



To: Financial Editor  
Press Release  
For Immediate Release

## **Long Success completed the acquisition on Jining Gangning Paper Co, Ltd.**

**[2 July 2009, Hong Kong]** Long Success International (Holdings) Limited ("Long Success" or "the Group", stock code: 8017) is pleased to announce the completion of the acquisition on Mega Bright Investment Development Limited ("Mega Bright") in a consideration of HKD190,000,000. Mega Bright owned 51% of equity interest in Jining Gangning Paper Co. Ltd. ("Jining Gangning paper factory"). The Group had paid a deposit of HKD 47,500,000 in April 09, and the second payment of HKD 56,000,000 will be settled within 4 months after the Special General Meeting. The consideration will also settled by the issue of convertible bonds in the amount of HKD 40,000,000 and the promissory notes in the amount of HKD 46,500,000.

Located in Jining city in Shandong province, Jining Gangning Paper Co. Ltd. is a sizable paper factory with an area of 83,000 square meter. With a total floor area of 23,000 square meter, there are 31 buildings including main tower, production lines, office, staff dormitories and warehouse, etc. There are 2-paper production lines and a preparation area for storage of raw materials and paper pulp. The Group estimated that the total production capacity could reach 120,000 tones in 2009.

Currently, the factory mainly produces Grade A and Grade C paperboards. The market price of Grade A products is about USD235 per tone and the profit is not less than RMB 300 to RMB 400 per tone. The Group is planning to expand the product range to high profit margin products, including art coated base paper and bond base paper in 2010-2011 and the annual capacity will increase to 170,000 tones by 2011. The Group estimated that the annual profit after tax could exceed RMB 60 million in 2010 and the vendor of the paper factory also promised the annual profit after tax would not less than RMB 60 million in 2010 and 2011.

With the support from Jining Government, Jining Gangning paper factory will look for more opportunities for joint venture and restructuring. The production capacity could even expand to 1 million tones per annum depending on the market needs.

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### **About Long Success**

The Group is principally engaged in sales of customised software and related computer equipment; provision of technical support and maintenance services; sharing of profits of a junket representative of a VIP lounge in a casino in Macau and money lending business. Recently, the Group develops paper manufacturing business in the PRC because of the huge market potential and high investment value of this business sector.

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