

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 (“**Company**”) will be held at 20/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Tuesday, 18 November 2014 at 11:00 a.m. (or an adjournment thereof) for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT**, subject to the fulfilment of the conditions in the Underwriting Agreement (as defined and more particularly described in the circular of the Company dated 3 November 2014 (“**Circular**”), and copies of the Underwriting Agreement and the Circular have been tabled at the meeting, marked “A” and “B” respectively and signed by the Chairman of the meeting for the purpose of identification):

1. (a) the allotment and issue by way of open offer of not less than 371,147,618 shares and not more than 386,428,602 shares of HK\$0.01 each in the capital of the Company (the “**Offer Shares**”, each an “**Offer Share**”) to those shareholders of the Company whose names appear on the register of members of the Company at the close of business on a date to be fixed by the Directors (the “**Record Date**”), other than Excluded Shareholders (as defined in the Circular) in the proportion of six (6) Offer Shares for every one (1) existing Share (as defined in the Circular) held on the Record Date at the subscription price of HK\$0.32 per Offer Share and on the terms and conditions as set out in the Circular be and is hereby approved, confirmed and ratified and subject to the allotment and issue of the Offer Shares, the Directors be and are hereby authorised to allot and issue shares (“**Bonus Shares**”), by way of bonus issue, to the registered holders of the Offer Shares on the basis of seventeen (17) Bonus Shares for every one (1) Offer Share taken up under the Share Open Offer entitling the holders of the Bonus Shares be and is hereby approved, confirmed and ratified (the “**Share Open Offer**”);

* for identification purposes only

- (b) the allotment and issue by way of open offer of not more than 402,313,634 convertible preferred shares (the “**CPS**”) of HK\$0.01 each in the capital of the Company (the “**Offer CPS**”) to those shareholders of the Company whose names appear on the register of CPS holders of the Company at the close of business on the Record Date, other than Excluded CPS Holders (as defined in the Circular) in the proportion of six (6) Offer CPS for every one (1) existing CPS held on the Record Date at the subscription price of HK\$0.01 per Offer CPS and on the terms and conditions as set out in the Circular, be and is hereby approved, confirmed and ratified and subject to the allotment and issue of the Offer CPS, the Directors be and are hereby authorised to allot and issue CPS (“**Bonus CPS**”), by way of bonus issue, to the registered holders of the CPS on the basis of seventeen (17) Bonus CPS for every one (1) Offer CPS taken up under the CPS Open Offer entitling the holders of the Bonus CPS be and is hereby approved (the “**CPS Open Offer**”);
- (c) the underwriting agreement between the Company and Head & Shoulders Securities Limited dated 9 October 2014 (the “**Underwriting Agreement**”) and the transactions contemplated thereunder be and is hereby approved, confirmed and ratified and any Director be and is hereby authorised to do such acts or execute such other document which may be necessary, desirable or expedient in his opinion to carry into effect or to give effect to the terms of the Underwriting Agreement;
- (d) the absence of arrangements for application for the Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Share Open Offer be and is hereby approved, confirmed and ratified;
- (e) the absence of arrangements for application for the Offer CPS by the Qualifying Holders in excess of their entitlements under the CPS Offer be and is hereby approved, confirmed and ratified;
- (f) the Directors of the Company be and are hereby specifically authorised to allot, issue and deal with the Bonus Shares, the new shares to be allotted, issued and dealt on the exercise of the subscription rights attaching to the Offer CPS (the “**Offer CPS Conversion Shares**”), the new shares to be allotted, issued and dealt on the exercise of the conversion rights attaching to the Bonus CPS (the “**Bonus CPS Conversion Shares**”);
- (g) the Directors, acting together, individually or by committee, be and are hereby authorised to allot, issue and deal with the Offer Shares, the Bonus Shares, the Offer CPS, the Bonus CPS, the Offer CPS Conversion Shares and the Bonus CPS Conversion Shares and to take such actions, do such things and execute such further documents or deeds for and on behalf of the Company as such Directors may, in their opinion, consider necessary, desirable or expedient to carry out or give effect to any or all the transactions contemplated in this resolution and the Circular.

By order of the Board
Sustainable Forest Holdings Limited
Zhou Jing
Chairman

Hong Kong, 3 November 2014

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy needs not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he/she/it so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of Shares, any one of such joint holders may vote at the SGM, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are 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.
5. Any voting at the SGM shall be taken by way of poll.

As at the date of this announcement, the Board comprises Ms. Zhou Jing and Mr. Mung Wai Ming as executive Directors; Mr. William Keith Jacobsen, Mr. Wu Wang Li and Mr. Ng Wai Hung as independent non-executive Directors.