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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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** 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.

“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
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company

“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.