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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sustainable Forest Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES, RETIREMENT AND RE-ELECTION OF DIRECTORS, AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting (the "AGM") of Sustainable Forest Holdings Limited to be held at the Conference Room, Rooms 3001-02, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong on 31 August 2010 at 10:00 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	3
2. Issue Mandate	4
3. Repurchase Mandate	4
4. Retirement and Re-election of Directors	5
5. Annual General Meeting and Proxy Arrangement	5
6. Voting by Poll	5
7. Responsibility Statement	5
8. Recommendation	6
Appendix I – Explanatory Statement on the Repurchase Mandate	7
Appendix II – Details of Directors Proposed for Re-election	10
Notice of Annual General Meeting	15



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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at the Conference Room, Rooms 3001-02, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong on 31 August 2010 at 10:00 a.m.
“associate(s)”	has the same meaning as ascribed in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Sustainable Forest Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	as defined in paragraph 2 of the Letter from the Board
“Latest Practicable Date”	28 July 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Notice of AGM”	the notice convening the AGM as set out on pages 15 to 19 of this circular
“Ordinary Resolution(s)”	The proposed ordinary resolutions as referred to in the Notice of AGM

DEFINITIONS

“Preference Shares”	convertible preferred share(s) of HK\$0.01 each in the capital of the Company carrying rights to convert into Shares
“Repurchase Mandate”	as defined in paragraph 3 of the Letter from the Board
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.0533 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“%”	per cent.



SUSTAINABLE FOREST HOLDINGS LIMITED

永保林業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 723)

Executive Directors:

Mr LEUNG Chau Ping, Paul (*Chief Executive Officer*)

Mr CHIU Raymond Yim (*Chief Information Officer*)

Mr Leandro Dos Martires GUERRA
(*Chief Operating Officer*)

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Independent non-executive Directors:

Mr LEUNG Siu Hung, Joel

Mr CHU Kin Wang, Peleus

Mr John Tewksbury BANIGAN

Mr KEUNG Paul Hinsum

*Principal place of business
in Hong Kong:*

Rooms 3001-02
Top Glory Tower
262 Gloucester Road,
Causeway Bay
Hong Kong

30 July 2010

*To the Shareholders, and for information only,
holders of Preference Shares of the Company*

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES,
RETIREMENT AND RE-ELECTION OF DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the Notice of AGM and information regarding the resolutions to be proposed at the AGM relating to (i) the granting of the Issue Mandate to the Directors; and (ii) the granting of the Repurchase Mandate to the Directors; and (iii) the retirement and re-election of Directors.

* *For identification purpose only*

LETTER FROM THE BOARD

2. ISSUE MANDATE

At the last annual general meeting of the Company held on 21 August 2009, a general and unconditional mandate was given to the Directors to exercise the powers of the Company to issue Shares. The Company had refreshed its general mandate to issue new Shares at the special general meetings of the Company held on 21 January 2010 and 16 July 2010 respectively. As disclosed in the announcements of the Company dated 19 October 2009 and 26 May 2010, 917,640,000 and 412,000,000 new Shares were issued under the existing general mandates granted on 21 August 2009 and 21 January 2010 pursuant to a placing agreement dated 14 October 2009, a supplemental placing agreement dated 19 October 2009 and a subscription agreement dated 26 May 2010 respectively. Aggregate net proceeds of approximately HK\$262.6 million were raised for use as business development and as the general working capital. The refreshed general mandate by passing an ordinary resolution at the special general meeting of the Company held on 16 July 2010 will lapse at the conclusion of the AGM. The Directors believe that a renewal of such mandate is in the interest of the Company and the Shareholders. Accordingly, an Ordinary Resolution will be proposed at the AGM to approve the granting of a fresh general mandate to the Directors to exercise the powers of the Company to allot and issue new Shares up to 20% of the aggregate nominal amount of the share capital of the Company in issue immediately after the passing of the resolution (the "Issue Mandate"). Based on the 3,115,608,523 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased prior to the AGM, the Company will be allowed under the Issue Mandate to allot and issue a maximum of 623,121,704 Shares.

In addition, a further Ordinary Resolution will also be proposed to extend the authority to issue Shares under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

3. REPURCHASE MANDATE

At the last annual general meeting of the Company held on 21 August 2009, a general and unconditional mandate was also given to the Directors to exercise the powers of the Company to repurchase Shares. Such general mandate will lapse at the conclusion of the AGM. It is intended that the Board will seek approval from the Shareholders to grant a fresh general mandate for the same purpose. Accordingly, an Ordinary Resolution will be proposed at the AGM to approve the granting of a fresh general mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the aggregate nominal amount of the share capital of the Company in issue immediately after the passing of the resolution (the "Repurchase Mandate"). With reference to the Repurchase Mandate, the Directors have no immediate plan to repurchase any Shares pursuant thereof.

An explanatory statement, as required by the Listing Rules, containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the Ordinary Resolution to approve the Repurchase Mandate is set out in the Appendix I to this circular.

LETTER FROM THE BOARD

4. RETIREMENT AND RE-ELECTION OF DIRECTORS

At the AGM, Mr CHU Kin Wang, Peleus will retire from office in accordance with Bye-law 87(2) of the Bye-laws of the Company. Further, Mr LEUNG Chau Ping, Paul, Mr CHIU Raymond Yim, Mr Leandro Dos Martires GUERRA, Mr LEUNG Siu Hung, Joel, Mr John Tewksbury BANIGAN and Mr KEUNG Paul Hinsum the newly appointed Directors will also retire from office in accordance with Article 86(2). Save and except Mr CHIU Raymond Yim and Mr CHU Kin Wang, Peleus have declined to offer themselves for re-election at the AGM, all the above mentioned Directors will offer themselves for re-election as Directors of the Company at the forthcoming annual general meeting.

The biographical details of Mr LEUNG Chau Ping, Paul, Mr Leandro Dos Martires GUERRA, Mr LEUNG Siu Hung, Joel, Mr John Tewksbury BANIGAN and Mr KEUNG Paul Hinsum are set out in Appendix II to this circular.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the AGM to be held at the Conference Room, Rooms 3001-02, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong on 31 August 2010 at 10:00 a.m. is set out pages 15 to 19 of this circular.

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

6. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the AGM will demand a poll for all the resolutions to be put forward at the AGM pursuant to Bye-law 66. The Company will appoint scrutineers to handle vote-taking procedures at the AGM. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible after the AGM in accordance with Rule 13.39 of the Listing Rules.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Directors consider that the proposed resolutions set out in the Notice of AGM, including the grant of the Issue Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the Ordinary Resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of
Sustainable Forest Holdings Limited
LEUNG Chau Ping, Paul
Executive Director

This appendix serves as an explanatory statement, as required under the Listing Rules, to provide requisite information to Shareholders in connection with the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$166,165,787.9 comprising 3,115,608,523 Shares.

Subject to the passing of the relevant Ordinary Resolution at the AGM approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 311,560,852 Shares.

2. REASONS FOR REPURCHASES

The Directors believe that the proposed grant of the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. The Repurchase Mandate will give the Company the flexibility to repurchase Shares as and when appropriate. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Repurchases of Shares must be made out of funds legally available for the purpose and in accordance with its Bye-laws, the Listing Rules, the laws of Bermuda and other applicable laws, being profits available for distribution and proceeds of a new issue of Shares made for such purpose and it is envisaged that the funds required for any repurchase would be derived from such sources.

4. GENERAL

Taking into account the current working capital position of the Company, the Directors consider that, the exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital and/or gearing position of the Company as compared with the position disclosed in the Company's audited financial statements for the year ended 31 March 2010. The Directors therefore do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, to the best of their knowledge of the Directors having made all reasonable enquiries, none of the Directors nor, any of their associates have a present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

No connected persons have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorized to make repurchases of Shares.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws, the laws of Bermuda and the applicable laws.

7. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (with the meaning of the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers code.

The Directors are not aware of any Shareholder, or group of Shareholders acting in concert, who will become obliged to make a general offer to Shareholders under Rules 26 and 32 of the Takeovers Code.

The Directors will not repurchase Shares if the repurchase would result in the number of the listing securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

8. SHARES PURCHASES MADE BY THE COMPANY

During the last six months preceding the Latest Practicable Date, the Company did not repurchase any Shares on the Stock Exchange or otherwise.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve (12) calendar months immediately preceding the Latest Practicable Date were as follows:-

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2009		
July	0.6770	0.3360
August	0.4530	0.3890
September	0.4430	0.3790
October	0.5230	0.3950
November	0.7000	0.4320
December	0.8700	0.6400
2010		
January	1.0100	0.7300
February	0.9300	0.7700
March	1.0000	0.8100
April	0.8600	0.7400
May	0.7700	0.5000
June	0.5600	0.3950
July (up to the Latest Practicable Date)	0.5200	0.4250

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Pursuant to the Listing Rules, stated below are the details of the Directors who will retire and be eligible for re-election at the AGM.

Mr LEUNG Chau Ping, Paul

Mr LEUNG Chau Ping, Paul, aged 52, has been appointed as Executive Director and Chief Executive Officer of the Company since 21 August 2009. He is also a member of the Remuneration Committee and the Executive Committee of the Board of the Company. He joined the Group on 1 August 2009. Mr LEUNG graduated from University of Technology, Sydney with a Master's degree in Business Administration. Mr LEUNG is a fellow member of Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. Mr LEUNG has over 28 years of experience in the Australian and Asian internet, telecommunications, computer, and commercial industries with a broad range of expertise including financial and strategic planning, management, and business development of new opportunities. Mr LEUNG is also a director of several subsidiaries of the Group and a director of Winner Global Holdings Limited, the substantial shareholder of the Company.

Save as disclosed above, Mr LEUNG did not hold any other directorships in any other public listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr LEUNG has not entered into any service agreement with the Company regarding his appointment as an Executive Director. However, he has entered into a service agreement with Anex International management Limited, a wholly-owned subsidiary of the Company, regarding his appointment as the chief executive officer of the Company. The service agreement has no fixed term, but may be terminated by either party giving one month's written notice or payment in lieu. There is no specific length or proposed length of service in respect of Mr LEUNG's appointment as a Director. His term of appointment as an Executive Director is subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Bye-laws. Mr LEUNG receives a monthly emolument of approximately HK\$85,000 which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation.

As at the Latest Practicable Date, Mr LEUNG had a personal interests in 20,421,710 underlying shares in respect of options granted by the Company.

Save as disclosed above, Mr LEUNG does not have any other interest in any Shares within the meaning of Part XV of the SFO. There are no other matters relating to the re-election of Mr LEUNG that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr Leandro Dos Martires GUERRA

Mr Leandro Dos Martires GUERRA, aged 42, has been appointed as Executive Director of the Company since 20 January 2010. He is also a member of the Executive Committee of the Board and the Chief Operating Officer of the Company and President of the Group's Brazilian operation. He joined the Group on 1 August 2009. Mr GUERRA graduated from University of Amazonia with a degree in Law and post-graduate degree in Environmental Law. He has 15 years' experience in the forestry and timber industry and has been involved in all facets of the timber industry including Sustainable Forest Management implementation, FSC certification, carbon credit certification and trading, harvesting, production, sales and marketing. Prior to joining the Group, Mr GUERRA was the President of Precious Woods (one of the largest Swiss based forestry and timber companies listed in Switzerland with more than 2,000 employees) operations in Brazil. Mr GUERRA's family has been in the Brazilian timber industry for three generations and prior to Precious Woods, he managed his family timber business which was later sold to Precious Woods. He was also the Director President of Produtos Florestais Certificados na Amazonia, a trade organization comprises of owners of FSC certified forests or chain-of-custody processing facilities. Mr. GUERRA is also the manager and administrator of a subsidiary of the Company.

Save as disclosed above, Mr GUERRA did not hold any other directorships in any other public listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr GUERRA has not entered into any service agreement with the Company regarding his appointment as an Executive Director. However, Mr GUERRA has entered into a service agreement with Universal Timber Resources Do Brazil Participacao Ltda, an indirectly owned subsidiary of the Company, regarding his appointment as the President of the Group's Brazilian operations. The service agreement has no fixed term, but may be terminated by either party giving one month's written notice or payment in lieu. There is no specific length or proposed length of service in respect of Mr GUERRA's appointment as a Director. His term of appointment as an Executive Director is subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Bye-laws. Mr GUERRA receives a monthly emolument of approximately US\$15,000 which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation.

As at the Latest Practicable Date, Mr GUERRA had a personal interests in 20,421,710 underlying shares in respect of options granted by the Company.

Save as disclosed above, Mr GUERRA does not have any other interest in any Shares within the meaning of Part XV of the SFO. There are no other matters relating to the re-election of Mr GUERRA that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr LEUNG Siu Hung, Joel

Mr LEUNG Siu Hung, Joel, aged 46, has been appointed as Independent Non-executive Director of the Company since 21 August 2009. He is also a member of the Audit Committee and Remuneration Committee of the Company. Mr LEUNG graduated from the University of London, University of Hong Kong and Chinese University of Hong Kong with a Bachelor's degree in Economics & Accounting, Master's degrees in Urban Planning and Chinese Business Law. Mr LEUNG is a Royal Chartered Town Planner, Fellow of American Academy of Financial Management, Chartered Risk Analyst, Chartered Asset Manager, Chartered Trust & Estate Planner, Registered Financial Consultant and Certified Accounting Technician. He is also serving as Senior Town Planner in the China City Development Institute. Mr LEUNG has over 10 years of professional experiences in law enforcement agencies, such as Royal Hong Kong Police, Correctional Services Dept, and Equal Opportunities Commission where he was mainly responsible for investigation and operational work. Mr LEUNG is currently the Principal Financial Planner and Financial Planning Director of the Prudential Assurance Co Ltd, a company listed on the Main Board of the London, New York, Hong Kong and Singapore Stock Exchange. Mr LEUNG was as director of Intra Asia Entertainment Corp, a OTCBB company listed in the United States of America, which he had resigned in 2007.

Save as disclosed above, Mr LEUNG did not hold any other directorships in any other public listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr LEUNG has not entered into any service agreement or contract of employment with the Company regarding his appointment as an Independent Non-executive Director. There is no specific length or proposed length of service in respect of Mr LEUNG's appointment as a Director. His term of appointment as an Independent Non-Executive Director is subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Bye-laws. Mr LEUNG receives a director's fee of HK\$100,000 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation and in line with the other independent non-executive directors of the Company.

As at the Latest Practicable Date, Mr LEUNG had a personal interests in 2,042,171 underlying shares in respect of options granted by the Company.

Save as disclosed above, Mr LEUNG does not have any other interest in any Shares within the meaning of Part XV of the SFO. There are no other matters relating to the re-election of Mr LEUNG that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr John Tewksbury BANIGAN

Mr John Tewksbury BANIGAN, aged 60, has been appointed as Independent Non-executive Director of the Company since 23 November 2009. He is also a member of the Audit Committee and Remuneration Committee of the Company. Mr BANIGAN graduated from the School of Foreign Service at Georgetown University with a Bachelor's degree in International Economics. Mr BANIGAN engages in international investment banking and corporate advisory services to private and public operating and fund management companies. He has had extensive senior management experience related to corporate and trade finance and investment banking operations in Asia, Latin America and the United States. Mr BANIGAN has managed mature financial services operations, formed start-up businesses and consummated foreign-based joint ventures. He currently serves as a director of the general partner of a real estate investment vehicle in the People's Republic of China ("China"). He is also a director of a China-region oriented hedge fund based in Hong Kong. He additionally is sole member of two companies which act as managing members of two affiliated Japanese hedge funds. The latter companies engage in investment management of long and short positions and equity derivatives, and securities and other financial instruments, respectively, in the Japanese market. Mr BANIGAN was senior vice president of HSBC, responsible for corporate and trade finance in the eastern United States of America ("U.S."). He earlier spent 15 years with Chemical Bank where he held diverse positions. He was the Hong Kong-based Regional Corporate Officer of China, Hong Kong and Taiwan, Mexico City-based Mexico Country Manager, and manager of the bank's U.S. West Coast-based Asian corporate and financial institution relationships from San Francisco. Earlier assignments included client management, business development, and risk management positions in New York.

Save as disclosed above, Mr BANIGAN did not hold any other directorships in any other public listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr BANIGAN has not entered into any service agreement or contract of employment with the Company regarding his appointment as an Independent Non-executive Director. There is no specific length or proposed length of service in respect of Mr BANIGAN's appointment as a Director. His term of appointment as an Independent Non-Executive Director is subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Bye-laws. Mr BANIGAN receives a director's fee of HK\$100,000 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation and in line with the other independent non-executive directors of the Company.

As at the Latest Practicable Date, Mr BANIGAN had a personal interests in 2,042,171 underlying shares in respect of options granted by the Company.

Save as disclosed above, Mr BANIGAN does not have any other interest in any Shares within the meaning of Part XV of the SFO. There are no other matters relating to the re-election of Mr BANIGAN that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr KEUNG Paul Hinsum

Mr KEUNG Paul Hinsum, aged 39, has been appointed as Independent Non-executive Director of the Company since 27 July 2010. He is also a member of the Audit Committee and Remuneration Committee of the Company. Mr KEUNG holds a Bachelor degree of Science from Cornell University and a Master degree of Science from New York University. He is a managing director and head of Oppenheimer's Asia Investment Research team, responsible for a team of analysts focused on various sectors including technology, media telecommunication ("TMT"), consumer, industrials, health care and alternative energy. Prior to joining Oppenheimer, Mr KEUNG was the chief information officer at Wyndham Hotels & Resorts, where he facilitated a US\$3.5 billion recapitalization and financial restructuring. His career spans equity research, investment banking and consulting positions at CIBC World Markets, Deutsche Morgan Grenfell, Paine Webber, Salomon Brothers and HVS International.

Save as disclosed above, Mr KEUNG did not hold any other directorships in any other public listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr KEUNG has not entered into any service agreement or contract of employment with the Company regarding his appointment as an Independent Non-executive Director. There is no specific length or proposed length of service in respect of Mr KEUNG's appointment as a Director. His term of appointment as an Independent Non-Executive Director is subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Bye-laws. Mr KEUNG receives a director's fee of HK\$100,000 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation and in line with the other independent non-executive directors of the Company.

As at the Latest Practicable Date, Mr KEUNG had the corporate interests in 11,853,361 underlying shares in respect of Preference Shares issued by the Company.

Save as disclosed above, Mr KEUNG does not have any other interest in any Shares within the meaning of Part XV of the SFO. There are no other matters relating to the re-election of Mr KEUNG that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Sustainable Forest Holdings Limited (the “Company”) will be held at the Conference Room, Rooms 3001-02, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong on 31 August 2010 at 10:00 a.m. (or an adjournment thereof) for the following purposes:-

ORDINARY BUSINESSES

1. To receive and adopt the audited consolidated financial statements and the report of the directors and auditor of the Company for the year ended 31 March 2010.
2. To re-elect Directors.
3. To authorise the Board of Directors to fix the remuneration of the Directors.
4. To re-appoint auditor of the Company and authorize the Directors to fix their remuneration.

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

5. “THAT:-
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.0533 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes, options or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company; or
 - (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or any other eligible person(s) of shares or rights to acquire shares of the Company; or
 - (iv) an issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the bye-laws of the Company, from time to time,

shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:-

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:-

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of Company is required by any applicable law or the Bye-laws of the Company to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to the holders of shares of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such shares (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any relevant jurisdiction).”

6. **“THAT:-**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.0533 each in the share capital of Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent of the aggregate nominal amount of share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:-

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:-

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws of the Company to be held; and
 - (iii) the date upon which the authority set out in this Resolution is revoked or varied by way of ordinary resolution of the shareholders in general meeting of the Company;” and
7. “**THAT**, subject to the passing of Ordinary Resolution Nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Resolution No. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting, provided that such amount of shares shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”

By Order of the Board
Sustainable Forest Holdings Limited
LEUNG Chau Ping, Paul
Executive Director

Hong Kong, 30 July 2010

Notes:

- (1) A member of the Company entitled to attend and vote at the AGM may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint registered holders of any share of HK\$0.0533 each in the capital of the Company (“**Share**”), any one of such persons may vote at the AGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the AGM 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.
- (3) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

- (4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
- (5) As at the date of this notice, the board of directors of the Company comprises Mr LEUNG Chau Ping, Paul, Mr CHIU Raymond Yim and Mr Leandro Dos Martires GUERRA as executive directors and Mr LEUNG Siu Hung Joel, Mr CHU Kin Wang, Peleus, Mr John Tewksbury BANIGAN, and Mr. KEUNG Paul Hinsum as independent non-executive directors.