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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 DISPOSAL OF ALLY RISE LIMITED

On 30 December 2011, the Vendor and the Purchaser entered into the Supplemental Agreement, pursuant to which the Long Stop Date regarding the completion of the Disposal was extended from 31 December 2011 to 31 March 2012 (or such other date as the Purchaser and the Vendor may agree in writing).

Reference is made to the announcement (“**Announcement**”) of Sustainable Forest Holdings Limited (“**Company**”) dated 6 October 2011 in relation to, among other things, the disposal by the Group of the entire issued share capital of Ally Rise Limited for the total consideration of HK\$208,000,000. 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 disposal of Ally Rise Limited

Under the Disposal Agreement, completion of the Disposal is conditional upon fulfillment (or wavier, as the case may be) of various conditions precedent on or before 4:00 p.m. on 31 December 2011 (“**Long Stop Date**”), or such other date as the Purchaser and the Vendor may agree in writing. Failing which, the Disposal Agreement will terminate and all rights and obligations of the Purchaser and the Vendor shall cease and terminate, and no party shall have any claim against the other for any costs or losses (save in respect of any antecedent breaches of the Disposal Agreement).

As more time than expected is required for the Vendor and the Purchaser to fulfill the conditions precedent set forth in the Disposal Agreement, the Vendor and the Purchaser entered into a

** For identification purpose only*

supplemental agreement to the Disposal Agreement (“**Supplemental Agreement**”) on 30 December 2011 to extend the Long Stop Date from 31 December 2011 to 31 March 2012 (or such other date as the Purchaser and the Vendor may agree in writing). Save for the extension of the Long Stop Date, all the terms of the Disposal Agreement remain unchanged and legally binding.

By Order of the Board
Sustainable Forest Holdings Limited
Yeung Wing Yee
Company Secretary

Hong Kong, 30 December 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, Mr. Li Zhixiong and Mr. Leung Siu Hung, Joel as executive directors; and Mr. John Tewksbury Banigan, Mr. Keung Paul Hinsum and Mr. Donald Smith Worthley as independent non-executive directors.