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Bracell Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 1768)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group may record a substantial increase in profit attributable to shareholders for the six months ending 30 June 2016 when compared to the corresponding period in 2015. The information contained in this announcement is based only on a preliminary assessment by the Board of the information currently available to the Board, including the unaudited management accounts of the Group for the five months ended 31 May 2016 and is not based on any financial figures or information which have been confirmed or audited by the Company's auditor.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Bracell Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that based on a preliminary assessment of the unaudited management accounts of the Group for the five months ended 31 May 2016, it is currently expected that the Group may record a substantial increase in profit attributable to shareholders for the six months ending 30 June 2016 when compared to the corresponding period in 2015. The Group's profit attributable to shareholders for the six months ending 30 June 2016 may increase by 100% to 150% as compared to the profit attributable to shareholders of US\$32.1 million for the corresponding period in 2015.

The estimated increase in profit attributable to shareholders for the six months ending 30 June 2016 is mainly due to (a) the depreciation of the average Brazilian Reais (“BRL”) exchange rate against the US Dollar as compared to the corresponding period in 2015 and the more efficient operations of the Group’s dissolving pulp mill, which in turn has contributed to a decrease in the Group’s operating costs, (b) lower financing costs due to the Group’s lower overall bank debt, and (c) non-cash write back of deferred income tax assets due to the appreciation of the BRL exchange rate from 1 January 2016 to 31 May 2016. Depending on the closing BRL exchange rate as at 30 June 2016, the Group’s profit attributable to shareholders could also be affected by the further non-cash revaluation of deferred tax asset and the fair value of forestation and reforestation as at 30 June 2016.

The information contained in this announcement is based only on a preliminary assessment by the Board of the information currently available to the Board, including the unaudited management accounts of the Group for the five months ended 31 May 2016 and is not based on any financial figures or information which have been confirmed or audited by the Company’s auditor. As the interim financial reporting period of the Company has not yet ended, the Group’s actual results for the six months ending 30 June 2016 and the factors affecting the profit attributable to shareholders for such period, including the BRL exchange rate, may change and may differ from the information set out in this announcement. Further details of the Group’s financial results and performance for the six months ending 30 June 2016 will be disclosed in the unaudited consolidated interim results announcement of the Group for the six months ending 30 June 2016 to be announced before the end of August 2016.

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By Order of the Board
Bracell Limited
John Jeffrey YING
Chairman

Hong Kong, 8 June 2016

As at the date of this announcement, the Board comprises Mr. TEY Wei Lin (Chief Executive Officer) as an Executive Director; and Mr. John Jeffrey YING (Chairman), Mr. Jeffrey LAM Kin Fung, Mr. David YU Hon To, Mr. LIM Ah Doo, Mr. LOW Weng Keong and Mr. Armin MEYER as Independent Non-executive Directors.