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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)

## DISCLOSEABLE TRANSACTION PROVISION OF LOAN TO AN INDEPENDENT THIRD PARTY

The Board is pleased to announce that on 29 January 2018, the Lender, an indirect wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide to the Borrower a loan facility in the principal amount of HK\$10,500,000 for a term of 12 months.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted to the Borrower is more than 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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<sup>\*</sup> For identification purpose only

## THE LOAN AGREEMENT

Principal terms of the Loan Agreement are set out as below:

Date: 29 January 2018

Lender: Asset Bridge Development Limited, a company incorporated in

Hong Kong with limited liability and an indirect wholly owned

subsidiary of the Company

Borrower: an individual who, to the best of the Directors' knowledge,

information and belief having made all reasonable enquiries, is an independent third party not connected with the Company and its connected persons and other existing borrowers of the Group

Principal amount: HK\$10,500,000

Interest rate: 14% per annum, payable on a monthly basis

Administration fee: 0.5% of the principal amount of the Loan

Availability period: available for drawdown within 30 days of the date of the Loan

Agreement, subject to sole discretion of the Lender

Maturity date: 12 months from the date of drawdown

Repayment: subject as otherwise provided in the Loan Agreement, the

Borrower shall repay the Loan and the outstanding interest on

the maturity date of the Loan

Security: a second legal charge in respect of a property located in Hong

Kong which is beneficially owned by the Borrower through a company incorporated in Hong Kong with limited liability. Consent from mortgagee of the first mortgage has been obtained

before entering into the second legal charge

The Loan will be funded by internal resources of the Group.

RELATIONSHIP WITH THE BORROWER

The Borrower is an individual who, to the best of the Directors' knowledge, information and

belief having made all reasonable enquiries, is an independent third party not connected with

the Company and its connected persons and other existing borrowers of the Group and save

for the transactions contemplated under the Loan Agreement, there are no prior relationship

and/or other transactions between the Company and the Borrower during the past 12 months.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The Company is an investment holding company. The Group is principally engaged in the

business of money lending, sustainable forest management, sales of timber products and

leasing of properties. The Lender is a licensed money lender holding a valid money lenders

licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is

principally engaged in the business of money lending. The provision of the Loan is a

transaction carried out as part of the ordinary and usual course of business of the Group.

The terms of the Loan Agreement (including the interest rate) were arrived at by the parties

thereto after arm's length negotiations, with reference to prevailing commercial practice, the

value of security provided and the amount of the Loan. Having considered the recurring

interest income to be generated by and the other terms of the Loan, the Directors consider that

the terms of the Loan Agreement are normal commercial terms and are fair and reasonable

and the provision of the Loan is in the interest of the Company and the Shareholders as a

whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in

respect of the amount of financial assistance granted to the Borrower is more than 5% but less

than 25%, the Loan constitutes a discloseable transaction of the Company under Chapter 14

of the Listing Rules and is therefore subject to the reporting and announcement requirements

under the Listing Rules.

**DEFINITIONS** 

"Board"

Board of Directors of the Company

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"Borrower"	an individual who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is an independent third party not connected with the Company and its connected persons and other existing borrowers of the Group
"Company"	Sustainable Forest Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Lender"	Asset Bridge Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Loan"	a loan facility in the principal amount of HK\$10,500,000 granted by the Lender to the Borrower in accordance with the terms and conditions of the Loan Agreement
"Loan Agreement"	a loan agreement dated 29 January 2018 entered into between the Lender and the Borrower in relation to the provision of the Loan

Company

"Share(s)"

ordinary share(s) of HK\$0.01 each in the capital of the

"Shareholder(s)" holder(s) of the issued Share(s)

"Stock Exchange" The Stock Exchange of Hong Kong Limited

"%" per cent

By Order of the Board
Sustainable Forest Holdings Limited
Yeung Sau Chung
Chairman

Hong Kong, 29 January 2018

As at the date of this announcement, the Board comprises Mr. Yeung Sau Chung (Chairman), Mr. Mung Wai Ming, Ms. Wang Jingyu, Ms. Lai Yin Ling and Ms. Chan Yuk Yee as Executive Directors; and Mr. Wu Wang Li, Mr. Yam Kwong Chun and Mr. Chiang Bun as Independent Non-executive Directors.