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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)

- 1) RESIGNATION OF EXECUTIVE DIRECTOR;**
- 2) CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR; AND**
- 3) CHANGE OF COMPOSITION OF EXECUTIVE COMMITTEE,
AUDIT COMMITTEE, REMUNERATION COMMITTEE AND
NOMINATION COMMITTEE**

The Board announces that with effect from 31 January 2018:

1. Mr. Mung Wai Ming resigned as an Executive Director of the Company and ceased to be a member of the Executive Committee;
2. Mr. Wu Wang Li resigned as an Independent Non-executive Director of the Company and ceased to be a member of the Audit Committee, the Remuneration Committee and the Nomination Committee;
3. Mr. Chai Chi Keung has been appointed as an Independent Non-executive Director of the Company, the Chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee; and
4. Mr. Yam Kwong Chun, an Independent Non-executive Director of the Company, ceased to be the Chairman of the Nomination Committee but remains as a member of the Nomination Committee.

1. RESIGNATION OF EXECUTIVE DIRECTOR

The Board of Directors (the “**Board**”) of Sustainable Forest Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) announces that Mr. Mung Wai Ming (“**Mr. Mung**”) resigned as an Executive Director of the Company with effect from 31 January 2018 as he needs to devote more time to his other personal engagements.

Mr. Mung confirmed that there is no disagreement with the Board and there is no other matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

** For identification purpose only*

2. CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board further announces that Mr. Wu Wang Li (“**Mr. Wu**”) resigned as an Independent Non-executive Director of the Company as he needs to devote more time to his other personal engagements and Mr. Chai Chi Keung (“**Mr. Chai**”) has been appointed as an Independent Non-executive Director of the Company, both with effect from 31 January 2018.

Mr. Wu confirmed that there is no disagreement with the Board and there is no other matter in relation to his resignation that needs to be brought to the attention of the Shareholders.

Set out below are the biographical details of Mr. Chai:

Mr. Chai

Mr. Chai, aged 54, holds a Master of Business degree from the Victoria University of Technology in Australia. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants, certified practising accountant of the CPA Australia, an associate of The Chartered Institute of Management Accountants in the United Kingdom, an associate and a certified tax adviser of The Taxation Institute of Hong Kong and an ordinary member of the Hong Kong Securities and Investment Institute. Mr. Chai has extensive experience in auditing, taxation, accounting and corporate finance.

Mr. Chai has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the date of this announcement.

As at the date of this announcement and within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Mr. Chai is not interested in and does not hold any short position in any shares or underlying shares or any debentures of the Company.

As at the date of this announcement, Mr. Chai (i) does not hold any positions in the Group; and (ii) does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Chai entered into a letter of appointment with the Company for a term of twelve month period which automatically renews for successive twelve month periods unless terminated by either party in writing prior to the expiry of the term. Pursuant to the letter of appointment, the directorship of Mr. Chai is subject to retirement by rotation and re-election pursuant to the Bye-laws of the Company and he is entitled to receive a director’s fee of HK\$120,000 per annum. The director’s fee of Mr. Chai has been recommended by the Remuneration Committee and approved by the Board based on his qualifications, experience, level of responsibilities undertaken and prevailing market conditions. The director’s fee of Mr. Chai will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and there is no other matter relating to the appointment of Mr. Chai that needs to be brought to the attention of the Shareholders.

3. CHANGE OF COMPOSITION OF EXECUTIVE COMMITTEE, AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

The Board also announces that with effect from 31 January 2018:

- (i) following the resignation of Mr. Mung as an Executive Director of the Company, Mr. Mung ceased to be a member of the Executive Committee;
- (ii) following the resignation of Mr. Wu as an Independent Non-executive Director of the Company, Mr. Wu ceased to be a member of the Audit Committee, the Remuneration Committee and the Nomination Committee;
- (iii) Mr. Yam Kwong Chun, an Independent Non-executive Director of the Company, ceased to be the Chairman of the Nomination Committee but remains as a member of the Nomination Committee; and
- (iv) following the appointment of Mr. Chai as an Independent Non-executive Director of the Company, Mr. Chai has been appointed as the Chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee.

The Board would like to express its sincere gratitude to Mr. Mung and Mr. Wu for their valuable contributions to the Company during their tenure of office and wish to extend its warmest welcome to Mr. Chai for joining the Board.

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

Hong Kong, 31 January 2018

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