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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)

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION

This announcement is made by Long Success International (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to the Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 25 May 2016, Goldbay Global Limited (the “**Purchaser**”), a wholly-owned subsidiary of the Company, and the independent third party individuals (the “**Potential Vendors**”) entered into a memorandum of understanding (the “**MOU**”) in relation to the Group’s proposed acquisition of the entire issued share capital of a company (the “**Target Company**”) that is principally engaged in the business of purchasing, processing, designing, production and trading of jewellery products together with all shareholders’ loans (if any) due from the Target Company to the Potential Vendors and their associates (the “**Proposed Acquisition**”).

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquires, the Potential Vendors are third parties independent of the Company and its connected persons.

* For identification purpose only

PRINCIPAL TERMS OF THE MOU

The principal terms of the MOU are set out below:

(i) Consideration

Pursuant to the MOU, the indicative consideration for the Proposed Acquisition is HK\$80,000,000 which will be settled in installments.

(ii) Exclusivity

The Purchaser will have a sole and exclusive right to conduct due diligence investigation on the Target Company and to negotiate with the Potential Vendors on the Proposed Acquisition with a view to entering into the agreement for a period from the date of the MOU to 30 November 2016 (the “**Exclusivity Period**”).

During the Exclusivity Period, the Potential Vendors will, in good faith, negotiate with the Purchaser exclusively on the Proposed Acquisition and will not (whether directly or indirectly through affiliate, agent or representative) discuss, negotiate and/or enter into any agreement, arrangement or understanding with any other party in respect of the subject matter of the Proposed Acquisition.

(iii) Earnest Money

According to the MOU, the Purchaser will deposit a sum of HK\$400,000 as earnest money (the “**Earnest Money**”) to the Potential Vendors. The Earnest Money may be forfeited in accordance with terms of the MOU. In the event that a formal and binding agreement (the “**Definitive Agreement**”) is entered into by the Potential Vendors and the Purchaser, the Earnest Money will be used to settle part of the consideration of the Proposed Acquisition upon signing of the Definitive Agreement.

(iv) Other Term

Save for the legally binding provisions relating to confidentiality, exclusivity, due diligence, governing law, costs and payment of Earnest Money, the MOU is not legally binding on the parties to the MOU.

REASONS FOR THE PROPOSED ACQUISITION

In order to enhance the operation and business of the Company, the Directors consider that it is in the interests of the Company and its shareholders to enter into the MOU to explore the possibility of the Proposed Acquisition. Moreover, should the Proposed Acquisition materialise, it can improve the Group’s revenue base.

GENERAL

The Board wishes to emphasise that the Proposed Acquisition is subject to the signing of the Definitive Agreement and the terms of the Proposed Acquisition are subject to further negotiation between the Potential Vendors and the Purchaser. As at the date of this announcement, no legally binding agreement in relation to the Proposed Acquisition has been entered into. Accordingly, the Proposed Acquisition may or may not proceed. The Proposed Acquisition, if materialises, may constitute a notifiable transaction of the Company under the GEM Listing Rules. Shareholders of the Company and investors are advised to exercise caution when dealing in securities of the Company. Further announcement in respect of the Proposed Acquisition will be made by the Company in accordance with the GEM Listing Rules.

SUSPENSION OF TRADING OF SHARES

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 1:23 p.m. on 3 December 2013 and will remain suspended until further notice.

By order of the Board
Long Success International (Holdings) Limited
Hui Ngai Hon, Edward
Director

Hong Kong, 25 May 2016

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Kaneko Hiroshi and Mr. Hui Ngai Hon, Edward; and three independent non-executive Directors, namely Mr. Yau Paul, Mr. Wong Ka Shing and Ms. Leung Shuk Lan.

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 Growth Enterprise Market of The Stock Exchange of Hong Kong Limited website for at least 7 days from the date of its posting and on the Company website at www.long-success.com.