10 February 2010 entered into between the Company and the Placing Agents in respect of the Placing;
“Placing Price”	the placing price of HK\$0.215 per Share;
“Placing Share(s)”	A maximum number of 106,680,000 new Shares to be placed pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong; and
“%”	per cent.

By order of the Board
Longlife Group Holdings Limited
Zheng Lixin
Chairman

Hong Kong, 10 February 2010

As at the date of this announcement, the executive directors of the Company are Mr. Zheng Lixin, Mr. Zhang San Lin, Mr. Yao Feng, Mr. Chen Zhongwei and Mr. Cheung Hung; the non-executive director of the Company is Mr. Lo Wing Yat, Kelvin and the independent non-executive directors of the Company are Mr. Yu Jie, Mr. Chong Cha Hwa, Ms. Chan Wai Yan and Mr. Sham Chi Keung William.

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 of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcement” page of the GEM Website at www.hkgem.com for a minimum period of seven days from the day of its posting and on the website of the Company at www.longlifechina.com.