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SUSTAINABLE FOREST HOLDINGS LIMITED

永保林業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 723)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Sustainable Forest Holdings Limited (the “**Company**”) will be held at the Conference Room, Rooms 3001-02, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong on 31 December 2010 at 10:00 a.m. (or any adjournment thereof) to consider and, if thought fit, pass with or without modifications, the following resolution:

Ordinary Resolution

“**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 27 November 2009 (“**Share Option Scheme**”) and any other share option schemes of the Company, representing 10 per cent. of the issued share capital of the Company as at the date on which this resolution is passed:

- (a) approval be and is hereby granted for refreshing the 10 per cent. limit under the Share Option Scheme (“**Refreshed Scheme Mandate**”) and any other share option schemes of the Company provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and

* *for identification purposes only*

- (b) the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By Order of the Board
Sustainable Forest Holdings Limited
LEUNG Chau Ping, Paul
Executive Director

Hong Kong, 9 December 2010

Principal place of business in Hong Kong:

Rooms 3001-02
Top Glory Tower
262 Gloucester Road
Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Notes:

1. A holder of the Share(s) (as defined below) the Company (“**Shareholder**”) entitled to attend and vote at the SGM may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a Shareholder.
2. Where there are joint registered holders of any share of HK\$0.0533 each in the capital of the Company (“**Share**”), any one of such persons may vote at the SGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM.
4. As at the date of this notice, the board of directors of the Company consists of Mr LEUNG Chau Ping, Paul and Mr Leandro Dos Martires GUERRA as executive Directors; Mr NG Tik Hong as non-executive Director; and Mr LEUNG Siu Hung, Joel, Mr John Tewksbury BANIGAN and Mr KEUNG Paul Hinsum as independent non-executive Directors.