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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)

EXTENSION OF THE LONG STOP DATE FOR COMPLETION OF THE SUBSCRIPTION OF NON-LISTED WARRANTS

On 31 October 2011, the Company and the Subscriber entered into the Supplemental Agreement, pursuant to which the Long Stop Date regarding the completion of the Warrant Subscription was extended from 4:00 p.m. on 31 October 2011 to 4:00 p.m. on 18 November 2011 (or such other time and date as the Subscriber and the Company shall agree in writing).

Reference is made to the announcement (“**Announcement**”) of Sustainable Forest Holdings Limited (“**Company**”) dated 22 September 2011 in relation to, among other things, the signing of the Warrant Subscription Agreement between the Company as issuer and CITIC Merchant Co., Limited as Subscriber, for the proposed issuance of 300,000,000 Warrants upon completion of the Warrant Subscription. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless defined otherwise.

Extension of the long stop date for completion of the subscription of the Warrants

Under the Warrant Subscription Agreement, completion of the Warrant Subscription is conditional upon fulfillment of various conditions precedent on or before 4:00 p.m. on 31 October 2011 (“**Long Stop Date**”), or such other time and date as the Subscriber and the Company shall agree in writing. Failing such fulfillment, the Warrant Subscription Agreement will terminate and neither party shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Warrant Subscription Agreement, save the liabilities for any antecedent breaches thereof.

As at the date of this announcement, the Stock Exchange has granted conditional listing approval for the Warrant Shares which may be issued upon exercise of the subscription rights attached to the Warrants.

* *For identification purpose only*

Additional time is required for the fulfillment of the condition precedent to the completion of the Warrant Subscription in relation to the obtaining of the necessary consents and approvals from both parties in respect of the Warrant Subscription Agreement and the transactions contemplated thereunder. Accordingly, the conditions precedent to the completion of the Warrant Subscription were not fulfilled on the Long Stop Date.

On 31 October 2011, the Company and the Subscriber entered into a supplemental agreement to the Warrant Subscription Agreement (“**Supplemental Agreement**”). Pursuant to the Supplemental Agreement, the Long Stop Date regarding the completion of the Warrant Subscription was extended from 4:00 p.m. on 31 October 2011 to 4:00 p.m. on 18 November 2011 (or such other time and date as the Subscriber and the Company shall agree in writing).

Save as disclosed above, the Directors confirm that no other alteration to the terms and conditions of the Warrant Subscription Agreement has been made up to the date of this announcement.

By order of the Board
Sustainable Forest Holdings Limited
LOH Jiah Yee, Katherine
Chairman

Hong Kong, 31 October 2011

As at the date of this announcement, the Board comprises Ms. Loh Jiah Yee, Katherine, Ms. Fletcher Yurk Nam, Sandy, Mr. Shih Chiu, David and Mr. Li Zhixiong as executive directors; Mr. Leung Chau Ping, Paul as non-executive director; and Mr. Leung Siu Hung, Joel, Mr. John Tewksbury Banigan and Mr. Keung Paul Hinsum as independent non-executive directors.