

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.



Sustainable Forest Holdings Limited

永保林業控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 723)

POSITIVE EARNING ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on preliminary unaudited management accounts of the Group, the Group's net operating results for the year ended 31 March 2010 may record a significant improvement when compared to the results for the corresponding previous year ended 31 March 2009.

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

This announcement is made by Sustainable Forest Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that it is expected that, based on preliminary unaudited management accounts of the Group, the Group's net operating results for the year ended 31 March 2010 may record a significant improvement when compared to the results for the corresponding previous year ended 31 March 2009.

The positive effect on the Group's net operating results for the year ended 31 March 2010 is mainly attributable to the net contribution by the Group's Clear Cutting Project relating to the Santo Antonio Hydroelectric Power Plant ("HEP") in Rondonia State, Brazil. Operations began in January, logging paces accelerated in February and March 2010 as rainy season was coming to the end in the Amazon. Total income and gross profit margin attributable to the

* For identification purpose only

Clear Cutting Project for the year ended 31 March 2010 approximated HK\$253.5 million and HK\$138.5 million, respectively. The breakdown of the monthly results are as follows:

	Total Income <i>(Amounts in HK\$'000)</i>	Gross Profit Margin <i>(Amounts in HK\$'000)</i>
January 2010	470	303
February 2010	118,700	58,693
March 2010	134,327	79,492
	<hr/>	<hr/>
Total	<u>253,497</u>	<u>138,488</u>

This positive earning alert is based on the Group's preliminary unaudited internal management accounts which have not been reviewed or audited by the Company's auditors, and on information currently available. The Company expects the audited consolidated results for the year ended 31 March 2010 will be published in July 2010.

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

By Order of the Board
Sustainable Forest Holdings Limited
CHAN HON TO
Company Secretary

Hong Kong, 6 May 2010

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