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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)

ANNOUNCEMENT

AND

RESUMPTION OF TRADING

This announcement is made by Bright Prosperous Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The directors (the “**Directors**”) of the Company are pleased to announce that on 12 February 2010, the Company (the “**Buyer**”) entered into a term sheet (the “**Term Sheet**”) with Jandir Santin (“**Jandir**”) and Aline Santin, both being third parties independent of the Group and its connected persons (as defined in the Listing Rules) (collectively, the “**Sellers**”), in relation to the proposed acquisition (the “**Acquisition**”) of (i) the entire equity interests in a company incorporated in Brazil (the “**Target**”) holding, among others, certain forest area in Brazil, forest concession rights, a wood processing plant, investment interests in a flooring company and exclusive production rights (collectively, the “**Assets**”); or (ii) the Assets and any related assets or businesses, subject to the terms of a definitive sale and purchase agreement (the “**SP Agreement**”).

PRINCIPAL TERMS OF THE TERM SHEET

The Term Sheet is legally binding and a summary of its principal terms are set out as follows:

Pursuant to the Term Sheet, the Buyer shall acquire either the entire equity interests of the Target or the Assets and any related assets or businesses.

* For identification purpose only

Consideration

The consideration for the Acquisition (the “**Consideration**”) shall be Reais 70,000,000 (equivalent to approximately HK\$294,896,000), subject to adjustments set out below.

The Consideration shall be payable as follows:

1. as to Reais 45,000,000 (equivalent to approximately HK\$189,576,000) to be satisfied upon completion of the Acquisition (the “**Completion**”);
2. as to Reais 25,000,000 (equivalent to approximately HK\$105,320,000) (the “**Second Payment**”) to be satisfied by payment in cash in United States dollars (with the Reais to USD exchange rate to be determined on the date of Completion) on a date falling three years after Completion.

Adjustment to Consideration

The Sellers shall jointly and severally guarantee the average annual net profit after tax of the Target (audited by the Group’s auditors under International Financial Reporting Standards) for the three consecutive 12-month periods after Completion (the “**Guarantee Period**”) shall not be less than Reais 10,000,000 (equivalent to approximately HK\$42,128,000) (the “**Guaranteed Profit**”).

In the event that the average audited annual net profit after tax of the Target (audited by the Group’s auditors under International Financial Reporting Standards) for the Guarantee Period is less than Reais 10,000,000 (equivalent to approximately HK\$42,128,000), the Second Payment shall be reduced by the amount of such shortfall.

Conditions precedent and Completion

Completion shall be subject to approval by the board of directors, the Stock Exchange and shareholders of the Buyer (if applicable), signing of the SP Agreement, completion of satisfactory due diligence on the legal, business and financial aspects and acquisition by the Buyer of the remaining 65% of the Flooring Company and of 200,000 hectares of forest concession located in front of the Flooring Company, both of which shall be facilitated by the Sellers on a best endeavours basis.

Term and Exclusivity

The Term Sheet can be terminated by any party without penalties or any compensation (i) 180 days after the date of the Term Sheet; (ii) at any time based on mutual consent of the parties to the Term Sheet in writing; or (iii) by the signing of the SP Agreement. Notwithstanding the above, in the event that any of the representations and warranties given by the Sellers in the Term Sheet is found to be untrue or in the event of a breach of any of the terms and conditions of the Term Sheet by either of the Sellers, the Buyer may terminate the Term Sheet with immediate effect.

The Sellers agree not to enter into any discussions, agreements or memorandum to transfer, sell or otherwise dispose of their interests in the Target and undertake to procure the Target not to sell, encumber or otherwise dispose of any of the Assets to any other parties directly or indirectly during the term of the Term Sheet.

Others

Consultancy contract

Jandir shall be retained to manage and/or operate the Target and/or the Assets and/or any related businesses under a consultancy contract to be entered into between Jandir and the Target with an annual gross compensation of US\$130,000 (equivalent to approximately HK\$1,007,500) (inclusive of all applicable taxes).

Non-competition

The Sellers agree that for a period of five years after Completion, they shall not, whether directly or indirectly, without written consent from the Buyer, engage, be interested in or carry on businesses that are competing with the Buyer's businesses.

Reimbursement

The Sellers agree to reimburse the Buyer in full any costs, expenses and/or losses incurred including due diligence and other professional fees in case if there are any discoveries of any breach of the representations and warranties given by the Sellers under the Term Sheet.

Principal Assets to be acquired

The Assets are owned by the Target and shall include:

1. 45,000 hectares of freehold forest land located in Fazenda Sao Jorge 1, Fazenda Sao Jorge 2, Fazenda Mucuripe, Seringal Recife e Canada in Acre State, Brazil, with the forests being certified by the Forest Stewardship Council ("FSC"), an independent, non-governmental, not-for-profit organization established to promote the responsible management of the world's forests;
2. 5,700 hectares of forest concession located in Fazenda Floresta in Acre State, Brazil;
3. 48,000 hectares of state forest concession (FSC certified) located in Antymary in Acre State, Brazil, expiring 15 years from 2009 (with an option to renew for a further 15 years) and with a total net harvestable area of 45,000 hectares;
4. a plywood factory located in the industrial district of Rio Branco AC in Acre State, Brazil with a land area of 180,000 m² and 22,000 m² of constructed area. The factory has its own power plant fueled by wood residues and has an installed annual production capacity of 144,000 m³ of plywood and a sawmill with an annual processing capacity of up to 72,000 m³ of round logs;

5. 35% shareholding interests in a Brazilian flooring company (the “**Flooring Company**”) with rights to operate state-funded factory assets for a term of 15 years from 2009 (which can be renewed for an additional 15 years) at a monthly operating fee of Reais 150,000 starting in 2011. It has a capacity to produce up to 19,200 m³ of hardwood flooring per year; and
6. exclusive right with a Bolivian company to harvest timber from a forest concession of up to 800,000 hectares in Bolivia, of which 214,000 hectares has obtained an approved forest management plan and is in the process of obtaining FSC certification. Such Bolivian company harvests and produces veneers and sawn lumber to be delivered to the Target and the Flooring Company. The Target has a net profit sharing arrangement with the Bolivian company holding the concession where the Bolivian company is entitled to 50% of the net profit from the sale of sawn lumber produced from logs from Bolivia.

GENERAL

The Acquisition, if proceeded, might constitute a notifiable transaction of the Company. Further announcement will be made by the Company in accordance with the applicable Listing Rules as and when appropriate.

The Acquisition may or may not proceed. Shareholders and investors of the Company should exercise caution when dealing in the shares of the Company.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 10:00 a.m. on 12 February 2010 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 22 February 2010.

For the purpose of this announcement, the conversion rate of Reais to Hong Kong dollar is Reais 1: HK\$4.2128.

By Order of the Board
Bright Prosperous Holdings Limited
Chiu Raymond Yim
Executive Director

Hong Kong, 19 February 2010

As at the date of this announcement, the board of Directors comprises Mr. Leung Chau Ping, Paul, Mr. Chiu Raymond Yim and Mr. Leandro Dos Martires Guerra as executive Directors and Mr. Leung Siu Hung, Joel, Mr. Chu Kin Wang, Peleus and Mr. John Tewksbury Banigan as independent non-executive Directors.