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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)

CHANGE OF CHAIRMAN OF THE BOARD; CHANGE OF CHAIRMAN AND RESIGNATION OF MEMBER OF REMUNERATION COMMITTEE; AND ESTABLISHMENT OF NOMINATION COMMITTEE

Change of Chairman of the Board

The board of directors (the “**Board**”) of Sustainable Forest Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) announces that due to the Group’s internal arrangement including that the executive directors will more focus on business operation, development and management of the Group and that the chairman of the Board will provide leadership for the Board, Ms. Loh Jiah Yee, Katherine (“**Ms. Loh**”) resigned as the chairman of the Board and Mr. John Tewksbury Banigan (“**Mr. Banigan**”), an independent non-executive director of the Company, was appointed as the chairman of the Board, both with effect from 27 March 2012.

Ms. Loh confirmed that she has no disagreement with the Board and there are no matters with respect to her resignation as the chairman of the Board that need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Ms. Loh remains as an executive director of the Company.

Change of Chairman and Resignation of Member of Remuneration Committee

The Board also announces that Ms. Loh ceased to be the chairman and a member of the remuneration committee of the Board (the “**Remuneration Committee**”) and Mr. Banigan, an existing member of the Remuneration Committee, was appointed as the chairman of the Remuneration Committee, both with effect from 27 March 2012.

** For identification purpose only*

Establishment of Nomination Committee

To comply with new Code Provision A.5.1 of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules which will come into effect on 1 April 2012, the Board announces that a nomination committee (the “**Nomination Committee**”) was established by the Board on 27 March 2012 with written terms of reference.

Pursuant to its terms of reference, members of the Nomination Committee shall comprise such directors of the Company appointed by the Board. The Board has appointed Mr. Banigan, Mr. Keung Paul Hinsum and Mr. Donald Smith Worthley as the members of the Nomination Committee with Mr. Banigan acts as its chairman upon its establishment.

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

Hong Kong, 27 March 2012

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