

[For immediate release]



## Sustainable Forest Announces Positive Yearly Earnings Alert

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### Income from Clear Cutting Project in Brazil's Rondonia State Reaches HK\$253 Million in the First Three Months of 2010 Ending 31 March

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(Hong Kong, 6 May 2010) – **Sustainable Forest Holdings Limited** (“SFH” or “the Group”) (stock code: 723) is pleased to announce that the Group’s net operating results for the year ended 31 March 2010 may record a significant improvement when compared to last fiscal year ended 31 March 2009 based on preliminary unaudited management accounts of the Group.

The positive effect on the Group’s net operating results for the year ended 31 March 2010 is mainly attributable to the net contribution by the Group’s Clear Cutting Project relating to the Santo Antonio Hydroelectric Power Plant (“HEP”) in Rondonia State, Brazil. Operations began in January 2010, and logging accelerated in February and March as the rainy season was near the end in the Amazon region. Total income and gross profit margin attributable to the Clear Cutting Project for the year ended 31 March 2010 was approximately HK\$253,500,000 and HK\$138,500,000, respectively. The breakdown of the monthly results for the first quarter of 2010 is as follows:

	<b>Income</b>	<b>Gross Profit Margin</b>
January 2010	HK\$470,000	64%
February 2010	HK\$118,700,000	49%
March 2010	HK\$134,327,000	59%
<b>Total</b>	<b>HK\$253,497,000</b>	<b>55%</b>

This positive earning alert is based on the Group’s preliminary unaudited internal management accounts which have not been reviewed or audited, and on information currently available. The Group expects the audited consolidated results for the year ended 31 March 2010 to be published in July 2010.



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In December 2009, the Group announced five-year exclusive cutting rights of the wood cutting project for the Santo Antonio HEP in Porto Velho along the River Madeira in the Brazilian State of Rondonia. The Group is to undertake the clear cutting of up to 200,000 hectares of land where the HEP's reservoir and plant sites will be located. If the entire 200,000 hectares are cleared, the project may generate over 45 million m<sup>3</sup> of commercial grade timber and residues. All timber and residues shall be kept by the Group according the terms of the contract.

The Santo Antonio HEP, a US\$7.9billion investment, is located in the upper Amazon River basin. Construction of the HEP began in November 2008 and is expected to be completed by mid-2015, upon which it will become Brazil's 6th largest hydro power project, providing clean alternative energy to more than 11 million households.

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**About Sustainable Forest Holdings Limited (stock code: 723)**

Sustainable Forest Holdings Limited (previously known as Bright Prosperous Holdings Limited) owns and leases approximately 287,745 ha of natural forests in Brazil and Russia, which corresponds to 24 million m<sup>3</sup>. It also has four sawmills and wood processing facilities in Russia and one sawmill and wood processing plant in China. Its forest properties are well positioned for key product markets in North America, Europe and Asia, especially in China. All forests and processing facilities are located in areas where transportation of the logs of wood products to ports and markets is convenient. The Group has infrastructure and management in place to carry out sustainable forest management and fully integrate its harvesting, processing and distribution operations.

**Media Enquiries:**

**Strategic Financial Relations Limited**

Heidi So (852) 2864 4826

heidi.so@sprg.com.hk

Maggie Au (852) 2864 4815

maggie.au@sprg.com.hk

Helen Leung (852) 2864 4851

helen.leung@sprg.com.hk

Fax: (852) 2804 2789 / 2527 1196

<http://www.sprg.com.hk>