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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 (“**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 at 10:00 a.m. on Wednesday, 8 June 2011 for the purpose of considering and, if thought fit, passing with or without amendments the following resolution which will be proposed as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the acquisition agreement dated 21 March 2011 (“**Acquisition Agreement**”) entered into between the Company, the Purchaser (as defined in the circular of the Company dated 23 May 2011 (“**Circular**”), a copy of which is marked “A” and signed by the chairman of the meeting for identification purpose has been tabled at the meeting) as purchaser and the Vendor (as defined in the Circular) as vendor in relation to the Acquisition (as defined in the Circular) (a copy of the Acquisition Agreement is marked “B” and signed by the chairman of the meeting for identification purpose has been tabled at the meeting) and the transactions contemplated thereunder (including but not limited to the escrow arrangement of the Second Tranche Consideration Shares (as defined in the Circular) and the disposal thereof in case where the Profit Guarantee (as defined in the Circular) is not met (collectively, the “**Escrow Arrangement**”)) be and are hereby approved, confirmed and ratified;
- (b) subject to completion of the Acquisition and subject also to the obtaining of the approval for the listing of and permission to deal in the Consideration Shares (as defined below) from The Stock Exchange of Hong Kong Limited, the directors of the Company (“**Directors**”) be and are hereby specifically authorised to allot and issue,

* *For identification purpose only*

credited as fully paid, a maximum of 769,230,769 shares of HK\$0.0533 each in the share capital of the Company (each a “**Consideration Share**”) in accordance with the terms and conditions of the Acquisition Agreement; and

- (c) the Directors or a duly authorised committee of the board of Directors be and are/is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as they consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Acquisition Agreement, the allotment and issue of Consideration Shares, the Escrow Arrangement and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided in the Acquisition Agreement) as are, in the opinion of the Directors or the duly authorised committee of the board of Directors, in the interest of the Company and its shareholders as a whole.”

By order of the board
Sustainable Forest Holdings Limited
Loh Jiah Yee, Katherine
Chairman

Hong Kong, 23 May 2011

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Principal place of business in Hong Kong:

Rooms 3001–02
Top Glory Tower
262 Gloucester Road
Causeway Bay
Hong Kong

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 announcement, the board of directors of the Company consists of Ms. LOH Jiah Yee, Katherine and Ms. FLETCHER Yurk Nam, Sandy as executive Directors; Mr. NG Tik Hong and Mr. LEUNG Chau Ping, Paul as non-executive Directors; and Mr. LEUNG Siu Hung, Joel, Mr. John Tewksbury BANIGAN and Mr. KEUNG Paul Hinsum as independent non-executive Directors.