

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Bright Prosperous Holdings Limited

晉盈控股有限公司*

(Incorporated in Bermuda with limited liability)

(stock code: 723)

(temporary counter: 2967)

**(I) VERY SUBSTANTIAL DISPOSAL
AND
CONNECTED TRANSACTION
IN RELATION TO
THE DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN
ANEX FAR EAST LIMITED**

AND

(II) RESUMPTION OF TRADING

THE DISPOSAL

On 15 December 2009, Anex Construction and the Purchaser entered into the Disposal Agreement pursuant to which Anex Construction has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share for an aggregate consideration of HK\$8.28 million by way of solicitors' cheque or cashier order. The Sale Share represents the entire issued share capital of Anex Far East. Anex Far East is currently holding 60% of the respective equity interests in United Anex Engineering and United Anex Macau whereas the Purchaser is holding the remaining 40% equity interests in each of United Anex Engineering and United Anex Macau. The Disposal Group is principally engaged in the building material business with a focus on marble, stone and tile supply and installation. As at 31 March 2009, the Disposal Group recorded unaudited combined net assets of approximately HK\$5.83 million.

* *for identification purpose only*

Upon Completion, the Disposal Group will cease to be subsidiaries of the Company and the results of the Disposal Group will no longer be consolidated into the financial statements of the Group. Accordingly, following the Disposal, the Group will have no more business activity in the building material business. The Forestry Business will be the only business of the Group after the Disposal which engaged in the business of sustainable management of and investments in tropical hardwood and softwood natural forests in Brazil and Russia, trading, processing, marketing and distribution of timber products under its brand to the PRC, India, Europe, Japan and the United States of America. The net proceeds from the Disposal is estimated to be approximately HK\$5.78 million which will be used for general working capital of the Group and to fund any potential investments available to the Group in future.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules. As the Purchaser is a connected person of the Company by virtue of the fact that (i) it is a substantial shareholder of United Anex Engineering and United Anex Macau, holding 40% equity interests in each of United Anex Engineering and United Anex Macau as at the date of this announcement; and (ii) it is ultimately and beneficially owned by Mr. Ng San Wa Lawrence who is a director of United Anex Engineering and United Anex Macau, the Disposal also constitutes a connected transaction for the Company under the Listing Rules. Accordingly, the Disposal is subject to the approval by the Independent Shareholders at the SGM by way of poll.

The SGM will be convened by the Company at which resolution(s) will be proposed to the Independent Shareholders to consider and, if thought appropriate, to approve the Disposal Agreement and the transactions contemplated thereunder. As the Purchaser, Mr. Ng San Wa Lawrence and their respective associates do not hold any Shares as at the date of this announcement, no existing Shareholders are therefore required to abstain from voting on the resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder at the SGM.

The Independent Board Committee has been established to advise and give recommendation to the Independent Shareholders as to how to vote on the resolution(s) to be proposed at the SGM in relation to the Disposal. An independent financial adviser will be appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, further details of the Disposal, the financial information of the Group, the recommendation from the Independent Board Committee, the letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders relating to the Disposal Agreement and the transactions contemplated thereunder and the notice of SGM will be despatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING IN SHARES

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 16 December 2009 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 31 December 2009.

THE DISPOSAL

On 15 December 2009, Anex Construction and the Purchaser entered into the Disposal Agreement pursuant to which Anex Construction has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share.

The Disposal Agreement

Vendor : Anex Construction

Purchaser : United Marble Company Limited

The principal activity of the Purchaser is supply and installation of building materials. The Purchaser is ultimately and beneficially owned by Mr. Ng San Wa Lawrence who is also the managing directors of United Anex Engineering and United Anex Macau. He is responsible for the business development, overall strategic planning and operation management of United Anex Engineering and United Anex Macau. The Purchaser is a connected person of the Company by virtue of the fact that (i) it is a substantial shareholder of United Anex Engineering and United Anex Macau, holding 40% equity interests in each of United Anex Engineering and United Anex Macau as at the date of this announcement; and (ii) it is ultimately and beneficially owned by Mr. Ng San Wa Lawrence who is a director of United Anex Engineering and United Anex Macau.

Asset to be disposed of

The asset to be disposed of is the Sale Share, being the entire issued share capital of Anex Far East. The principal assets held by Anex Far East are 60% of the respective equity interests in United Anex Engineering and United Anex Macau. For further details on the Disposal Group, please refer to the paragraph headed “Information on the Disposal Group” below.

Consideration of the Disposal

The consideration for the Sale Share of HK\$8.28 million shall be payable by the Purchaser to Anex Construction at Completion by way of solicitors’ cheque or cashier order.

The consideration for the Sale Share was agreed between Anex Construction and the Purchaser after arm’s length negotiations and was principally determined with reference to, among other things, (i) the unaudited combined net assets of the Disposal Group of approximately HK\$5.83 million as at 31 March 2009; (ii) the unaudited combined losses attributable to its shareholders of approximately HK\$0.74 million for the year ended 31 March 2009; and (iii) the uncertainty in the future development of the building material business of the Disposal Group.

Conditions precedent

Completion of the Disposal shall be conditional upon:

- (i) approval of, among other things, the transactions contemplated under the Disposal Agreement and the implementation of such transactions by the Independent Shareholders, in the SGM pursuant to the requirements of the Listing Rules;
- (ii) all requirements imposed by the Stock Exchange under the Listing Rules or otherwise in connection with the transactions contemplated under the Disposal Agreement having been fully complied with;
- (iii) all waivers, consents, approvals or confirmations of the Stock Exchange which are required or appropriate or in relation thereto, and all relevant waivers, consents, approval or confirmations required for the purposes of the parties for the entering into and the implementation of the Disposal Agreement, having been obtained; and
- (iv) the Purchaser procures to release the Performance Bond or the obligations and liabilities of the Company under the Performance Bond on or before 19 March 2010.

None of the above conditions are capable of being waived. If the conditions above have not been satisfied on or before 4:00 p.m. on 31 March 2010, the Disposal Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

Completion

Completion shall take place within five (5) Business Days upon the due performance and fulfillment of all the above conditions precedent but in any event not earlier than 19 March 2010 and not later than 4:00 p.m. of 31 March 2010.

Upon Completion, the Disposal Group will cease to be subsidiaries of the Company and the results of the Disposal Group will no longer be consolidated into the financial statements of the Group.

INFORMATION ON THE DISPOSAL GROUP

Anex Far East was incorporated under the Companies Ordinance with limited liability on 31 October 2005. Its principal activities are investment holding, installation and trading of building materials. Anex Far East has not carried out any business since the financial year ended 31 March 2008 and is currently holding 60% of the respective equity interests in United Anex Engineering and United Anex Macau.

United Anex Engineering was incorporated under the Companies Ordinance with limited liability on 12 December 2006. It is engaged in the building materials business with a focus on marble, stone and tile supply and installation in Hong Kong. It actively participates in marble, stone and tile installation and cladding works for various types of projects comprising the construction sites of prestige office buildings and deluxe apartments. United Anex Engineering is currently focusing on a deluxe residential development project at 80 Sheung Shing Street, Homantin for the supply and installation of external stone cladding for the whole development.

United Anex Macau was incorporated in Macau with limited liability on 18 December 2006. It is engaged in the building materials business with a focus on marble, stone and tile supply and installation in Macau. Similar to the business of United Anex Engineering, it actively participates in marble, stone and tile installation and cladding works for various types of projects comprising the construction sites of prestige office buildings, deluxe apartments and mixed development of casino and retails arcades. United Anex Macau has been awarded with contract works in One Central, Macau which is jointly developed by leading development consortium Shun Tak Development Group and Hongkong Land for the supply and installation of both internal and external stone works in its retail arcades and ground floor promenade of the hotel.

Set out below is the summary of key unaudited combined financial information of the Disposal Group prepared using the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants for the two years ended 31 March 2008 and 2009:

	For the year ended 31 March	
	2009	2008
	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	155.88	121.59
Profit before taxation	0.67	8.20
(Loss)/Profit attributable to shareholders	(0.74)	3.12

	As at 31 March	
	2009	2008
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net assets	5.83	5.89
Total assets	53.11	76.73

REASONS FOR THE DISPOSAL

Besides engaging in the building materials business with a focus on marble, stone and tile supply and installation, the Group is also engaged in the business of sustainable management and investments in tropical hardwood and softwood natural forests in Brazil and Russia, trading, processing, marketing and distribution of timber products under its brand to the PRC, India, Europe, Japan and the United States of America (the “Forestry Business”). On 28 February 2009, the Group entered into a conditional acquisition agreement to purchase the Forestry Business for a total consideration of HK\$1,860,045,000 (subject to adjustment). Details of the aforesaid acquisition are disclosed in the announcement and circular of the Company dated 10 March 2009 and 25 June 2009 respectively. The acquisition of the Forestry Business was subsequently completed on 31 July 2009. Following the acquisition of the Forestry Business, the Group intends to shift its focus and allocate more resources into investment in and sustainable management of forest resources and expanding its capacity for processing of timber into different kind of wood products. Recently, a non-wholly owned subsidiary of the Company has entered into memorandums of intent with third party independent of the Group and its connected person in relation to the acquisition of the entire equity interests in a company incorporated in Brazil which is principally engaged in

sustainable forest management, wood processing, distribution of timber products and holding forest area of 137,500 hectares, factories for sawmill and fibreboard processing. Details of the aforesaid are disclosed in the announcements of the Company dated 28 September 2009 and 5 November 2009. In addition, the Group announced on 2 December 2009 that the same non-wholly owned subsidiary of the Company signed a service agreement to provide vegetation suppression, wood removal and clearing of forest area for the future reservoir of a hydroelectric power plant Santo Antonio located in the state of Rondonia, Brazil. In view of the substantial investments in the Forestry Business, the Group intends to streamline its other business, such as the building materials business engaged by the Disposal Group and the property development business in the PRC in order to concentrate on the Forestry Business. The Group disposed the property development companies to third parties independent of the Group and its connected person and the entire property development business ceased on 30 September 2009. The Group will have no more business activity in the building material business upon Completion. The Forestry Business will be the only business of the Group after the Disposal.

The financial tsunami which swept across the world from September 2008 to the first half of 2009 has created immense pressure for the building materials and property development segments of the Group. Although global economy including the property market has started to recover from the trough in the past several months, the performance of the Disposal Group is still affected by the slow down in the tendering process for building materials supply and installation. The Directors consider that marble, stone and tile supply and installation and the related industry in which the Group operates is highly competitive in Hong Kong and Macau. As set out in the above unaudited combined financial information of the Disposal Group, the profit margin for the year ended 31 March 2009 was apparently eroded as compared with the profit margin in the previous year due to inflated marble, stone and tile material cost, labour wages, extended projects duration and suspension of imported labour quotas. Taking into account of the funding requirement of the Group to support the operations of the Forestry Business, the deteriorating performance of the Disposal Group, and the uncertainty in the future development of the building material business of the Disposal Group, the Company considers that the Disposal represents a good opportunity for the Group to realise its investment at a fair and reasonable price and would provide capital and resources to the Group to focus on the Forestry Business.

In light of the above reasons, the Directors (other than the independent non-executive Directors who will be advised by the independent financial adviser) consider that the terms of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS AND FINANCIAL EFFECT OF THE DISPOSAL

The Company estimates that the net proceeds from the Disposal is approximately HK\$5.78 million. The entire net proceeds will be used for general working capital of the Group and to fund any potential investments available to the Group in future.

Subject to confirmation by the Company's auditor and the balance of the Shareholder's Loan and financial position of the Disposal Group on Completion, based on the consideration of the Disposal of HK\$8.28 million, the unaudited combined net assets of the Disposal Group of approximately HK\$5.83 million as at 31 March 2009 and the waiver of the Shareholder's Loan of approximately HK\$5.08 million as at 31 March 2009, it is estimated that the Group may record a loss of approximately HK\$2.63 million from the Disposal before deduction of the estimated expenditure of the Disposal of approximately HK\$2.50 million.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules. As the Purchaser is a connected person of the Company by virtue of the fact that (i) it is a substantial shareholder of United Anex Engineering and United Anex Macau, holding 40% equity interests in each of United Anex Engineering and United Anex Macau as at the date of this announcement; and (ii) it is ultimately and beneficially owned by Mr. Ng San Wa Lawrence who is a director of United Anex Engineering and United Anex Macau, the Disposal also constitutes a connected transaction for the Company under the Listing Rules. Accordingly, the Disposal is subject to the approval by the Independent Shareholders at the SGM by way of poll.

The SGM will be convened by the Company at which resolution(s) will be proposed to the Independent Shareholders to consider and, if thought appropriate, to approve the Disposal Agreement and the transactions contemplated thereunder. As the Purchaser, Mr. Ng San Wa Lawrence and their respective associates do not hold any Shares as at the date of this announcement, no existing Shareholders are therefore required to abstain from voting on the resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder at the SGM.

The Independent Board Committee has been established to advise and give recommendation to the Independent Shareholders as to how to vote on the resolution(s) to be proposed at the SGM in relation to the Disposal. An independent financial adviser will be appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, further details of the Disposal, the financial information of the Group, the recommendation from the Independent Board Committee, the letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders relating to the Disposal Agreement and the transactions contemplated thereunder and the notice of SGM will be despatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING IN SHARES

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 16 December 2009 pending the release of this announcement. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 31 December 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Anex Construction”	Anex Construction and Engineering Holdings Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Anex Far East”	Anex Far East Limited, a company incorporated under the Companies Ordinance with limited liability
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which the Stock Exchange is opened for trading
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Bright Prosperous Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules

“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the Sale Share pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement dated 15 December 2009 entered into between Anex Construction and the Purchaser in relation to the Disposal
“Disposal Group”	Anex Far East, United Anex Engineering and United Anex Macau
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Leung Siu Hung, Joel, Mr. Chu Kin Wang, Peleus and Mr. John Tewksbury Banigan, has been established to advise and give recommendation to the Independent Shareholders regarding the Disposal
“Independent Shareholders”	Shareholders other than the Purchaser, Mr. Ng San Wa Lawrence and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Performance Bond”	the performance bond issued by Hang Seng Bank Limited in favour of Gammon Construction Limited for the supply and installation of reconstituted stone works for the development of One Island East, Quarry Bay, Hong Kong (a project holding by United Anex Engineering) and guaranteed by Bright Prosperous in the sum of HK\$4,500,000.00
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administration Region of the PRC and Taiwan
“Purchaser”	United Marble Company Limited, a company incorporated under the Companies Ordinance with limited liability
“Sale Share”	the entire issued share capital of Anex Far East
“SGM”	the special general meeting of the Company to be convened to approve the Disposal Agreement and the transactions contemplated thereunder

“Share(s)”	ordinary share(s) of HK\$0.0533 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	the sum of the outstanding loan owed by the Disposal Group to the remaining Group on Completion and to be waived by the Company pursuant to the Disposal Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United Anex Engineering”	United Anex Engineering Limited, a company incorporated under the Companies Ordinance with limited liability
“United Anex Macau”	United Anex (Macau) Limited, a company incorporated in Macau with limited liability
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%” or “per cent.”	percentage or per centum

By order of the Board
Bright Prosperous Holdings Limited
Leung Chau Ping, Paul
Executive Director

Hong Kong, 30 December 2009

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