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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)

LEGALLY BINDING FRAMEWORK AGREEMENT 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 (the “**GEM**”) 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).

LEGALLY BINDING FRAMEWORK AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 2 October 2016, the Company and an independent third party individual (the “**Potential Vendor**”) entered into a legally binding framework agreement (the “**Framework Agreement**”) in relation to the Group’s proposed acquisition of (the “**Proposed Acquisition**”) 51% of interests of a company (the “**Target Company**” and together with its subsidiaries, the “**Target Group**”) incorporated in China either by way of (1) direct acquisition of 51% equity interests of the Target Company from the Potential Vendor at an indicative consideration of RMB115 million; or (2) formation of a sino-foreign joint venture company (of which the Company shall hold 51% equity interests) among the Company, the Potential Vendor and other shareholders of the Target Company. Under option 2, the Potential Vendor shall procure the Target Company to sell all its machinery equipment, factory plant, production facilities and business under current operation (including but not limited to customers’ orders and other contracts’ obligations subsisting at the time of completion) to the sino-foreign joint venture company. The Target Group is principally engaged in the radiator manufacturing business in China.

The Framework Agreement is legally-binding setting out intention of the Company and the Potential Vendor in respect of the Proposed Acquisition. The Company and the Potential Vendor shall enter into a formal sales and purchase agreement (the “**Definitive Agreement**”) to set out detailed terms of the Proposed Acquisition.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquires, the Potential Vendor is a third party independent of the Company and its connected persons.

** For identification purpose only*

PRINCIPAL TERMS OF LEGALLY BINDING THE FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are set out below:

(i) The Proposed Acquisition

Pursuant to the Framework Agreement, the Company conditionally agreed to acquire and the Potential Vendor conditionally agreed to sell 51% of the interests of the Target Company either by way of

(1) direct acquisition of 51% equity interests of the Target Company from the Potential Vendor at an indicative consideration of RMB115 million; or

(2) formation of a sino-foreign joint venture company (of which the Company shall hold 51% equity interests) among the Company, the Potential Vendor and other shareholders of the Target Company. Under this option, the Potential Vendor shall procure the Target Company to sell all its machinery equipment, factory plant, production facilities and business under current operation (including but not limited to customers' orders and other contracts' obligations subsisting at the time of completion) to the sino-foreign joint venture company.

The Definitive Agreement has to be entered into among parties before 15 November 2016.

(ii) Consideration

The indicative consideration for the Proposed Acquisition is RMB115 million payable upon completion of the Proposed Acquisition. The final consideration shall be determined between the Company and the Potential Vendor by reference to due diligence results on the Target Group.

(iii) Conditions precedent

Completion of the Proposed Acquisition is expected to be conditional upon the satisfaction of a number of conditions precedent, including (1) satisfaction of due diligence results on the assets, business and financials of the Target Group by the Company; (2) the GEM Listing Committee having approved in principle the new listing application in respect of transactions contemplated under the Framework Agreement and the Definitive Agreement, and the application not having been revoked or withdrawn; (3) approval by shareholders of the Company other than the shareholders who are interested in the Proposed Acquisition in respect of the Framework Agreement, the Definitive Agreement and transactions contemplated thereunder in accordance with the GEM Listing Rules; (4) the circular relating to the Proposed Acquisition having been despatched by the Company in accordance with the GEM Listing Rules; (5) warranties given by the Potential Vendor in respect of the Target Company and assets, business and financials of the Target Company to be true, accurate and not misleading; and (6) having obtained all necessary approval by relevant authorities of the country and region in respect of the Proposed Acquisition, if necessary. The final conditions precedent will be set out in the Definitive Agreement.

(iv) Other

If the GEM Listing Committee or the Listing Appeals Committee does not approve in principle for the Company to formulate a resumption proposal by way of the transactions contemplated under the Framework Agreement and the Definitive Agreement before 14 October 2016, the Framework Agreement shall cease to be of any effect.

INFORMATION OF THE TARGET GROUP

The Target Company has been incorporated in China for over 20 years and mainly produces radiators which are mainly in power transformers as cooling components. The Target Group has a diversified customer bases which include customers from China, Japan, Europe, South America and North America.

The Target Company operates production facilities in China with factory size of approximately 15,000 square meters. It has a total number of over 130 staff members. The Target Company is also awarded with a number of certificates such as ISO certificates.

As set out in the unaudited consolidated financial statements of the Target Group, the unaudited profits before tax were approximately RMB 23.4 million and RMB 22.7 million for the two years ended 31 December 2014 and 2015 respectively.

REASONS FOR THE PROPOSED ACQUISITION

Trading in shares of the Company on the Stock Exchange has been suspended since 3 December 2013. The Directors are of the view that, upon completion of the Proposed Acquisition, the Group will have sufficient level of operations to support its continued listing on the Stock Exchange. Accordingly, the Company would be able to formulate a resumption proposal by way of the Proposed Acquisition. Moreover, taking the Target Group's established scale of operations and historical financial performance into account, the Directors consider that the Proposed Acquisition represents an opportunity for the Group to enhance its financial results.

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 negotiations between the Potential Vendor and the Company. As at the date of this announcement, no Definitive Agreement has been entered into. Accordingly, the Proposed Acquisition may or may not proceed. The Company will publish a further announcement once the Definitive Agreement has been entered into by the Company and the Potential Vendor.

The Proposed Acquisition, if materialises, will constitute a very substantial acquisition of the Company and a reverse takeover under the GEM Listing Rules. Shareholders of the Company and investors are advised to exercise caution when dealing in securities of the Company. The publication of this announcement does not mean that trading in shares of the Company on the Stock Exchange can be resumed.

SUSPENSION OF TRADING OF SHARES

Trading in the shares of the Company on the Stock Exchange has been suspended since 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, 2 October 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.