Bright Prosperous Holdings Limited
晉盈控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 723)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

The Board of Directors (the "Director") of Bright Prosperous Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 September 2009 together with the comparative figures for the corresponding period in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2009

	Note	For the six months ended 30 September 2009 HK$'000 (Unaudited)	2008 HK$'000 (Unaudited and restated)
CONTINUING OPERATIONS			
Turnover	6	**58,588**	57,293
Cost of sales		**(67,446)**	(55,898)
Gross (loss)/profit		**(8,858)**	1,395
Other revenue	6	**3,292**	1,681
Selling and distribution costs		**(55)**	(71)
Administrative expenses		**(14,005)**	(11,217)
Other operating expenses	7(a)	**(5,949)**	(230)
Loss from operations		**(25,575)**	(8,442)
Finance income		**31**	709
Finance costs		**(5,989)**	(36,879)
Net finance costs	7(b)	**(5,958)**	(36,170)
Loss before taxation	7	**(31,533)**	(44,612)
Income tax	8	**285**	(387)
Loss for the period from continuing operations		**(31,248)**	(44,999)
DISCONTINUED OPERATIONS			
Loss from discontinued operations	9	**(9,612)**	(120,714)
LOSS FOR THE PERIOD		**(40,860)**	(165,713)

* *For identification purpose only*

	Note	For the six months ended 30 September	
		2009	2008
		HK$'000	HK$'000
		(Unaudited)	(Unaudited and restated)
Attributable to:			
Owners of the Company		**(40,265)**	(147,056)
Non-controlling interests		**(595)**	(18,657)
		(40,860)	(165,713)
Loss per share for loss attributable to owners of the Company			
– Basic	11	**(5.21 cents)**	(26.79 cents)
– Diluted	11	**(5.21 cents)**	(26.79 cents)
Loss per share for loss from continuing operations attributable to the owners of the Company			
– Basic	11	**(3.98 cents)**	(8.16 cents)
– Diluted	11	**(3.98 cents)**	(8.16 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2009

	Note	**At 30 September 2009 HK$'000 (Unaudited)**	At 31 March 2009 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**271,601**	1,736
Intangible assets	12	**166,550**	–
Biological assets	13	**954,077**	–
Goodwill	14	**1,394,472**	–
Deposit for acquisition of subsidiaries		**–**	15,500
Deposit for purchase of properties		**3,905**	–
		2,790,605	17,236
CURRENT ASSETS			
Inventories		**2,418**	11,576
Trade and other receivables	15	**116,235**	50,728
Tax recoverable		**398**	299
Pledged bank deposits		**7,500**	50,500
Cash and cash equivalents		**119,140**	64,438
		245,691	177,541
Assets classified as held for sale		**–**	43,183
		245,691	220,724
CURRENT LIABILITIES			
Trade and other payables	16	**111,834**	26,404
Bank and other borrowings and bank overdrafts		**24,194**	16,306
Consideration payable		**5,000**	–
Finance lease payables		**8,559**	–
Provision for taxation		**1,064**	1,077
		150,651	43,787
Liabilities associated with assets classified as held for sale		**–**	13,831
		150,651	57,618
NET CURRENT ASSETS		**95,040**	163,106
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,885,645**	180,342

	Note	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Bank and other borrowings and bank overdrafts		**1,286**	–
Amount due to shareholders		**58,348**	–
Amount due to related companies		**60,667**	–
Finance lease payables		**1,290**	–
Consideration payables		**93,933**	–
Deferred tax liabilities		**389,351**	–
Promissory notes		**112,126**	–
		717,001	–
NET ASSETS		**2,168,644**	180,342
CAPITAL AND RESERVES			
Share capital		**313,679**	21,511
Reserves		**1,851,388**	144,717
Total equity attributable to the owners of the Company		**2,165,067**	166,228
Non-controlling interests		**3,577**	14,114
TOTAL EQUITY		**2,168,644**	180,342

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise forestry business, building materials supply and installation and real estate development.

2. BASIS OF PREPARATION

The Group's consolidated financial statements up to 31 March 2009 had been prepared in accordance with Hong Kong Financial Reporting Standards. Pursuant to the acquisition of Amplewell Holdings Limited and its subsidiaries (note 17), the Group decided to prepare its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") for the year ending 31 March 2010. The Group prepared its condensed consolidated financial statements in accordance with IFRSs with effect for the six months ended 30 September 2009 and converted the comparative financial information for the corresponding period to be in accordance with IFRSs.

The condensed consolidated financial statements of the Group have been prepared in accordance with IFRSs. IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied in preparing these financial statements. These condensed consolidated financial statements are the Group's first financial statements to be prepared in accordance with IFRSs.

IFRS 1 sets out the procedures that the Group must follow when it adopts IFRSs for the first time as the basis for preparing its condensed consolidated financial statements. The Group is required to establish its IFRSs accounting policies for the six months ended 30 September 2009 and in general, apply these retrospectively to determine the IFRSs opening balance at its date of transition, i.e. 1 April 2008.

When preparing these consolidated financial statements, management has adopted certain accounting, valuation and consolidation methods to comply with IFRSs. Accordingly, the condensed consolidated financial statements prepared under HKFRSs for the six months ended 30 September 2008 have been adjusted to reflect those differences between HKFRS and IFRS. The conversion from HKFRSs to IFRSs did not result in material impact on the Group equity, loss and cash flows for the corresponding period.

The condensed consolidated financial statements for the six months ended 30 September 2009 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

These condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2009.

The Group disposed of certain operations which constituted discontinued operations under IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Therefore, the results derived from such operations are presented as discontinued operations in current accounting period. The comparative figures for the corresponding periods have been reclassified to conform with the current period's presentation.

The condensed consolidated financial statements are denominated in Hong Kong Dollar ("HK$"). Unless otherwise specifically stated, all amounts are presented in thousand.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention, except for biological assets that are measured at fair values, as appropriate.

The accounting policies and basis of preparation adopted in preparation of these condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2009 with the addition of the following new or revised standards and interpretations which are relevant to the Group's operations and are mandatory for the financial year ending 31 March 2010.

IFRS 8	Operating Segments
IAS 1 (revised 2007)	Presentation of Financial Statements
IFRS 3 (revised)	Business Combinations
IAS 27	Consolidated and Separate Financial Statements

The adoption of the above new and revised standards, amendments and interpretations did not have any significant impact on the accounting policies, financial position or performance of the Group.

The Group has not yet early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective for the six months ended 30 September 2009. The Group is in the process of making an assessment of the impact of these new IFRSs in their period of initial application.

IFRIC 2	Shares-based Payment[2]
IFRIC 3 – Appendix C	Impairment testing cash-generating units with goodwill and non-controlling interests[1]
IFRS 5	Non-current assets held for sale and discontinued operations[2]
IFRIC 8 (Amendments)	Operating Segments[2]
IFRS 9	Financial Instruments[5]
IAS 1 (Amendments)	Presentation of Financial Statements[2]
IAS 7 (Amendments)	Statement of Cash Flows[2]
IAS 17 (Amendments)	Leases[2]
IAS 24	Related Party Disclosures[4]
IAS 32 (Amendments)	Financial Instruments: Presentation[3]
IAS 36 (Amendments)	Impairment of Assets[2]
IAS 38 (Amendments)	Intangible Assets[1]
IAS 39 (Amendments)	Financial Instruments: Recognition and Measurement[2]
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction[4]
IFRIC 17	Distribution of Non-cash Assets to Owners[1]
IFRIC 18	Transfers of Assets from Customers[6]
IFRIC 19	Extinguishing Financial Liabilities with Equity Instrustments[1]

1 Effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 January 2010
3 Effective for annual periods beginning on or after 1 February 2010
4 Effective for annual periods beginning on or after 1 January 2011
5 Effective for annual periods beginning on or after 1 January 2013
6 Effective for transfers received on or after 1 July 2009

Apart from the above, a number of improvements and minor amendments to IFRSs have also been issued but are not yet effective and have not been adopted in these condensed consolidated financial statements.

4. SEGMENT REPORTING

The Group manages its businesses by business lines. On first-time adoption of IFRS 8 "Operating Segments" and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments:

Forestry business: sustainable management of and investment in natural forests, timber and wood processing, timber trading and timber sales and marketing.

Building materials: the construction work of building and construction project of building material.

Real estate: the development and sale of commercial premises and residential properties.

(a) Segment results, assets and liabilities

In accordance with IFRS 8, segment information disclosed in this interim financial report has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources among segments. In this regard, the Group's senior executive management monitors the results and assets attributable to each reportable segment on the following bases:

Segment assets include non-current assets and current assets with the exception of certain assets unallocated to an individual reportable segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The reportable segment profit is measured from "adjusted profit from operation" ("adjusted EBITDA") which excluded those items not specifically attributed to an individual reportable segment, such as corporate administrative expenses. To arrive at reportable segment profit, the management additionally provided the segment information concerning interest income, finance costs and major non-cash items such as depreciation, amortisation and impairment losses derived from reportable segments.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	For the six months ended 30 September 2009 (Unaudited)				
	Continuing operations			Discontinued operations	
	Forestry business	Building materials	Sub-total	Real estate	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from external customers	**1,382**	**57,206**	**58,588**	**123**	**58,711**
Inter-segment revenue	**–**	**–**	**–**	**–**	**–**
Reportable segment revenue	**1,382**	**57,206**	**58,588**	**123**	**58,711**
Segment loss from operation (adjusted EBITDA)	**(10,596)**	**(5,933)**	**(16,529)**	**(192)**	**(16,721)**
Depreciation and amortisation for the period	**(2,201)**	**(24)**	**(2,225)**	**(49)**	**(2,274)**
Impairment of					
– trade and other receivables	**(24)**	**–**	**(24)**	**–**	**(24)**
– inventories	**–**	**–**	**–**	**(206)**	**(206)**
Finance income	**–**	**–**	**–**	**5**	**5**
Finance costs	**(1,202)**	**(41)**	**(1,243)**	**–**	**(1,243)**
Reportable segment loss before taxation	**(14,023)**	**(5,998)**	**(20,021)**	**(442)**	**(20,463)**
Income tax	**285**	**–**	**285**	**52**	**337**
Loss on disposal of subsidiaries	**–**	**–**	**–**	**(9,222)**	**(9,222)**
Reportable segment loss after taxation	**(13,738)**	**(5,998)**	**(19,736)**	**(9,612)**	**(29,348)**

	As at 30 September 2009 (Unaudited)				
	Continuing operations			Discontinued operations	
	Forestry business	Building materials	Sub-total	Real estate	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Reportable segment assets	**2,891,342**	**28,318**	**2,919,660**	**–**	**2,919,660**
Reportable segment liabilities	**731,633**	**23,221**	**754,854**	**–**	**754,854**

	For the six months ended 30 September 2008 (Unaudited)					
	Continuing operations	Discontinued operations				
	Building materials	Home appliances	Real estate	Mining	Sub-total	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from external customers	57,293	–	–	10,131	10,131	67,424
Inter-segment revenue	–	–	–	–	–	–
Reportable segment revenue	57,293	–	–	10,131	10,131	67,424
Segment (loss)/profit from operation (adjusted EBITDA))	(213)	1	(1,242)	2,278	1,037	824
Depreciation and amortisation for the period	(16)	–	(45)	(63,590)	(63,635)	(63,651)
Impairment of						
– trade and other receivables	–	–	–	(903)	(903)	(903)
– inventories	–	–	(19,753)	–	(19,753)	(19,753)
Finance income	–	–	11	–	11	11
Finance costs	(246)	–	–	–	–	(246)
Reportable segment (loss)/profit before taxation	(475)	1	(21,029)	(62,215)	(83,243)	(83,718)
Income tax	(387)	–	645	(774)	(129)	(516)
Loss on disposal of subsidiaries	–	(37,342)	–	–	(37,342)	(37,342)
Reportable segment loss after taxation	(862)	(37,341)	(20,384)	(62,989)	(120,714)	(121,576)

	As at 31 March 2009 (Audited)					
	Continuing operations	Discontinued operations				
	Building materials	Home appliances	Real estate	Mining	Sub-total	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Reportable segment assets	48,549	–	51,867	–	51,867	100,416
Reportable segment liabilities	24,830	–	9,423	–	9,423	34,253

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	For the six months ended	
	30 September 2009	30 September 2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	**58,711**	67,424
Elimination of inter-segment revenue	**–**	–
Consolidated turnover	**58,711**	67,424
Loss		
Reportable segment loss after taxation and derived from Group's external customers	**(29,348)**	(121,576)
Unallocated corporate income	**223**	874
Depreciation and amortisation	**(172)**	(186)
Finance costs	**(4,746)**	(36,633)
Unallocated corporate expenses	**(6,817)**	(8,192)
Consolidated loss after taxation	**(40,860)**	(165,713)

	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
Assets		
Reportable segment assets	**2,919,660**	100,416
Unallocated corporate assets	**116,636**	137,544
Consolidated total assets	**3,036,296**	237,960

	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
Liabilities		
Reportable segment liabilities	**754,854**	34,253
Unallocated corporate liabilities	**112,798**	23,365
Consolidated total liabilities	**867,652**	57,618

5. SEASONALITY OF OPERATIONS

The Group's forest operations in Brazil is located in the Amazon and is subject to weather conditions during the rainy season ranging roughly from December to April each year. Forest logging activities in the Amazon are substantially scaled down or stopped in some areas completely. Log prices usually increase during the rainy season due to diminished supplies. This affects many sawmill operators that have to stock up logs and tie up significant working capital, but benefit forest owners who can plan ahead to reserve stock pile prior to the start of the rainy season. The Group incorporates this seasonality in its forest management plan to avoid supply shortage as well as to take advantage of seasonal price differentials in logs.

6. TURNOVER AND OTHER REVENUE

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts and revenue from construction contracts.

An analysis of turnover and other revenue is as follows:

	Continuing operations		Discontinued operations		Consolidated	
	For the six months ended 30 September					
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Turnover						
Sales of goods	**1,382**	2,663	**123**	10,131	**1,505**	12,794
Revenue from construction contracts	**57,206**	54,630	**–**	–	**57,206**	54,630
	58,588	57,293	**123**	10,131	**58,711**	67,424
Other revenue						
Others	**3,292**	1,681	**29**	38	**3,321**	1,719
	61,880	58,974	**152**	10,169	**62,032**	69,143

7. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging/(crediting):

	Continuing operations		Discontinued operations		Consolidated	
	For the six months ended 30 September					
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
(a) Other operating expenses						
Loss on disposal of property, plant and equipment	**3**	230	**–**	–	**3**	230
Write down of inventories	**–**	–	**206**	19,753	**206**	19,753
Impairment losses on other receivables	**24**	–	**–**	–	**24**	–
Acquisition related costs	**5,922**	–	**–**	–	**5,922**	–
Amortisation of intangible assets	**–**	–	**–**	63,535	**–**	63,535
	5,949	230	**206**	83,288	**6,155**	83,518
(b) Net finance costs						
Finance income	**(31)**	(709)	**(5)**	(11)	**(36)**	(720)
Interest on bank and other borrowings wholly repayable within five years	**257**	246	**–**	–	**257**	246
Interest on convertible notes	**–**	31,826	**–**	–	**–**	31,826
Interest on promissory notes	**4,746**	4,800	**–**	–	**4,746**	4,800
Interest on amount due to shareholders	**486**	–	**–**	–	**486**	–
Interest on amount due to related parties	**500**	–	**–**	–	**500**	–
Finance charges on obligations under finance leases	**–**	7	**–**	–	**–**	7
Total interest expenses on financial liabilities not at fair value through profit or loss	**5,989**	36,879	**–**	–	**5,989**	36,879
	5,958	36,170	**(5)**	(11)	**5,953**	36,159

	Continuing operations		Discontinued operations		Consolidated	
	For the six months ended 30 September					
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
(c) Other items						
Cost of inventories sold*	**4,792**	2,232	**10**	5,182	**4,802**	7,414
Staff costs (including directors' remuneration)	**5,926**	4,630	**98**	729	**6,024**	5,359
Depreciation	**763**	202	**46**	97	**809**	299
Amortisation of land lease premium	**–**	3	**3**	–	**3**	3
Amortisation of intangible assets	**1,634**	–	**–**	–	**1,634**	–
Minimum lease payments under operating leases for land and buildings (including directors' quarters)	**1,247**	1,125	**–**	–	**1,247**	1,125
Auditors' remuneration	**682**	320	**30**	–	**712**	320
Impairment losses on trade and other receivables	**–**	–	**–**	903	**–**	903

* Cost of inventories sold includes depreciation of approximately HK$464,000 (2008: HK$Nil) and staff costs of approximately HK$122,000 (2008: HK$Nil), the amount of which is also included in the respective total amounts disclosed separately above.

8. INCOME TAX

Income tax in the condensed consolidated income statement represents:

	Continuing operations		Discontinued operations		Consolidated	
	For the six months ended 30 September					
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Current tax						
– Hong Kong	**–**	387	**–**	–	**–**	387
– Overseas	**(285)**	–	**(52)**	774	**(337)**	774
Overprovision	**–**	–	**–**	(645)	**–**	(645)
Tax (credit)/expense	**(285)**	387	**(52)**	129	**(337)**	516

The provision for Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the assessable profits arising in Hong Kong for the period. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

9. DISCONTINUED OPERATIONS

(a) For the six months ended 30 September 2009

On 1 August 2009, Anex Properties Holdings Limited, a wholly-owned subsidiary of the Company, entered into an agreement with Mr. Tse Chun Fai, an independent third party, to dispose of its entire interest in Joyful Rise Investments Limited and Beijing Joyful Rise Investment Consulting Company Limited (collectively "Joyful Rise Group"). Joyful Rise Group was principally engaged in the real estate operations. The disposal was completed on 1 August 2009.

On 22 September 2009, the Company entered into a sale and purchase agreement with Mr. Goh Ee Bin, an independent third party, to dispose of the entire equity interest in Leadprime Limited and its subsidiaries, Anex Properties Holdings Limited and Ancen Properties Limited (collectively "Leadprime Group"). Leadprime Group was principally engaged in the real estate operations. The disposal was completed on 30 September 2009.

(b) For the six months ended 30 September 2008

(i) On 15 August 2008, the Company entered into a conditional agreement with Pure Hope Development Limited ("PHL"), a substantial shareholder of the Company to dispose of the Group's entire interest in issued share capital of a subsidiary, namely Ling Kit Holding Limited which held 80% equity interest in 海城市東鑫實業有限公司 (Haicheng Dongxin Industry Limited) (collectively "Ling Kit Group") and the shareholder's loans of approximately HK$77,564,000 due by Ling Kit Group to the Company for a consideration of approximately HK$1,624,464,000. Ling Kit Group was engaged in the mining operation in the PRC. The Group discontinued the mining operation upon the completion of the Ling Kit Disposal on 29 December 2008.

(ii) On 24 September 2008, the Company entered into a sale and purchase agreement with Rich Kind Investment Development Limited, an independent third party, to dispose of the entire equity interest in Anco Industrial Company Limited and its subsidiaries (collectively "Anco Group") for a consideration of HK$1 which shall be settled by payment in cash. Anco Group was principally engaged in the property holding for home appliance business. The Anco Disposal was completed on 30 September 2008.

The results of the discontinued operations which have been included in the condensed consolidated income statement for six months ended 30 September 2008 and 2009 are as follows:

	For the six months ended 30 September				
	2009	2008			
	Real estate HK$'000 (Unaudited)	Home appliances HK$'000 (Unaudited)	Real estate HK$'000 (Unaudited)	Mining HK$'000 (Unaudited)	Total HK$'000 (Unaudited)
Turnover	**123**	–	–	10,131	10,131
Cost of sales	**(10)**	–	–	(5,335)	(5,335)
Gross profit	**113**	–	–	4,796	4,796
Other revenue	**29**	1	37	–	38
Selling and distribution costs	**–**	–	–	(1,679)	(1,679)
Administrative expenses	**(383)**	–	(1,324)	(1,797)	(3,121)
Other operating expenses	**(206)**	–	(19,753)	(63,535)	(83,288)
(Loss)/profit from operations	**(447)**	1	(21,040)	(62,215)	(83,254)
Finance income	**5**	–	11	–	11
Finance costs	**–**	–	–	–	–
(Loss)/profit before tax	**(442)**	1	(21,029)	(62,215)	(83,243)
Income tax	**52**	–	645	(774)	(129)
(Loss)/profit on discontinued operations for the period	**(390)**	1	(20,384)	(62,989)	(83,372)
Loss on disposal of discontinued operations	**(9,222)**	(37,342)	–	–	(37,342)
	(9,612)	(37,341)	(20,384)	(62,989)	(120,714)
Attributable to:					
Owners of the Company	**(9,500)**	(37,341)	(14,405)	(50,494)	(102,240)
Non-controlling interests	**(112)**	–	(5,979)	(12,495)	(18,474)
	(9,612)	(37,341)	(20,384)	(62,989)	(120,714)

During the six months ended 30 September 2009, Leadprime Group contributed HK$648,000 (2008: HK$5,375,000) to the Group's net operating cash outflows and paid HK$1,000 (2008: Nil), in respect of financing activities.

10. DIVIDENDS

The directors do not recommend the payment or declaration of any dividend for both periods.

11. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share is based on the following data:

	For the six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the purposes of basic and diluted loss per share (loss for the period attributable to owners of the Company)	**(40,265)**	(147,056)
Number of shares	**'000**	'000
Weighted average number of ordinary shares for the purposes of basic loss per share	**4,121,443**	2,927,716
Effect of share consolidation	**(3,348,672)**	(2,378,769)
Adjusted weighted average number of ordinary shares for the purpose of basic loss per share	**772,771**	548,947
Effect of convertible preference shares	**1,490,148**	–
Weighted average number of ordinary shares for the purposes of diluted loss per share	**2,262,919**	548,947

Diluted loss per share is equal to the basic loss per share for the six months ended 30 September 2009 and 2008 because the outstanding convertible preference shares had an anti-dilutive effect on the basic loss per share for the six months ended 30 September 2009 and 2008.

From continuing operations

Loss figures and calculated as follows:

	For the six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	**(40,265)**	(147,056)
Less: Loss for the period from discontinued operation	**9,500**	102,240
Loss for the purposes of basic and diluted loss per share from continuing operations	**(30,765)**	(44,816)

Diluted loss per share is equal to the basic loss per share for the six months ended 30 September 2009 and 2008 because the outstanding convertible preference shares had an anti-dilutive effect on the basic loss per share for the six months ended 30 September 2009 and 2008.

12. INTANGIBLE ASSETS

	Timber concession rights HK$'000 (Note (i))	Mining rights HK$'000 (Note (ii))	Total HK$'000
Cost			
At 1 April 2008 (Audited)	–	2,033,130	2,033,130
Disposal of subsidiaries	–	(2,033,130)	(2,033,130)
At 31 March 2009 and 1 April 2009 (Audited)	–	–	–
Acquisition through subsidiaries	168,182	–	168,182
Exchange realignment	2	–	2
At 30 September 2009 (Unaudited)	168,184	–	168,184
Accumulated amortisation			
At 1 April 2008 (Audited)	–	10,589	10,589
Charge for the period	–	95,303	95,303
Disposal of subsidiaries	–	(105,892)	(105,892)
At 31 March 2009 and 1 April 2009 (Audited)	–	–	–
Charge for the period	1,634	–	1,634
At 30 September 2009 (Unaudited)	1,634	–	1,634
Net book value			
At 30 September 2009 (Unaudited)	166,550	–	166,550
At 31 March 2009 (Audited)	–	–	–

(i) Timber concession rights

The Group acquired seven timber concession licences through acquisition of subsidiaries on 31 July 2009. These timber concession rights cover approximately 242,745 hectares of forests situated within the Chita Region in Russia.

The timber concession licenses will expire in 2012 to 2032. Under the terms of the timber concession licences, the Group is required to pay royalties to the respective forestry services departments in Russia at a pre-determined fixed sum calculated based on the volume by species allowed to harvest each year.

The timber concession rights were independently valued by Greater China Appraisal Limited ("GCA"), a professional valuer, with a provisional fair value of HK$168,182,000 as at 31 July 2009. GCA has adopted a direct market date method to value the timber concession rights which is based on the official price data published by the Federal Forestry Agency of the Ministry of Agriculture of the Russian Federation.

The amortisation charge and royalties for the six months ended 30 September 2009 are included in "cost of sales" in the condensed consolidated income statement.

(ii) Mining rights

The mining rights represented the right to mine magnesite resources in a site area of 0.8942 km^2 in Liaoning Province, the PRC. The mining rights were stated at cost less accumulated amortisation and any impairment losses. The mining rights were amortised in straight-line basis over its estimated useful lives of 16 years, the mining rights were disposed through disposal of subsidiary completed on 29 December 2008.

13. BIOLOGICAL ASSETS

	HK$'000
Cost	
At 1 April 2008 and 31 March 2009 (Audited)	–
At 1 April 2009 (Audited)	–
Acquisition through subsidiaries	904,838
Exchange realignment	49,239
At 30 September 2009 (Unaudited)	954,077
Accumulated impairment	
At 30 September 2009 (Unaudited) and 31 March 2009 (Audited)	–
Carrying amounts	
At 30 September 2009 (Unaudited)	954,077
At 31 March 2009 (Audited)	–

The Group's forest assets, acquired through the business combination of Amplewell Holdings Limited and its subsidiaries, are located in the Northwest of Brazil, the State of Acre, Amazon Region (the "Brazil Forest"). The total area of the Brazil Forest is approximately 44,500 hectares. Under the environmental laws in Brazil, 15% or 6,675 hectares of the Brazil Forest area is the permanent preservation area and therefore is restricted from logging. At least 80% of the remaining area is designated as the sustainable forest management program area. The maximum logging in this area is 30 cubic meters per hectare on a 30 year cycle.

The Brazil Forest was independently valued by GCA with a fair value of HK$954,077,000 as at 31 July 2009. GCA has adopted a discounted cash flow methodology in valuing the Brazil Forest, a logging volume of 21.5 m^3 per hectare in the sustainable forest management program has been used in the valuation. The discount rate of 17.2% used is based on the data and factors relevant to the economy, the industry of foresting business and the harvested product in the Brazil Forest, and the weighted average cost of capital.

14. GOODWILL

	HK$'000
Cost	
At 1 April 2008 and 31 March 2009 (Audited)	–
At 1 April 2009 (Audited)	–
Arising from acquisition of subsidaries	1,394,472
At 30 September 2009 (Unaudited)	1,394,472
Accumulated impairment loss	
At 30 September 2009 (Unaudited) and 31 March 2009 (Audited)	–
Carrying amounts	
At 30 September 2009 (Unaudited)	1,394,472
At 31 March 2009 (Audited)	–

Goodwill was allocated to the Group's cash generating unit identified according to the operating segment. The goodwill as at 30 September 2009 was attributable to the cash-generating unit that comprises the forestry business operating segment. The recoverable amount of the forestry business operating segment was determined to be higher than its carrying amount, therefore, there was no impairment loss.

The recoverable amount of the forestry business operating segment cash-generating unit was based on value in use and was determined with the assistance of independent valuers.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the unit. The calculation of the value-in-use was based on the following key assumptions:

– Cash flows were projected based on past experience and financial budget approved by management. Management estimated that the cash flows after 5 years are immaterial to the overall recoverable amount of the unit, therefore, cash flows after 5 years are not included in the value-in-use calculations.

– Revenue was projected based on management's past experience and their expectations for market development. The anticipated revenue growth in 2011, 2012 and 2013 were 61%, 22% and 3% respectively. Management estimates that there would be a negative revenue growth of 69% in 2014.

– The timber price growth was assumed to be 3 percent per annum, which is in line with the long-run sustainable growth rate throughout the forecast period. The estimate was based on statistical analysis of long-term market price trends adjusted annual for actual experience.

– A discount rate of 17.2 percent was applied in determining the recoverable amount of the unit. The discount rate was estimated based on data and factors relevant to the economy, the industry of forestry business and the weighted average cost of capital.

15. TRADE AND OTHER RECEIVABLES

The Group's trading terms with its customers are mainly on credit and letter of credit, except for new customers, where payment in advance and cash on delivery are normally required. Invoices are normally payable between 0 and 180 days after issuance. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

An aged analysis of the trade receivables as at the balance sheet date, based on invoice date and net of allowance for doubtful debts, is as follows:

	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
0 – 30 days	**4,545**	15,494
31 – 60 days	**86**	–
61 – 90 days	**19**	–
Over 90 days	**3,184**	1,141
Trade receivables, net	**7,834**	16,635
Retentions receivable	**17,211**	14,203
Amount due from a non-controlling shareholder	**72,854**	–
Other receivables	**6,328**	2
Loans and receivables	**104,227**	30,840
Prepayment and deposits	**12,008**	9,296
Gross amount due from customers of contract work	**–**	10,592
	116,235	50,728

16. TRADE AND OTHER PAYABLES

	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
Trade payables (note 1)	**14,609**	17,807
Consideration payable for acquisition of biological assets	**57,652**	-
Other payables and accruals	**34,821**	3,774
Retentions payables	**4,739**	3,575
Amount due to non-controlling shareholders (note 2)	**13**	1,248
	111,834	26,404

Note 1: An aged analysis of the Group's trade payables as at the balance sheet date, based on invoiced date, is as follows:

	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
0 to 30 days	**7,376**	16,201
31 to 60 days	**2,702**	–
61 to 90 days	**1,608**	–
Over 90 days	**2,923**	1,606
Total trade payables	**14,609**	17,807

Note 2: The amounts are unsecured, interest free and have no fixed terms of repayment.

17. ACQUISITION OF SUBSIDIARIES

On 31 July 2009, the Group obtained control of Amplewell Holdings Limited ("Amplewell") by acquiring the entire equity interest and voting rights in Amplewell. Amplewell is an investment holding company and its subsidiaries are engaged in sustainable management of and investments in natural forests; timber and wood processing, timber trading, sales and marketing from owned and leased natural forests in Brazil and Russia.

The Group is in the view of 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 forestry business. Through the acquisition, the Group allowed to turn the timber resources from the natural forests in Brazil and Russia into a valuable and renewable source of raw material.

In the two months ended 30 September 2009, Amplewell contributed revenue of HK$1.4 million and loss of HK$13.7 million to the Group. If the acquisition had occurred on 1 April 2009, management estimates that the Group's consolidated revenue would have been HK$5.9 million, and the Group's consolidated loss for the six months ended 30 September 2009 would have been HK$57.1 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2009.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	HK$'000
Cash	70,500
Fair value of promissory notes issued	191,911
Fair value of consideration shares issued	59,660
Fair value of first tranche convertible preference shares issued	1,778,074
Fair value of second tranche convertible preference shares to be issued*	93,933
	2,194,078

* The number of second tranche convertible preference shares to be issued on the expiry date of the warranties from Winner Global, being the date falling on the expiry of the eighteenth month from 31 July 2009 (the "Vendor Warranty Expiry Date") shall be reduced by the compensation to be paid by Winner Global on the Vendor Warranty Expiry Date and Brazil Forest's total liabilities and the costs, fees, and expenses probably incurred related to the Brazil Forest.

Identifiable assets acquired and liabilities assumed

	Acquiree's carrying amount before combination	Adjustments	Provisional fair value
	HK$'000	HK$'000	HK$'000
Property, plant and equipment	69,938	195,307	265,245
Biological assets	904,838	–	904,838
Intangible assets	168,182	–	168,182
Deposit on purchase of properties	2,469	–	2,469
Cash and cash equivalent	5,967	–	5,967
Inventories	3,035	–	3,035
Trade and other receivables	6,628	–	6,628
Amount due from a non-controlling shareholder	69,038	–	69,038
Bank and other borrowings	(24,312)	–	(24,312)
Finance lease payables	(9,413)	–	(9,413)
Accrual and other payables	(94,692)	–	(94,692)
Amount due to immediate holding company	(5,000)	–	(5,000)
Amount due to shareholders	(57,186)	–	(57,186)
Amount due to related companies	(60,167)	–	(60,167)
Deferred tax liabilities	(308,567)	(66,404)	(374,971)
Total net identifiable assets	670,758	128,903	799,661
Non-controlling interests			(55)
Provisional goodwill			1,394,472
Total consideration			2,194,078

As at the date of this announcement, the Group has not finalised the fair value assessment for the acquiree's identifiable assets, liabilities and contingent liabilities as at the date of acquisition. The relevant fair value of net assets acquired stated above is on a provisional basis and may be subject to significant changes in future period when these valuations have been finalised.

Goodwill arising on acquisition

	HK$'000
Consideration transferred	2,194,078
Plus: non-controlling interests	55
Less: fair value of identifiable net assets acquired	(799,661)
Goodwill arising on acquisition	1,394,472

The goodwill is attributable to the acquired management expertise, the profitability and the synergies expected to arise from the acquired businesses. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group incurred acquisition-related costs of HK$5,922,000 relating to legal and professional fees and other charges which have been excluded from the cost of acquisition. The legal and professional fees have been recognised as expenses in the six months ended 30 September 2009, within the "other operating expenses" line item in the condensed consolidated income statement.

18. DISPOSALS OF SUBSIDIARIES

Disposal of subsidiaries (discontinued operation)

(a) On 30 September 2009, the Company disposed of a wholly-owned subsidiary, namely Leadprime Limited and its subsidiaries ("Leadprime Group") to an independent third party for RMB16,000,000 (equivalent to approximately HK$18,182,000). Leadprime Group was engaged in property development. The interests at the date of the disposal were as follows:

	HK$'000
Net assets disposed of	
Property, plant and equipment	815
Prepaid land lease payment	268
Cash and cash equivalents	129
Pledged bank deposits	2,551
Properties under development for sale	33,945
Trade and other receivables	19,096
Provision for doubtful debt	(1,008)
Trade and other payables	(1,023)
Amount due to non-controlling shareholder	(8,193)
Deferred tax liabilities	(4,618)
	41,962
Less: Exchange reserve	(3,195)
Non-controlling interests	(10,014)
Net assets disposed of	28,753
Satisfied by:	
Loss on disposal	10,571
Cash consideration	18,182
	28,753
Net cash inflow arising from the disposal	
Cash consideration received	18,182
Cash and cash equivalents disposed of	(129)
	18,053

(b) On 1 August 2009, Anex Properties Holdings Limited, a wholly-owned subsidiary entered into a sale and purchase agreement with Mr. Tse Chun Fai, to dispose 100% equity interest in a subsidiary, namely Joyful Rise Investments Limited and its subsidiary – 北京晉嘉宏采投資咨詢有限公司 for a consideration of HK$1.

	HK$'000
Net liabilities disposed of	
Property, plant and equipment	10
Cash and cash equivalents	96
Completed property held for sales	11,590
Accrual and other payables	(340)
Amount due to the Company	(943)
Amount due to 東莞嘉湖山莊建造有限公司	(12,715)
	(2,302)
Less: Exchange reserve	10
Net liabilities disposed of	(2,292)
Add: Waiver of amount due to the Company	943
	(1,349)
Gain on disposal	(1,349)
Cash consideration	–
	(1,349)
Net cash outflow arising from the disposal	
Cash consideration received	–*
Cash and cash equivalents disposed of	(96)
	(96)

* Total consideration of the disposal is HK$1.

19. COMMITMENTS

(a) The Group's capital commitments outstanding at 30 September 2009 not provided for in the condensed consolidated financial statements were as follows:

	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
Contracted, but not provided for	**–**	1,542

(b) At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
Within one year	**1,432**	2,600
In the second to fifth years, inclusive	**36**	323
	1,468	2,923

(c) Minimum Royalty Payments

The total future minimum royalty payments payable under the terms of the timber concession licenses are as follows:

	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
Within one year	**3,236**	–
In the second to fifth years, inclusive	**12,652**	–
After five years	**38,706**	–
	54,594	–

20. CONTINGENT LIABILITIES

Financial guarantee issued

The Group provided the corporate guarantees of HK$7,413,000 (2008: HK$15,500,000) and the deposit pledged of HK$7,500,000 (2008: HK$15,500,000), to a bank for the issuance of the performance bonds, in favour of the independent third parties relating to the construction contract, amounting to HK$7,399,000 (2008: HK$15,500,000).

No recognition was made because the fair value of the guarantee as above was insignificant and that the directors did not consider it probable that a claim would be made against the Group under the guarantee. The maximum liability of the subsidiary of the Company at the balance sheet date under the guarantee was HK$7,413,000 (2008: HK$33,456,000).

21. SUBSEQUENT EVENTS

(i) On 22 September 2009, the Group entered into a memorandum of intent (the "MOU") to acquire the entire equity interests in a company incorporated in Brazil, which is principally engaged in sustainable forest management, wood processing operation and distribution of timber products and holding forest area in Brazil with a total area of approximately 137,500 hectares, and factories for sawmill and fiberboard processing. The MOU is not legally binding and pursuant to its terms and the consideration of the acquisition shall be R$80,000,000 (equivalent to approximately HK$342,500,000), which shall be payable partly in cash and partly by issue of securities by the Company.

On 1 November 2009, the Group entered into a second memorandum of intent (the "Second MOU") with the original parties of the initial memorandum of intent. The Second MOU is legally binding and its principal terms and the consideration of the acquisition shall be R$80,000,000 (equivalent to approximately HK$363,844,000), which shall be payable partly in cash and partly by allotment and issue of new shares in the capital of the Company upon completion.

(ii) On 22 October 2009, the Company has successfully placed 917,640,000 existing shares held by a substantial shareholder, Winner Global Holdings Limited ("Winner Global") at HK$0.081 per placing share to not less than six placees.

On 27 October 2009, Winner Global subscribed for 917,640,000 new shares at HK$0.081 per share for cash consideration. The net proceeds from the top-up subscription are approximately HK$72 million.

(iii) On 2 November 2009, the Company has early redeemed promissory notes with carrying value of HK$90,188,000 at par value for HK$105,000,000.

(iv) A share consolidation on the basis that every 16 issued and unissued shares of HK$0.01 each in the share capital of the Company be consolidated into 3 consolidated shares of HK$0.0533 each was effective on 27 November 2009.

(v) On 27 November 2009, the Company has terminated the existing share option scheme and adopted a new share option scheme.

(vi) On 15 December 2009, Anex Construction and Engineering Holdings Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with United Marble Company Limited, a non-controlling shareholder of two subsidiaries, United Anex Engineering Limited and United Anex (Macau) Limited, to dispose of its entire equity interest in Anex Far East Limited and its subsidiaries (collectively "Anex Far East Group") for a consideration of HK$8,280,000. Anex Far East Group was principally engaged in the building material business.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30 September 2009, the turnover of the Group was HK$58.7 million, which comprised HK$58.6 million was from the continuing operation and HK$0.1 million from the discontinued operation. Turnover for continuing operation for the six months ended 30 September 2009 is mainly contributed by building materials business segments amounted to HK$57.2 million. The newly acquired forestry business segment is still in the process of business integration into the Group up to 30 September 2009, therefore, this segment only contributed HK$1.4 million for the two months ended 30 September 2009 from the acquisition date on 31 July 2009. Turnover for the period ended 30 September 2008 amounted to HK$67.4 million, which comprised HK$57.3 million was contributed by building material business segment and HK$10.1 million was contributed by the mining business segment classified as discontinued operation.

Loss attributable to the owners of the Company for the six months ended 30 September 2009 amounted to HK$40.3 million, as compared to a loss of HK$147.1 million recorded in the last corresponding period. The significant decrease in losses was mainly due to the amortization charge for the mining rights, loss on disposal of subsidiaries and impairment losses on inventories – real estate amounted to HK$63.5 million, HK$37.3 million and HK$19.8 million recorded respectively in the last corresponding period.

During the period under review, the Group had three business segments: forestry business, building materials and property development.

BUSINESS REVIEW

Forestry Business

Completion of Acquisition of Forestry Assets in Amazon, Brazil and Russia

On 31 July 2009, the Group completed the acquisition of the entire interest in Amplewell Holdings Limited and its subsidiaries which own 44,500 hectares of natural tropical forest lands on freehold basis in northern Brazil in the Amazon region with the carrying amount of HK$954.1 million and hold more than 240,000 hectares of concession rights in Siberia, Russia with the carrying amount of HK$166.6 million. This acquisition formed the basis of the forestry business segment. This segment principally engaged in the sustainable management of and investment in natural forests, processing, trading and marketing of semi-finished timber products. With only two months since completion of the acquisition, the segment contributed HK$1.4 million in turnover and HK$13.7 million in losses for the six months ended 30 September 2009.

Sustainable Forestry Practices Offer Renewable and Perpetual Resources

The Group is of the view that natural forests, especially tropical rain forests in South America, offer scarce, invaluable and non-replaceable essential natural resources. Unfortunately, natural forest as a resource is shrinking in size globally. Over one million hectares of forest lands are still disappearing in just the Brazilian Amazon despite concerted international efforts in fighting deforestation and illegal logging. And unlike other natural resources such as mining, sustainable forestry practices offer investors a renewable and perpetual resource base.

As a Group, it is committed to sustainable forestry practices and has committed itself to obtain Forest Stewardship Council ("FSC") certification for all its forestry assets owned. It currently operates a FSC certified sawmill wood processing industrial facility in Brazil.

BRIC – Matching The Largest Timber Resources To Largest Consumers

Brazil holds one-third of the planet's remaining tropical rain forests and covers 60% of land area in the Amazon. Russia covers a quarter of all forest lands in the world and is the largest supplier of logs and sawn timber to the world. China and India have emerged as the largest timber consumers in the world.

The segment's forestry resources cover both valuable hardwood with high commercial value and popular softwood species. The segment distributes its products under its own brand mainly in China, Brazil, India, Japan, and Europe.

Robust Short To Long Term Demand

Despite continued global downturn, BRIC economies are expected to continue to strive with close to five percent growth as a block when compared with negative growth amongst developed nations for 2009. Since May of 2009, the market, especially in China, has seen a healthy recovery of timber prices especially for Amazonian tropical hardwood species. The prices of the category of our hardwood timber products saw recoveries from the trough of around twenty to thirty percent.

With logging natural forests banned in India and China having little natural forest areas, both countries are heavily dependent on importation of timber and timber products.

With a robust local economy, Brazil, the tenth largest economy by nominal GDP, consumes more than sixty percent of its own timber production from the Amazon. Supply available for export is expected to be tight in the short to medium term as major construction and infrastructure projects are expected till 2016 as Olympic host, and as the government steps up effort in combating illegal logging activities. The Group believes it is in good position to take advantage of any potential price increases both in the local and export market.

Building Larger Resource Base

Subsequent to the period under review, the Group's subsidiary in Brazil has signed an exclusive contract to carry out a clear cut project for the Santo Antonio Hydropower Plant ("SAHP") located in State of Rondonia, Brazil with planned capacity of 3,150MWt. Under the contract, the Group's Brazilian subsidiary shall carry clear out for SAHP over a 5 year period. SAHP has spent close to US$90 million and six years prior to start of construction to carry out environmental studies. Upon completion, SAHP will be the 6th largest hydropower plant in Brazil. As a clear cut project, it will yield on average close to eight times the volume of logs when compared with normal sustainable forest management programs in Brazil. The Group will begin the clear cutting of the first area of 5,000 hectares in beginning of January 2010. This project is expected to be a significant contributor to the Group's operations over the next 5 years.

Building Materials Business

During the period under review, building materials business segment contributed a turnover of HK$57.2 million (for the six months ended 30 September 2008: HK$57.3 million) and net loss of HK$6.0 million (for the six months ended 30 September 2008: HK$0.9 million). On 15 December 2009, Anex Construction and Engineering Holdings Limited, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with United Marble Company Limited, a non-controlling shareholder of two subsidiaries, United Anex Engineering Limited and United Anex (Macau) Limited, to dispose of its entire equity interest in Anex Far East Limited and its subsidiaries for a consideration of HK$8,280,000.

Property Development Business

During the period under review, property development segment contributed turnover of HK$0.1 million (for the six months ended 30 September 2008: HK$Nil) and net loss of HK$9.6 million (for the six months ended 30 September 2008: HK$20.4 million). Due to the slowdown of the property market in the PRC and continuously loss making by the segment, the Group entered into agreements to dispose the segment. The subsidiaries under the segment were disposed in August and September 2009, a net loss of HK$9.2 million was realized from the disposal. The Group ceased to have any property development business on 30 September 2009.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2009, the Group has cash and bank balances (including pledged bank deposits) amounted to HK$126.6 million (31 March 2009: HK$114.9 million).

The Group gearing ratio expressed as a percentage of total interest bearing borrowings over equity attributable to the Company's owners, decreased from 9.8% as at 31 March 2009 to 6.8% as at 30 September 2009.

As at 30 September 2009, the Group has HK$147.4 million (31 March 2009: HK$16.3 million) interest bearing borrowings, in which of HK$32.7 million are repayable within one year and the remaining of HK$114.7 million are repayable after one year. The total interest bearing borrowings consist of HK$0.1 million in bank overdrafts, HK$24.3 million in secured bank and other borrowings, HK$1.1 million in unsecured other borrowing, HK$9.8 million in finance lease payable and HK$112.1 million in promissory notes. As at 30 September 2009, the Group's working capital was approximately HK$95.1 million (31 March 2009: HK$163.1 million).

On 22 October 2009, the Placing Agent has successfully placed 917,640,000 Placing Shares at the Placing Price of HK$0.081 per share to the independent placees. Pursuant to the subscription agreement, Winner Global Holdings Limited, a substantial shareholder of the Company, has subscribed for 917,640,000 Subscription Shares at HK$0.081 per Subscription Share which was completed on 27 October 2009. The net proceeds from top-up subscription were HK$72 million.

CHARGE ON ASSETS AND PLEDGED DEPOSITS

As at 30 September 2009, general banking facilities granted to the Group were secured by time deposits of HK$7.5 million and certain machineries of HK$2.8 million.

CONTINGENT LIABILITIES

At 30 September 2009, the Group's contingent liabilities are disclosed in note 20 to the condensed consolidated financial statements.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 September 2009, the Group has approximately 272 employees (2008: 65) mainly in Hong Kong, PRC, Brazil and Russia. The total remuneration paid by the Group to its employees (including directors) for the interim period was approximately HK$5.9 million (2008: HK$5.3 million).

The Group rewards its employees according to prevailing market practices, individual experience and performance are reviewed regularly. In addition to the provision of annual bonus, provident fund scheme and medical insurance coverage, discretionary bonuses and share option are also available to employees based on their performance.

The Directors wish to express their gratitude to our business partners, shareholders and colleagues for their continuous support to the Group.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

On 28 February 2009 and 10 March 2009, Great Path Limited, a wholly-owned subsidiary of the Company, entered into a conditional acquisition agreement and a supplemental agreement (the "Agreements") with Winner Global Holdings Limited ("Vendor"), an independent third party to the Group, to acquire the entire interest in Amplewell Holdings Limited and its subsidiaries for a total consideration of HK$1,860,045,000 (subject to adjustment), which were satisfied as to:

(i) HK$15,500,000 by way of the Deposit in cash upon signing of the Agreements;

(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, being the date falling on the expiry of the eighteenth month from the completion date.

Please refer to the circular of the Company dated 25 June 2009 and note 17 to the condensed consolidated financial statements for detailed information. The acquisition was completed on 31 July 2009.

On 1 August 2009, Anex Properties Holdings Limited, a wholly-owned subsidiary of the Company, entered into an agreement with Mr. Tse Chun Fai, an independent third party to the Group, to dispose of its entire interest in Joyful Rise Investments Limited and Beijing Joyful Rise Investment Consulting Company Ltd at a consideration of HK$1, which were satisfied by payment in cash. The disposal was completed on 1 August 2009.

On 22 September 2009, the Company entered into an agreement with Mr. Goh Ee Bin, an independent third party to the Group, to dispose of its entire interest in Leadprime Limited and its subsidiaries at a consideration of RMB16 million (equivalent to approximately HK$18.2 million), which were satisfied by payment in cash. The disposal was completed on 30 September 2009.

On 15 December 2009, Anex Construction and Engineering Holdings Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with United Marble Company Limited, a non-controlling shareholder of two subsidiaries, United Anex Engineering Limited and United Anex (Macau) Limited, to dispose of its entire equity interest in Anex Far East Limited and its subsidiaries (collectively "Anex Far East Group") for a consideration of HK$8,280,000. Anex Far East Group was principally engaged in the building material business.

INTERIM DIVIDENDS

The Board of the Company does not declare an interim dividend for the six months ended 30 September 2009 (2008: Nil).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 30 September 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code and Provisions in the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules during the six months ended 30 September 2009, except for the following deviation:

(1) The Independent Non-executive Directors of the Company were not appointed for specific terms. However, the Independent Non-executive Directors are subject to re-election, either by rotation in accordance with the provisions of the Bye-laws of the Company or on a voluntary basis, at least once every three years.

(2) The Company has not established a Nomination Committee. The Board is empowered to appoint any person as a director at any time so as to fill a casual vacancy or as an addition to the Board. Appointment is made on the basis of the qualifications, experience and personality of the potential candidate.

(3) Since 30 July 2008, the position of chairman has not been appointed. The Board will review the current situation from time to time and will make the necessary appointment if a suitable candidate can be identified.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code for dealing in securities of the Company by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard as set out in the Model Code during the six months ended 30 September 2009.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors namely Mr. Leung Siu Hung, Joel, Mr. Chu Kin Wang, Peleus (as Chairman) and Mr. John Tewksbury Banigan. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls. The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group and the interim report for the six months ended 30 September 2009. After review and discussions, the Audit Committee recommended the Board's approval of the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2009.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.brightprosperous.com). The Company's 2009 interim report will be dispatched to the shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 28 December 2009

As at the date of this announcement, the Board comprises 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.