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Bright Prosperous Holdings Limited

晉盈控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 723)

VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

The Acquisition

Reference is made to the announcements of the Company dated 25 February 2009 and 27 February 2009.

On 28 February 2009, the Purchaser, the Vendor and the Guarantor entered into the Agreement pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares at the total consideration of HK\$1,860,045,000 (subject to adjustment as described below), which has been/shall be satisfied as to (i) HK\$15,500,000 by way of the Deposit in cash upon signing of the Agreement; (ii) HK\$25,000,000 by payment in cash to the Vendor or its nominees at Completion; (iii) HK\$232,000,000 by procuring the issue of the Promissory Note by the Company to the Vendor or its nominees at Completion; (iv) HK\$43,175,000 by procuring the allotment and issue of the Consideration Shares by the Company to the Vendor or its nominees at Completion; (v) HK\$1,437,260,000 (subject to adjustment) by procuring the allotment and issue of the First Tranche Preference Shares by the Company to the Vendor or its nominees at Completion; (vi) HK\$30,000,000 by payment in cash to the Vendor or its nominees within 2 months from the Completion Date; and (vii) HK\$77,110,000 (subject to adjustment) by procuring the allotment and issue of the Second Tranche Preference Shares by the Company to the Vendor or its nominees on the Vendor Warranty Expiry Date.

The parties entered into a supplemental agreement on 10 March 2009 to amend certain terms of the Agreement.

* *for identification purpose only*

The Sale Shares represent the entire issued share capital of the Target Company as at Completion. The Target Group is principally engaged in the business of forest exploitation, timber and wood processing, timber trading and timber sales and marketing in Russia, Brazil and Manzhouli in the PRC.

The issue price of HK\$0.055 for each Consideration Share and the Convertible Preference Share (as the case may be) was determined after arm's length negotiations between the Purchaser and the Vendor. The Consideration Shares represent approximately 36.49% of the issued share capital of the Company as at the date of this announcement, approximately 26.74% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares, and approximately 2.58% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares (assuming no adjustment is made to the part of the consideration which shall be settled by the issue of the First Tranche Preference Shares and the Second Tranche Preference Shares as described below).

The 27,534,000,000 Conversion Shares (subject to adjustment of the nominal value of the Shares as described below) to be issued upon full conversion of the Convertible Preference Shares represent approximately 12.80 times of the issued share capital of the Company as at the date of this announcement, and approximately 90.36% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares (assuming no adjustment is made to the part of the consideration which shall be settled by the issue of the First Tranche Preference Shares and the Second Tranche Preference Shares as described below).

Call Options

Pursuant to the Agreement, as part of the Reorganization, the Target Company is required to enter into the Everbroad Option Deed and the Million Success Option Deed with Mr. Yu before Completion, pursuant to which Mr. Yu will grant the Call Options to the Target Company, for the consideration of US\$1 each, to acquire the entire equity interest in Everbroad and Million Success respectively held by Mr. Yu.

Increase in authorised share capital

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, of which 2,151,076,930 Shares have been issued. In order to accommodate the future expansion and growth of the Group as well as to accommodate the issue of the Consideration Shares and the Conversion Shares, the Board proposes to increase the authorised share capital of the Company from HK\$100,000,000 divided into 10,000,000,000 Shares to HK\$725,340,000 by creation of an additional 35,000,000,000 new Shares and 27,534,000,000 Preference Shares.

The increase in the authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM.

Listing Rules Implication

The transactions contemplated under the Agreement constitute a very substantial acquisition of the Company under the Listing Rules. The Agreement, including the allotment and issue of the Consideration Shares, Convertible Preference Shares and Conversion Shares are subject to the approval of the Shareholders at the SGM.

The SGM will be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder, the increase in the authorised share capital of the Company, the creation of the Preference Shares and the allotment and issue of the Consideration Shares, the Convertible Preference Shares and Conversion Shares. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Ample Pearl International Limited, being one of the ultimate beneficial owners of, and who holds approximately 9.94% interests in the Vendor, is interested in 91,858,400 Shares, representing approximately 4.27% of the total issued share capital of the Company as at the date of this announcement. Ample Pearl International Limited and its associates are required to abstain from voting in relation to the resolutions to approve the Agreement and the transactions contemplated thereunder, the increase in the authorised share capital of the Company, the creation of the Preference Shares and the allotment and issue of the Consideration Shares, the Convertible Preference Shares and Conversion Shares.

Delay in despatch of Circular

A Circular containing, among other things, further details of the Agreement, financial information relating to the Group and the Target Group, the valuation report on the property interests of the Group and the Target Group, the valuation report on the Brazilian Forest and the concession rights held by the Russia Subsidiary and the Russia Subsidiary II and the notice of the SGM will be sent to the Shareholders. Pursuant to Rule 14.38A and Rule 14.48 of the Listing Rules, the Circular is required to be despatched to the Shareholders within 21 days after publication of this announcement, i.e. on or before 31 March 2009. However, it is currently expected that it will take about seven to nine weeks for the Company to obtain the accountants' reports of the Target Subsidiaries and about four weeks to obtain the valuation reports on (i) the property interests of the Group and the Target Group and (ii) the Brazilian Forest and the concession rights held by the Russian Subsidiary and the Russian Subsidiary II for inclusion in the Circular. The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38A and Rule 14.48 of the Listing Rules and an extension of time for despatch of the Circular to on or before 15 June 2009.

Resumption of Trading

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 2 March 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 March 2009.

THE AGREEMENT

Date: 28 February 2009 (as supplemented and amended by the supplemental agreement dated 10 March 2009 entered into by the parties to the Agreement to amend certain terms of the Agreement)

Parties:

Purchaser: Great Path Limited, a wholly-owned subsidiary of the Company

Vendor: Winner Global Holdings Limited, an investment holding company incorporated in BVI with limited liability. Ample Pearl International Limited, one of the ultimate beneficial owners who holds approximately 9.94% interests in the Vendor, is interested in 91,858,400 Shares, representing approximately 4.27% of the total issued share capital of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, the Vendor and its ultimate beneficial owners are Independent Third Parties, and there are no prior transactions entered into between the Group and the Vendor and its ultimate beneficial owners.

Guarantor: Loh, Jiah Yee Katherine, being one of the directors and one of the ultimate beneficial owners of the Vendor, has unconditionally and irrevocably, guaranteed to the Purchaser under the Agreement the due, full, punctual and complete repayment by the Vendor of the Deposit (as defined below) in accordance with the terms of the Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Guarantor is an Independent Third Party, and there are no prior transactions entered into between the Group and the Guarantor.

Assets to be acquired:

The Sale Shares, being the entire issued share capital of the Target Company as at Completion. As one of the conditions precedent of Completion, the Target Company will become the holding company of the Target Subsidiaries prior to Completion. Please refer to the paragraph headed "Information on the Target Group" for further details on the Target Company and the Target Subsidiaries.

Consideration

The total consideration for the Acquisition is HK\$1,860,045,000 (subject to adjustment as described below), which has been / shall be satisfied by the Purchaser in the following manner:

- (i) HK\$15,500,000 by way of a refundable deposit (the "Deposit") in cash has been paid to the Vendor or its nominees upon signing of the Agreement;
- (ii) HK\$25,000,000 by payment in cash to the Vendor or its nominees at Completion;

- (iii) HK\$232,000,000 by procuring the issue of the Promissory Note by the Company to the Vendor or its nominees at Completion;
- (iv) HK\$43,175,000 by procuring the allotment and issue of the Consideration Shares by the Company to the Vendor or its nominees credited as fully paid at the Issue Price at Completion;
- (v) HK\$1,437,260,000 by procuring the allotment and issue of the First Tranche Preference Shares by the Company to the Vendor or its nominees credited as fully paid at the Issue Price at Completion (subject to the adjustment as described in the paragraph headed “Adjustments to consideration” below);
- (vi) HK\$30,000,000 by payment in cash to the Vendor or its nominees within two months from the Completion Date; and
- (vii) HK\$77,110,000 by procuring the Company to allot and issue the Second Tranche Preference Shares to the Vendor or its nominees credited as fully paid at the Issue Price on the Vendor Warranty Expiry Date (subject to the adjustment as described in the paragraph headed “Adjustments to consideration” below).

The consideration for the Acquisition was determined after arm’s length negotiations between the Purchaser and the Vendor after taking into account the net asset value of the Target Subsidiaries as at 31 December 2008 as shown in the statutory accounts or management accounts of the Target Subsidiaries (details of which are disclosed under the sub-paragraph headed “Financial information” under the paragraph headed “Information on the Target Group” below”), the size and the types of standing trees in the Brazilian Forest and the Russian Forest, the concession rights held by the Russia Subsidiary and the Russia Subsidiary II, the growth potential of the timber products market and the future prospects of the ecological forestry business.

Adjustments to consideration

Under the Agreement, the total consideration in respect of the Acquisition will be subject to the following adjustments:

- (i) the portion of the consideration which shall be satisfied by the allotment and issue of the First Tranche Preference Shares upon Completion will be reduced by an amount equivalent to the outstanding installment payments for the purchase price of the Brazilian Forest under the Brazil Acquisition Agreement as at Completion as particularly described under the sub-paragraph headed “Brazil Subsidiary” under the paragraph headed “Information on the Target Group” below; and

- (ii) the portion of the consideration which shall be satisfied by the allotment and issue of the Second Tranche Preference Shares on the Vendor Warranty Expiry Date shall be reduced by
 - (a) an amount determined by an independent third party or otherwise agreed between the Vendor and the Purchaser (the “Settlement Amount”) as the compensation to be paid by the Vendor for any breach of the warranties given by the Vendor under the Agreement, or any other term of the Agreement, and which remains unpaid by the Vendor on the Vendor Warranty Expiry Date. If the Settlement Amount exceeds the maximum value of the Second Tranche Preference Shares, no Second Tranche Preference Shares will be issued. Where the liability for a breach of the Vendor’s warranties has not been determined by an independent third party or agreed between the Vendor and the Purchaser by the Vendor Warranty Expiry Date, the portion of the consideration to be settled by the issue of the Second Tranche Preference Shares shall be reduced by a sum to be agreed in good faith between the Vendor and the Purchaser with regards to the nature, extent and adverse impact caused on the Target Group by such breach (the “Retained Amount”). The Retained Amount shall be used to settle the liability of the Vendor, if any, for the breach of the Vendor’s warranties, as determined by an independent third party, or as agreed between the Purchaser or Vendor. Any amount of the Retained Amount which is in excess of the liability as determined or agreed shall be paid to the Vendor or its nominees by issue of the Second Tranche Preference Shares as adjusted;
 - (b) an amount in HK\$ equivalent to the sum of (i) the Brazilian Forest’s Total Liabilities as finally determined by a competent court or governmental authority in accordance with the laws of Brazil, or full and final settlement in respect thereof has been reached with relevant parties having an interest in relation to the subject matter of the Brazilian Forest’s Total Liabilities (the “Determined Liabilities”); and (ii) the aggregate amount of costs, fees, and expenses (the “Brazil Forest Fees”) properly incurred by the Brazil Subsidiary (with the prior approval of the Vendor) in relation to ascertaining the amount of the Brazilian Forest’s Total Liabilities; less (iii) an amount attributable to the Determined Liabilities as estimated by Brazilian legal advisers; and less (iv) the aggregate of the sums in respect of the Determined Liabilities which have been settled or agreed to be settled by third parties without recourse to the Brazil Subsidiary. Where the Determined Liabilities is less than the aggregate of the sums in (iii) and (iv), or if on the Vendor Warranty Expiry Date there are no Determined Liabilities, the portion of the consideration to be settled by allotment and issue of the Second Tranche Preference Shares shall be reduced by an amount in HK\$ equivalent to the Brazil Forest Fees.

The Consideration Shares

The 785,000,000 Consideration Shares to be issued by the Company at the Issue Price upon Completion represents approximately 36.49% of the issued share capital of the Company as at the date of this announcement, approximately 26.74% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares, and approximately 2.58% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares (assuming no adjustment is made to the part of the consideration which shall be settled by the issue of the First Tranche Preference Shares and the Second Tranche Preference Shares as described above).

The Consideration Shares will be issued subject to a specific mandate to be sought from the Shareholders at the SGM. The Consideration Shares shall rank equally among themselves and pari passu in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares.

Convertible Preference Shares

The principal terms of the Convertible Preference Shares to be issued by the Company are as follows:

- Number of Convertible Preference Shares to be issued:
 - a maximum of 26,132,000,000 First Tranche Preference Shares in the aggregate principal amount of HK\$1,437,260,000 at an issue price of HK\$0.055 per Convertible Preference Share; and
 - a maximum of 1,402,000,000 Second Tranche Preference Shares in the aggregate principal amount of HK\$77,110,000 at an issue price of HK\$0.055 per Convertible Preference Share
- Number of Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Preference Shares in full:
 - 26,132,000,000 Conversion Shares (by conversion of the First Tranche Preference Shares); and
 - 1,402,000,000 Conversion Shares (by conversion of the Second Tranche Preference Shares)
 (assuming no adjustment to the part of the consideration which shall be settled by the issue of the First Tranche Preference Shares and the Second Tranche Preference Shares)
- Conversion ratio:
 - Each Convertible Preference Share carries the right to convert to one Share (subject to adjustment on alteration to the nominal value of the Shares as a result of consolidation or subdivision).

- Conversion: Each Convertible Preference Share shall be convertible at the option of the holders at any time after issue, provided that (i) any conversion of the Convertible Preference Shares shall not result in the aggregate voting rights in the Company held by the relevant holder of the Convertible Preference Shares who exercises the conversion rights and parties acting in concert with it exceeding 29.9%, or such other percentage as may then be the maximum percentage (to one decimal place) of the issued Shares it could then acquire without being required to make a mandatory general offer for the Shares under the Takeovers Code or (ii) any conversion of the Convertible Preference Shares shall not result in the public float of the Shares falling below the minimum requirements of the Listing Rules.
- Redemption: The Convertible Preference Shares are not redeemable.
- Listing: No application will be made for the listing of the Convertible Preference Shares on the Stock Exchange or any other stock exchange.
- Voting: Save where the Company proposes to pass a resolution to vary the rights attached to the Preference Shares or for the winding up or dissolution of the Company (other than for the purposes of reconstruction, merger or consideration the terms of which have previously been approved by the holder(s) of the Preference Shares), holder(s) of the Convertible Preference Shares shall not be entitled to vote at any general meetings of the Company by reason only of it being a holder of the Convertible Preference Shares, but holder(s) of the Convertible Preference Shares shall be entitled to receive notices of general meetings of the Company and to attend the same.
- Ranking: The Convertible Preference Shares shall rank in priority to the Shares as to a distribution of assets of the Company on a return of capital on dissolution, liquidation or winding up or otherwise. The Conversion Shares shall upon issue rank equally among themselves and *pari passu* in all respects with all other Shares in issue as at the date of conversion.

Rights to income and participation rights in issue of Shares:

The Convertible Preference Shares shall at all times be entitled to be paid dividends or other distributions of the same amount and at the same time as are paid with respect to the Shares.

If and whenever the Company makes any offers by way of rights and/or issue by way of bonus of Shares, securities carrying rights to subscribe for, convert or exchange into Shares or voting rights or other shares or rights carrying the right to acquire same voting rights, or debt securities without rights converting into Shares and voting rights (“Offered Securities”) to all the Shareholders, the same rights and/or bonus issues shall be offered and/or issued to holders of Convertible Preference Shares at the same time and on the same terms as the Offered Securities are offered and/or issued to the Shareholders save that such offer and/or issue shall be in respect of Preference Shares and/or securities carrying the rights to subscribe for, convert or exchange into Preference Shares or other shares or rights carrying the right to acquire same voting rights or debt securities without rights converting into shares and voting rights.

Transferability:

The Convertible Preference Shares are freely transferrable provided that the transferee is not a connected person of the Company unless that person is an associate of the transferor and the transferor is then a connected person of the Company.

The maximum of 27,534,000,000 Conversion Shares (subject to adjustment of the nominal value of the Shares as described above) to be issued upon full conversion of the Convertible Preference Shares represent approximately 12.80 times of the issued share capital of the Company as at the date of this announcement, and approximately 90.36% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares. The Conversion Shares will be issued subject to a specific mandate to be sought from the Shareholders at the SGM.

Issue Price

The Issue Price of HK\$0.055 for each Consideration Share or for each Convertible Preference Share (as the case may be) was determined after arm’s length negotiations between the Purchaser and the Vendor. The Issue Price of HK\$0.055 represents:

- (i) a discount of approximately 57.03% to the closing price of the Shares of HK\$0.128 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 46.29% to the average of the closing prices of the Shares of HK\$0.1024 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including Last Trading Day;
- (iii) a discount of approximately 29.40% to the average of the closing prices of the Shares of HK\$0.0779 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 19.47% to the average of the closing prices of the Shares of HK\$0.0683 per Share as quoted on the Stock Exchange for the 15 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 68.57% to the unaudited net assets value per Share attributable to equity shareholders of the Company as at 30 September 2008 of approximately HK\$0.175 per Share; and
- (vi) a discount of approximately 21.43% to the unaudited pro forma net assets value per Share attributable to equity shareholders of the Company as at 30 September 2008 after taking into account of the disposal of the Company's entire interest in Ling Kit Holding Limited as set out in the circular of the Company dated 26 November 2008 of approximately HK\$0.07 per Share.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares to be allotted and issued pursuant to the Agreement. There is no restriction on the subsequent sale of the Consideration Shares and the Conversion Shares by the Vendor.

Promissory Note

The principal terms of the Promissory Note which will be issued at Completion are as follows:

Principal amount:	HK\$232 million
Maturity Date:	the day following the expiry of the eighteenth (18th) month after the Completion Date
Interest rate:	2% per annum on the principal amount
Security:	Unsecured

The Company may, by giving 5 Business Day's notice, redeem any or part of the Promissory Note (in amounts of not less than HK\$1 million), at any time and from time to time after the date of issue of the Promissory Note. The principal amount of the Promissory Note outstanding on the Maturity Date, together with the interest accrued thereon, shall be repayable in one lump sum on the Maturity Date.

Conditions precedent

Completion shall be conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) the Purchaser, acting reasonably, confirming that it is satisfied with the results of the due diligence review on the assets, liabilities, operations and affairs of the Target Group on or before the earlier of 31 May 2009 or the date of despatch of the Circular of the Company in respect of, inter alia, the Agreement;
- (ii) all necessary governmental and other consents and approvals required to be obtained on the part of each of the Vendor, the Target Company and the Purchaser in respect of the Agreement and the transactions contemplated thereunder having been obtained;
- (iii) the passing by the Shareholders at the SGM of all resolutions to approve the Agreement and the transactions contemplated thereunder, including but not limited to (i) the creation, the allotment and issue of Preference Shares; (ii) the allotment and issue of the Consideration Shares and Convertible Preference Shares to the Vendor or its nominees at the Issue Price credited as fully paid; and (iii) the increase in the authorised share capital of the Company to HK\$725,340,000 by the creation of an additional 35,000,000,000 Shares and 27,534,000,000 Preference Shares;
- (iv) the obtaining of a PRC legal opinion (in form and substance satisfactory to the Purchaser, acting reasonably) from a firm of PRC legal advisers appointed by the Purchaser in relation to the Agreement and the transactions contemplated thereunder, including but not limited to the due incorporation of Manzhouli WFOE, the business scope of Manzhouli WFOE, compliance with local laws and regulations by Manzhouli WFOE, and such other matters as may be reasonably required by the Purchaser in relation to Manzhouli WFOE;
- (v) the obtaining of a Russian legal opinion (in form and substance satisfactory to the Purchaser, acting reasonably) from a firm of Russian legal advisers appointed by the Purchaser in relation to the Agreement and the transactions contemplated thereunder, including but not limited to the due incorporation of the Russia Subsidiary and the Russia Subsidiary II, the business scope of the Russia Subsidiary and the Russia Subsidiary II, the compliance with local laws and regulations by the Russia Subsidiary and the Russia Subsidiary II, the validity of the concession right to exploit the Russian Forest owned by the Russia Subsidiary and the Russia Subsidiary II, the legality and validity of the Russia Subsidiary II Acquisition Agreement, and such other matters as may be reasonably required by the Purchaser in relation to the Russia Subsidiary and the Russia Subsidiary II;

- (vi) the obtaining of a Brazilian legal opinion (in form and substance satisfactory to the Purchaser, acting reasonably) from a firm of Brazilian legal advisers appointed by the Purchaser in relation to the Agreement and the transactions contemplated thereunder, including but not limited to the due incorporation of the Brazil Subsidiary, the business scope of the Brazil Subsidiary, compliance with local laws and regulations by the Brazil Subsidiary, the legality and validity of the Brazil Acquisition Agreement and all other material agreements entered into by the Brazil Subsidiary, and such other matters as may be reasonably required in relation to the Brazil Subsidiary;
- (vii) all the representations and warranties made by the Vendor and the Purchaser contained in the Agreement remaining true and accurate in all material respects, subject to matters disclosed by the Vendor or Purchaser as the case may be;
- (viii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares;
- (ix) the aggregate of (i) the combined net assets value of the Target Group as at 31 December 2008 as shown in the Audited Accounts (adjusted by the fair value of the assets, to the extent that any such assets are the subject of valuation reports prepared by an independent valuer appointed by the Purchaser which are to be included in the Circular, by using the valuation ascribed to that asset in the relevant report); and (ii) the fair value of the part of Brazilian Forest acquired under the Brazil Acquisition Agreement as stated in the valuation report to be included in the Circular; and (iii) the fair value of the concession rights held by the Russian Subsidiary II acquired under the Russia Subsidiary II Acquisition Agreement as stated in the valuation report to be included in the Circular, to be not less than US\$258 million;
- (x) (if applicable) the approval of the Bermuda Monetary Authority in respect of the issue and allotment of the Consideration Shares and the Convertible Preference Shares by the Company and, if applicable, the increase of the authorised share capital of the Company;
- (xi) completion of acquisition by the Brazil Subsidiary of the interest in the Brazilian Forest in accordance with the terms and conditions of the Brazil Acquisition Agreement in a manner satisfactory to the Purchaser acting reasonably, and delivery to the Purchaser of copies of relevant title documents showing the same;
- (xii) the obtaining of a Samoa legal opinion (in form and substance satisfactory to the Purchaser, acting reasonably) from a firm of Samoa legal advisers appointed by the Purchaser in relation to the Agreement and the transactions contemplated thereunder, including but not limited to the due incorporation of the Samoa Subsidiary, the business scope of the Samoa Subsidiary, compliance with local laws and regulations by the Samoa Subsidiary, and such other matters as may be reasonably required by the Purchaser in relation to the Samoa Subsidiary; and

(xiii) completion of the Reorganization in a manner satisfactory to the Purchaser (acting reasonably).

The Purchaser may waive in whole or in part all or any of the conditions (i), (iv), (v), (vi), (vii) and (xii) as stated above. Conditions (ii), (iii), (viii), (ix), (x), (xi) and (xiii) cannot be waived by any parties to the Agreement. In the event that the conditions above are not satisfied or, where applicable waived, on or before 31 July 2009 (the “Long Stop Date”) (or such later date as may be agreed by the parties to the Agreement), the Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder.

Completion

Completion shall take place on the date falling on the fifth Business Day after the fulfillment or waiver (as applicable) of the conditions precedent to the Agreement or such other date as the Vendor and Purchaser may agree in writing.

Refund of Deposit

If the conditions precedent are not satisfied or, where applicable, waived, on or before the Long Stop Date, or such later date as the parties to the Agreement may agree, the Agreement shall cease and determine, and the Vendor shall refund the Deposit in full without interest to the Purchaser within 5 Business Days next following the Long Stop Date.

In the event that the Vendor shall fail to comply with any of its obligations under the Agreement and the Purchaser, in its absolute discretion, rescinds the Agreement pursuant to the relevant clause of the Agreement, the Vendor shall refund the Deposit in full without interest to the Purchaser within 5 Business Days next following the effective date of such rescission as stated in a written notice from the Purchaser to the Vendor.

Refund of the Deposit shall be made by payment in cash to the Purchaser or its nominees. The Guarantor has unconditionally and irrevocably guaranteed to the Purchaser the due, full, punctual and complete repayment by the Vendor of the Deposit in accordance with the terms of the Agreement as if she was the primary obligor.

CALL OPTIONS

Pursuant to the Agreement, as part of the Reorganization, the Target Company is required to enter into the Everbroad Option Deed and the Million Success Option Deed with Mr. Yu before Completion, pursuant to which Mr. Yu will grant the Call Options to the Target Company, for the consideration of US\$1 each, to acquire the entire equity interest in Everbroad and Million Success respectively held by Mr. Yu.

Everbroad, a company incorporated in Samoa with limited liability, is an investment holding company and is the beneficial owner of 100% equity interest of Xinjiang WFOE as at the date of this announcement. Xinjiang WFOE is principally engaged in plantation and sale of poplar and manufacture of wood products. Million Success, a company incorporated in BVI with limited liability, is an investment holding company and is the beneficial owner of 55% equity interest of Nantong WFOE as at the date of this announcement. Nantong WFOE is principally engaged in the manufacturing and sale of plywood, blockboard and lumber.

Pursuant to the Everbroad Option Deed and the Million Success Option Deed, the Target Company will have the right to serve a due diligence notice at any time which is not less than 90 days before the expiry of the 2-year period commencing on the date of the Everbroad Option Deed and the Million Success Option Deed, respectively requesting to conduct due diligence review on Everbroad and Xinjiang WFOE, or Million Success and Nantong WFOE (as the case may be) and which review shall be completed on or before the ninetieth day after the date of the serving of the due diligence notice. Upon expiry of the sixtieth day after the date of the due diligence notice but before the expiry of the ninetieth day after the date of the due diligence notice, the Target Company is entitled to serve the Call Option notice for exercise of the Call Options under the Everbroad Option Deed or the Million Success Option Deed (as the case may be). The exercise price of the Call Option in respect of the Everbroad Option Deed will be based on the consolidated net asset value of Everbroad as shown in the latest audited balance sheet of Everbroad (or where the date by reference to which the latest audited balance sheet is made up falls more than six months before the date of exercise of the Call Option, the consolidated net asset value of Everbroad as shown in the unaudited balance sheet as at the last Quarter Date prior to the exercise of the Call Option), which shall be adjusted by the fair value of the assets of the Xinjiang WFOE (to the extent that the relevant assets are booked at cost in the relevant balance sheet). The exercise price of the Call Option in respect of the Million Success Option Deed will be based on the attributable 55% of the consolidated net asset value of Million Success as shown in the latest audited balance sheet of Million Success (or where the date by reference to which the latest audited balance sheet is made up falls more than six months before the exercise of the Call Option, 55% of the consolidated net asset value of Million Success as shown in the unaudited consolidated balance sheet as at the last Quarter Date prior to the exercise of the Call Option), which shall be adjusted by the fair value of the assets of the Nantong WFOE (to the extent that the relevant assets are booked at cost in the relevant balance sheet).

The Company will comply with the relevant requirements under the Listing Rules and make further announcement if and when the Call Options are exercised.

INFORMATION ON THE TARGET GROUP

The Target Company, incorporated in BVI with limited liability, is an investment holding company and wholly-owned by the Vendor as at the date hereof. As at the date of this announcement, the Vendor is the beneficial owner of the entire issued share

capital of the Samoa Subsidiary (which in turn holds the entire equity interest of the Manzhouli WFOE), the Russia Subsidiary (which has a contractual right to acquire 99.9% equity interest of the Russia Subsidiary II), and 99.99% equity interest in the Brazil Subsidiary. After completion of the Reorganization which is one of the conditions precedent of Completion, the Target Company shall be beneficially interested in the entire issued share capital of the Samoa Subsidiary (which in turn holds the entire equity interest of the Manzhouli WFOE), the Russia Subsidiary (which will be, at that time in turn, beneficially interested in 99.9% equity interest in the Russia Subsidiary II), and 99.99% equity interest in the Brazil Subsidiary. The Target Group (which will be formed upon completion of the Reorganization) is principally engaged in the business of forest exploitation, timber and wood processing, timber trading and timber sales and marketing. Further details of each of the Target Subsidiaries are set out below.

Target Subsidiaries

Samoa Subsidiary and Manzhouli WFOE

Samoa Subsidiary, a company incorporated in Samoa with limited liability, is an investment holding company and holds the entire equity interest of the Manzhouli WFOE.

Manzhouli WFOE was established in the PRC with limited liability in September 2008 and has leased and run a production plant in Manzhouli. Manzhouli WFOE is principally engaged in processing of rough saw lumber including drying, further sawing of wooden boards to specific specification and selling of wood products.

Russia Subsidiary and Russia Subsidiary II

Russia Subsidiary, a company incorporated under the laws of the Russian Federation with limited liability, is principally engaged in logging, timber production and wholesale wood products selling. The major assets of the Russia Subsidiary include a concession right to exploit approximately 174,904 hectares of the Russian Forest. Pursuant to the lease agreement of the concession right, the term of lease is for a period of 25 years commencing from 18 February 2003 (including without limitation the clearing up and immediate sale of timber, and the subsequent cultivation and plantations) and three factories located in the Siberia region for processing logs into sawed lumber.

On 5 February 2009, Russia Subsidiary entered into the Russia Subsidiary II Acquisition Agreement to acquire 99.9% of the equity interest in Russia Subsidiary II. Russia Subsidiary II, a company incorporated under the laws of the Russian Federation with limited liability, is principally engaged in rent of forest concessions and hiring of contractor teams for timber harvesting. Russia Subsidiary II holds six concession rights to exploit an aggregate of approximately 67,841 hectares of the Russian Forest. Pursuant to the lease agreements of the six concession rights, the terms of lease for the six concession rights range from 5 years to 25 years commencing from 2006.

As advised by a Russian legal adviser, according to the Forestry Code of the Russian Federation, forest sites under state or municipal ownership are allowed for leasing to legal entities, including the purposes of processing of timber and other forest resources.

The term of lease can last for a maximum period of 49 years. The use of the forest sites by the Russia Subsidiary and Russia Subsidiary II for logging is performed on the basis of the forest land leasing contract and according to the Forestry Code of the Russian Federation.

The Russian Forest has an area of approximately 242,745 hectares and is situated within the Chita region in Russia, which is close to the sawmill facilities of the Russia Subsidiary. The standing trees in the Russian Forest mainly include larch, pine, birch and aspen. According to the information provided by the Vendor, the total stocks of both mature and growing standing trees in the Russian Forest can produce up to 22 million m³ of logs, and the annual available cutting rights go over 2.6 million m³. The forest wood products are transported by roads and railways to the processing plants of Manzhouli WFOE in Manzhouli, the border between Russia and China, for local, regional and international markets.

Brazil Subsidiary

Brazil Subsidiary, a company incorporated in Brazil with limited liability, is an investment holding company and will engage in wood harvesting, sawmilling and wood processing business. Brazil Subsidiary entered into the Brazil Acquisition Agreement in relation to the acquisition of the Brazilian Forest. The completion of the Brazil Acquisition Agreement is one of the conditions precedent for Completion. The Brazilian Forest is situated in the Northwest of Brazil, in the state of Acre, City of Feijo, Amazon region. The Amazon forests area mostly dominated by dense and open types, with trees of medium and big sizes, with occurrence of lianas, bromeliaceous and orchids. The Brazilian Forest contains mostly hardwoods but also has softwoods with various tree species of different diameters, heights and ages. In general, the forestry products mainly include standing trees, logs and sawed lumber, the byproducts of forests such as fruits, fibres and resins and the carbon credits generated by forest areas. The Forest Code is the main legal instrument regulating timberland use in Brazil.

Pursuant to the Brazil Acquisition Agreement, the total purchase price for the acquisition of the Brazilian Forest is R\$26,255,000 (equivalent to approximately HK\$85,144,965), of which R\$6,832,975 (equivalent to approximately HK\$22,159,337.93) has been settled by the Vendor as at the date of this announcement, with the remaining balance of R\$19,422,025 (equivalent to approximately HK\$62,985,627.08) payable in 19 installments of R\$1,022,211.80 (equivalent to approximately HK\$3,315,032.87) each on the 27th day of each month, and the first of those 19 installments is due on the 27 March 2009. As stated in the paragraph headed "Adjustment to consideration" above, the portion of the consideration which will be satisfied by way of issue of the First Tranche Preference Shares will be adjusted by deducting the outstanding purchase price under the Brazil Acquisition Agreement at the Completion Date. In addition, pursuant to the Brazil Acquisition Agreement, the Brazil Subsidiary may retain part of the purchase price for the Brazilian Forest to offset against the Brazilian Forest's Total Liabilities.

Vendor's undertakings

Pursuant to the Agreement, the Vendor has warranted that the Brazil Subsidiary is currently in negotiations with Independent Third Parties in respect of the acquisition of an additional forest area in Brazil with a total area of approximately 118,000 hectares located in Northwest of Brazil, in the state of Acre and Amazon, Amazon region at a price of not more than R\$92 million (equivalent to approximately HK\$298 million) with a target completion date falling on or before 31 December 2009.

The Vendor has undertaken under the Agreement that the Brazil Subsidiary shall not enter into any agreement for such acquisition prior to the earlier of Completion or the termination of the Agreement without the prior written consent of the Purchaser. If prior to Completion, no agreement has been entered into by the Brazil Subsidiary for such acquisition, the Vendor shall use all reasonable endeavours to assist the Purchaser and/or Brazil Subsidiary in continuing such negotiations, so that the agreement for the acquisition may be entered into as soon as practicable after Completion. If an agreement for the acquisition is entered into between the owner(s) of the additional forest and the Brazil Subsidiary, whether it be before or after Completion, the Vendor shall use all reasonable endeavours to procure completion of the acquisition on or before 31 December 2009. The Company will comply with the relevant requirements under the Listing Rules and make further announcement as and when appropriate.

Financial information

The Target Company is an investment holding company incorporated in BVI with limited liability on 3 February 2009 for the sole purpose as the holding company of the Target Subsidiaries. As at the date of this announcement, the Target Company has not commenced any business operation since its incorporation, has no subsidiaries or principle assets. As such, no financial information of the Target Company has been prepared as at the date of this announcement and is available for disclosure in this announcement.

Set out below is the financial information of the Target Subsidiaries, prepared in accordance with the local reporting standards and generally accepted accounting principles in the jurisdiction in which a particular Target Subsidiary is incorporated and operates. Samoa Subsidiary has had no operation since its incorporation and no financial statements have been prepared for the year ended 31 December 2008.

1. *Manzhouli WFOE*

**For the period from 13 May 2008
(being the date of incorporation)
to 31 December 2008
(unaudited)**

	<i>Approximate RMB'000</i>	<i>Equivalent to approximate HK\$'000</i>
Income	427	484
Profit/(loss) before taxation	(1,267)	(1,437)
Profit/(loss) after taxation	(1,267)	(1,437)

Based on the unaudited management accounts of the Manzhouli WFOE which was prepared in accordance with the Hong Kong Financial Reporting Standards, the unaudited net liabilities as at 31 December 2008 was approximately RMB1,267,000 (equivalent to approximately HK\$1,437,000).

2. *Russia Subsidiary*

	For the year ended 31 December 2007 <i>unaudited</i>		For the year ended 31 December 2008 <i>unaudited</i>	
	<i>Approximate Rubles'000</i>	<i>Equivalent to approximate HK\$'000</i>	<i>Approximate Rubles'000</i>	<i>Equivalent to approximate HK\$ '000</i>
Income	88	19	19,341	4,178
Profit/(loss) before taxation	(2,342)	(506)	(12,396)	(2,678)
Profit/(loss) after taxation	(2,342)	(506)	(12,396)	(2,678)

Based on the unaudited management accounts of the Russia Subsidiary, the unaudited net liabilities as at 31 December 2008 was approximately Rubles 5.72 million (equivalent to approximately HK\$1.24 million) which include an amount of trade and other payables due to a related company of approximately Rubles 46.38 million (equivalent to approximately HK\$10.02 million) which will be capitalized before Completion.

3. *Russia Subsidiary II*

	For the year ended 31 December 2007		For the year ended 31 December 2008	
	<i>unaudited</i>		<i>unaudited</i>	
	<i>Approximate Rubles'000</i>	<i>Equivalent to approximate HK\$'000</i>	<i>Approximate Rubles'000</i>	<i>Equivalent to approximate HK\$'000</i>
Income	–	–	1,341	290
Profit/(loss) before taxation	(2,139)	(462)	76	16
Profit/(loss) after taxation	(2,139)	(462)	76	16

Based on the unaudited management accounts of the Russia Subsidiary II, the unaudited net assets value as at 31 December 2008 was approximately Rubles 24.26 million (equivalent to approximately HK\$5.24 million).

4. *Brazil Subsidiary*

	For the period from 2 June 2008 (the date of incorporation) to 31 December 2008	
	<i>(unaudited)</i>	
	<i>Approximate R\$'000</i>	<i>Equivalent to approximate HK\$'000</i>
Income	-	-
Profit/(loss) before taxation	(619)	(2,007)
Profit/(loss) after taxation	(619)	(2,007)

Based on the management accounts of the Brazil Subsidiary, the unaudited net assets as at 31 December 2008 was approximately R\$58,000 (equivalent to approximately HK\$189,000).

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the Group's consolidated accounts.

REASONS FOR THE ACQUISITION

As stated in the announcement and circular of the Company dated 2 September 2008 and 26 November 2008 respectively, the Company entered into an agreement on 15 August 2008 for the disposal of its entire interest in Ling Kit Holding Limited, which was mainly engaged in the magnesite mining business in the PRC, to Pure Hope Development Limited. The disposal was subsequently completed in December 2008. As set out in the circular of the Company dated 26 November 2008, other than the mining business which has been disposed of, the Group is principally engaged in the building materials business with a focus on marble and light-weight building materials supply and installation and development of property projects in Dongguan in the PRC. It was the Group business strategy to continue to look for other business opportunities which are beneficial to the long term development of the Group and explore more investment to offer steady growth to its business in order to enhance shareholders' value.

The financial market turmoil that occurred in the last quarter of 2008 has adversely impacted the global economy. The Company is cautious about the business outlook of the Group and aims at bringing new income streams to add to the building materials sector and development of property projects in the PRC. The Board is of the opinion that timber is one of the natural resources which has a continuous global demand and believes that the global economic recession will not curb the development of the timber sector. The Group plans to consolidate forest assets globally and develop timber trading business on a worldwide basis. Through the Acquisition, the Group would be allowed to exploit the Russian Forest and the Brazilian Forest. The Group also plans to carry out a production chain involving taking the wood from the forests in Russia and turning them into finished wood products by processing in the production plant in Manzhouli, the PRC. In addition, with the tropical forest assets owned by the Brazil Subsidiary upon completion of the Brazil Acquisition Agreement, the Group will engage in trading and selling of timber products and may continue to acquire additional timberlands in Brazil if suitable opportunities arise. Under this business model, the Group will turn the timber resources in the Brazilian Forest and the Russian Forest into a valuable and renewable source of raw material, utilizing the production plant in Manzhouli leased and run by Manzhouli WFOE. Furthermore, it is expected that the demand for timber and related wood products will continue to increase. According to the press release of 19 November 2008 issued by 國家林業局 (the "State Forestry Administration, the PRC"), the PRC government has implemented supportive measures to the ecological forestry industry. For example, the land concession right reform, granting of subsidies for the plantation of environmental-friendly species and the tax reduction and rebate to forestry corporations would further hasten the development of the ecological forestry industry. It is anticipated that there will be a growing demand for wood panel and related products in the PRC in the long run. The Company believes that the timber products market will continue to grow in the foreseeable future.

The Directors are optimistic towards the prospects of the ecological forestry sector and consider that the Acquisition is an optimal investment opportunity to allow the Group to participate in this prosperous business and expect that the Acquisition will present

the Group with favorable long term prospects. The Board considers the Acquisition presents the Group with valuable business opportunities and will broaden the Group's revenue base by expanding and diversifying the existing principal business activities of the Group into the ecological forestry business. The Board is of the opinion that the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following chart sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the issue of the Consideration Shares; (iii) immediately after the issue of the Consideration Shares and assuming full conversion of the First Tranche Preference Shares (on the basis of conversion of one Preference Share to one Share); and (iv) immediately after the issue of the Consideration Shares and assuming full conversion of the First Tranche Preference Shares and Second Tranche Preference Shares (on the basis of conversion of one Preference Share to one Share) without taking into account any possible adjustment to the consideration (if any):

	As at the date of this announcement		Immediately after the issue of the Consideration Shares		Immediately after the issue of the Consideration Shares and assuming full conversion of the First Tranche Preference Shares (Note 2)		Immediately after the issue of the Consideration Shares and assuming full conversion of the First Tranche Preference Shares and Second Tranche Preference Shares (Note 2)	
	Shares	%	Shares	%	Shares	%	Shares	%
Ms. Chung Oi Ling, Stella (Note 1)	75,000,000	3.49%	75,000,000	2.55%	75,000,000	0.26%	75,000,000	0.25%
Ample Pearl International Limited	91,858,400	4.27%	91,858,400	3.13%	91,858,400	0.32%	91,858,400	0.30%
Vendor	-	-	785,000,000	26.74%	26,917,000,000	92.60%	28,319,000,000	92.94%
Public	1,984,218,530	92.24%	1,984,218,530	67.58%	1,984,218,530	6.82%	1,984,218,530	6.51%
Total	2,151,076,930	100.00%	2,936,076,930	100.00%	29,068,076,930	100.00%	30,470,076,930	100.00%

Notes

1. *Ms. Chung Oi Ling, Stella is an executive Director.*
2. *The figures are provided for illustrative purposes only. The terms of the Convertible Preference Shares will not permit conversion if immediately after such conversion (i) the holder of the Convertible Preference Shares will hold more than 29.90% of the issued share capital of the Company; or (ii) the public float of the Shares will fall below the minimum requirements of the Listing Rules.*

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, of which 2,151,076,930 Shares have been issued. In order to accommodate the future expansion and growth of the Group as well as to accommodate the issue of the Consideration Shares and the Conversion Shares, the Board proposes to increase the authorised share capital of the Company from HK\$100,000,000 divided into 10,000,000,000 Shares to HK\$725,340,000 by creation of an additional 35,000,000,000 new Shares and 27,534,000,000 Preference Shares.

The increase in the authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM.

LISTING RULES IMPLICATION

The transactions contemplated under the Agreement constitute a very substantial acquisition of the Company under the Listing Rules. The Agreement, including the allotment and issue of the Consideration Shares, Convertible Preference Shares and Conversion Shares are subject to the approval of the Shareholders at the SGM.

The SGM will be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder, the increase in the authorised share capital of the Company, the creation of the Preference Shares and the allotment and issue of the Consideration Shares, the Convertible Preference Shares and the Conversion Share. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Ample Pearl International Limited, being one of the ultimate beneficial owners of, and who holds approximately 9.94% interests in the Vendor and is interested in 91,858,400 Shares, representing approximately 4.27% of the total issued share capital of the Company as at the date of this announcement. Ample Pearl International Limited and its associates are required to abstain from voting in relation to the resolutions to approve the Agreement and the transactions contemplated thereunder, the increase in the authorised share capital of the Company, the creation of the Preference Shares and the allotment and issue of the Consideration Shares, the Convertible Preference Shares and the Conversion Share.

DELAY IN DESPATCH OF CIRCULAR

The Circular containing, among other things, further details of the Agreement, financial information relating to the Group and the Target Group, the valuation report on the property interests of the Group and the Target Group, the valuation report on the Brazilian Forest and the concession rights held by the Russia Subsidiary and the Russia Subsidiary II and the notice of the SGM will be sent to the Shareholders. Pursuant to Rule 14.38A and Rule 14.48 of the Listing Rules, the Circular is required to be despatched to the Shareholders within 21 days after publication of this announcement, i.e. on or before 31 March 2009. However, it is currently expected that it will take about seven to nine weeks for the Company to obtain the accountants' reports of the Target Subsidiaries and about four weeks to obtain the valuation reports on (i) the property interests of the Group and the Target Group and (ii) the Brazilian Forest and the concession rights held by the Russian Subsidiary and the Russian Subsidiary II for inclusion in the Circular. The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38A and Rule 14.48 of the Listing Rules and an extension of time for despatch of the Circular to on or before 15 June 2009.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m on 2 March 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 11 March 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser pursuant to the Agreement
“Agreement”	the conditional agreement dated 28 February 2009 entered into between the Purchaser, the Vendor and the Guarantor in relation to the Acquisition (as supplemented and amended by the supplemental agreement dated 10 March 2009 entered into by the parties to the Agreement to amend certain terms of the Agreement)
“associate(s)”	has the meaning ascribed to it under the Listing Rules

“Audited Accounts”	together (i) the audited financial statements for the year ended 31 December 2008 in respect of each of the Russia Subsidiary, the Russia Subsidiary II and the Brazil Subsidiary prepared on an individual basis, and (ii) the consolidated audited financial statements for the year ended 31 December 2008 in respect of the Samoa Subsidiary and the Manzhouli WFOE
“Board”	the board of Directors
“Brazil Acquisition Agreement”	an acquisition agreement executed on 16 October 2008 (supplemented by the first amendment agreement thereto dated 11 December 2008 and the second amendment agreement thereto dated 9 February 2009) entered into between the Brazil Subsidiary as purchaser and an Independent Third Party, as vendor in relation to the acquisition by the Brazil Subsidiary of the interest in approximately 45,000 hectares of land constituting the Brazilian Forest
“Brazilian Forest’s Total Liabilities”	the total amount required to be paid by the Brazil Subsidiary to settle certain identified encumbrances, liabilities or obligations over or in such part of the Brazilian Forest to be acquired by the Brazil Subsidiary in accordance with the Brazil Acquisition Agreement or ancillary agreements thereto
“Brazil Subsidiary”	Universal Timber Resources Do Brazil Participacao Ltda, a company incorporated in Brazil with limited liability, whose issued share capital is owned as to 99.99% by Universal Timber Resources Limited (a wholly-owned subsidiary of the Vendor), and as to 0.01% by the sole director of the Brazil Subsidiary as at the date of this announcement
“Brazilian Forest”	the forest with an aggregate area of approximately 45,000 hectares which is situated in the Northwest of Brazil, in the state of Acre, City of Feijo, Amazon region
“Business Day”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours

“BVI”	the British Virgin Islands
“Call Options”	the call options to be granted by Mr. Yu to the Target Company to acquire from Mr. Yu the entire equity interest in Everbroad and Million Success held by Mr. Yu
“Circular”	the circular to be issued to the Shareholders by the Company in accordance with the Listing Rules in respect of, inter alia, the Agreement and the transactions contemplated thereunder and the increase in authorised share capital of the Company
“Company”	Bright Prosperous Holdings Limited (formerly known as Magnesium Resources Corporation of China Limited), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Agreement
“Completion Date”	the date falling on the fifth Business Day after the fulfillment of the conditions precedent to the Agreement (or such other date as the Vendor and the Purchaser may agree in writing)
“connected person”	the meaning ascribed to it in the Listing Rules
“Consideration Shares”	785,000,000 new Shares to be allotted and issued by the Company at the Issue Price to the Vendor or its nominees pursuant to the Agreement
“Conversion Shares”	new Shares to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Preference Shares
“Convertible Preference Shares”	First Tranche Preference Shares and Second Tranche Preference Shares
“Director(s)”	the director(s) of the Company

“Everbroad”	Everbroad Holdings Limited (永廣控股有限公司), a company incorporated in Samoa with limited liability
“Everbroad Option Deed”	the option deed to be executed by Mr. Yu and the Target Company pursuant to which Mr. Yu will grant an option to the Target Company to acquire the entire equity interest in Everbroad held by Mr. Yu
“First Tranche Preference Shares”	a maximum of 26,132,000,000 convertible Preference Shares in the aggregate principal amount of HK\$1,437,260,000 (subject to adjustment) to be issued by the Company to the Vendor or its nominee(s) upon Completion at the Issue Price
“Group”	the Company and its subsidiaries
“Guarantor”	Ms. Loh, Jiah Yee Katherine, the guarantor of the Agreement in relation to the repayment by the Vendor of the Deposit in accordance with the terms of the Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Issue Price”	HK\$0.055 for each Consideration Share or for each Convertible Preference Share (as the case may be)
“Last Trading Day”	27 February 2009, being the last trading day on which the Shares were traded on the Stock Exchange prior to suspension of trading in the Shares pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manzhouli WFOE”	滿州里怡美木業有限公司 (Manzhouli Eastmark Wooden Products Co., Ltd*), a wholly foreign-owned enterprise established in Manzhouli, the PRC

“Million Success”	Million Success Limited, a company incorporated in BVI with limited liability
“Million Success Option Deed”	the option deed to be executed by Mr. Yu and the Target Company pursuant to which Mr. Yu will grant an option to the Target Company to acquire the entire equity interest in Million Success held by Mr. Yu
“Mr. Yu”	Mr. Yu Chih Yuan, an Independent Third Party
“Nantong WFOE”	南通復盛木業有限公司 (Nantong Fusheng Woods Industry Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC and a 55% owned subsidiary of Million Success
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Preference Shares”	a new class of Shares of HK\$0.01 each in the share capital of the Company, carrying the rights for conversion into Shares
“Promissory Note”	the HK\$232,000,000, 2% promissory note due on the date following the expiry of the eighteenth (18th) month after the Completion Date to be issued by the Company to the Vendor or its nominees at Completion (for the purpose of the settlement of part of the consideration for the Sale Shares)
“Purchaser”	Great Path Limited, a company incorporated in BVI with limited liability, being a wholly-owned subsidiary of the Company
“Quarter Date”	in respect of any calendar year, 31 March, 30 June, 30 September or 31 December of each calendar year

<p>“Reorganization”</p>	<p>together (i) the reorganization of the Target Group such that immediately prior to Completion, the Target Company shall be beneficially interested in the entire issued share capital of the Samoa Subsidiary (which is beneficially interested in the entire equity interest of Manzhouli WFOE) and the Russia Subsidiary (which will be, at that time, in turn beneficially interested in 99.9% equity interest in the Russia Subsidiary II), and 99.99% equity interest in the Brazil Subsidiary; and (ii) the grant of the Call Options by Mr. Yu in favour of the Target Company pursuant to the terms of the Everbroad Option Deed and the Million Success Option Deed prior to Completion</p>
<p>“Russia Subsidiary”</p>	<p>Zabaikalskaya Lesnaya Kompania, a company incorporated under the laws of the Russian Federation with limited liability, which is indirectly owned by the Vendor and is holding a concession right to exploit approximately 174,904 hectares of the Russian Forest for a period of 25 years commencing from 18 February 2003, including without limitation the clearing up and immediate sale of timber, and the subsequent cultivation and plantations, and is named as the purchaser in the Russia Subsidiary II Acquisition Agreement</p>
<p>“Russia Subsidiary II”</p>	<p>OOO Novoles, a company incorporated under the laws of the Russian Federation with limited liability, which is holding six concession rights to exploit, in aggregate, approximately 67,841 hectares of the Russian Forest for various periods as specifically set out in each of the concession rights, including without limitation the clearing up and immediate sale of timber, and the subsequent cultivation and plantations</p>
<p>“Russia Subsidiary II Acquisition Agreement”</p>	<p>an acquisition agreement dated 5 February 2009 entered into between the Russia Subsidiary as purchaser and Independent Third Parties as vendors, after the completion of which the Russia Subsidiary will hold 99.9% equity interest in the Russia Subsidiary II</p>

“Russian Forest”	the forest with an area of approximately 242,745 hectares which is situated in the Siberia region of Russia, the right to forest exploitation of which, including without limitation the clearing up and immediate sale of timber, and the subsequent cultivation and plantations, is granted to the Russia Subsidiary and the Russia Subsidiary II (subject to such conditions of the relevant approvals, permits or certificates)
“Sale Shares”	shares of US\$1.00 each which represent 100% of the issued share capital of the Target Company as at Completion
“Samoa Subsidiary”	Eastmark Holding Limited, a company incorporated in Samoa with limited liability, whose entire issued share capital is indirectly owned by the Vendor and is holding the entire registered capital of Manzhouli WFOE
“Second Tranche Preference Shares”	a maximum of 1,402,000,000 convertible Preference Shares in the aggregate principal amount of HK\$77,110,000 (subject to adjustment) to be issued by the Company to the Vendor or its nominee(s) on the Vendor Warranty Expiry Date at the Issue Price
“SGM”	a special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, inter alia, the Agreement and the transactions contemplated thereunder, the increase in the authorised share capital of the Company, the creation of the Preference Shares and the allotment and issue of the Consideration Shares, the Convertible Preference Shares and the Conversion Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers

“Target Company”	Amplewell Holdings Limited, a company incorporated in BVI with limited liability and wholly and beneficially owned by the Vendor
“Target Group”	the Target Company and the Target Subsidiaries
“Target Subsidiaries”	being Manzhouli WFOE, the Samoa Subsidiary, the Russia Subsidiary, the Russia Subsidiary II and the Brazil Subsidiary
“Vendor”	Winner Global Holdings Limited, a company incorporated in BVI with limited liability
“Vendor Warranty Expiry Date”	the expiry date of the Vendor’s warranties, being a date falling on the expiry of the eighteenth (18th) month from the Completion Date
“Xinjiang WFOE”	喀什怡美木業有限責任公司 (Kashi Eastmark Wooden Products Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of Everbroad
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“R\$”	Brazilian Reais, the lawful currency of Brazil
“RMB”	Renminbi, the lawful currency of the PRC
“Rubles”	Russian Rubles, the lawful currency of the Russian Federation
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Bright Prosperous Holdings Limited
Teoh Tean Chai, Anthony
Executive Director

Hong Kong, 10 March 2009

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Teoh Tean Chai, Anthony

Ms. Chung Oi Ling, Stella

Independent non-executive Directors:

Mr. Lo Chi Ho, William

Mr. Chu Kin Wang, Peleus

Ms. Lau Wa Chun

For the purpose of illustration only, (i) amounts denominated in US\$ have been translated into HK\$ at the rate of US\$1=HK\$7.7552; (ii) amounts denominated in Rubles have been translated into HK\$ at the rate of Rubles1=HK\$0.2160; (iii) amounts denominated in R\$ have been translated into HK\$ at the rate of R\$1=HK\$3.2430; and (iv) amounts denominated in RMB have been translated into HK\$ at the rate of RMB1=HK\$1.1340. Such translation should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates at all.