



Sustainable Forest Holdings Limited

永保林業控股有限公司*

(Incorporated in Bermuda with limited liability)

(stock code: 723)

(“Company”)

* For identification purpose only

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

A. Requirements under the bye-laws of the Company (“Bye-laws”) and the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited:

| Bye-laws/ Listing Rules | Relevant provisions governing procedures for shareholders to propose a person for election as a director |
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| Bye-law 89 | <p>No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a Member (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the head office or at the Registration Office. The minimum length of the period during which such notices are given shall be at least seven (7) days and the period for lodgement of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.</p> <p><i>Note:</i> <i>For the purpose of the Bye-laws:</i></p> <p>(i) “Board” or “Directors” means the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present;</p> <p>(ii) “Member” means a duly registered holder from time to time of the shares in the capital of the Company; and</p> <p>(iii) “Registration Office” means in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.</p> |

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| Paragraph 4(4) of Appendix 3 to the Listing Rules | That the minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will be at least 7 days. |
| Paragraph 4(5) of Appendix 3 to the Listing Rules | That the period for lodgment of the notices referred to in sub-paragraph 4(4) will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting. |
| Rule 13.70 of the Listing Rules | The issuer shall publish an announcement in accordance with rule 2.07C or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the issuer after publication of the notice of meeting. The issuer shall include particulars of the proposed director in the announcement or supplementary circular. |
| Rule 13.73 of the Listing Rules | In addition to any direction of the court, the issuer shall ensure that notice of every meeting of its shareholders or its creditors concerning the issuer (e.g. for winding up petitions, schemes of arrangement or capital reduction) is published in accordance with rule 2.07C. The issuer shall despatch a circular to its shareholders at the same time as (or before) the issuer gives notice of the general meeting to approve the transaction referred to in the circular. The issuer shall provide its shareholders with any material information on the subject matter to be considered at a general meeting that comes to the directors' attention after the circular is issued. The issuer must provide the information either in a supplementary circular or by way of an announcement in accordance with rule 2.07C not less than 10 business days before the date of the relevant general meeting to consider the subject matter. The meeting must be adjourned before considering the relevant resolution to ensure compliance with this 10 business day requirement by the chairman or, if that is not permitted by the issuer's constitutional documents, by resolution to that effect (see also rule 13.41). |

B. Procedures for shareholders to propose a person for election as a director

1. If a shareholder who is qualified to attend and vote at a general meeting (“**Meeting**”) wishes to propose a person (“**Candidate**”) to stand for election (“**Election**”) as a director at such Meeting, the following documents must be validly served at the Company’s head office and principal place of business in Hong Kong at Suites 1106-08, 11th Floor, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong or at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong:
 - (i) his/her written notice of intention to propose a resolution at the Meeting for the Election, signed by such shareholder; and
 - (ii) a written notice signed by the Candidate indicating his/her willingness to be elected together with the Candidate’s written confirmation as per the form in the Appendix.

2. The minimum length of the period during which the notices (“**Notices**”) as referred to paragraph 1(i) and (ii) above are given, shall be at least seven (7) days.
3. The period for lodgement of such Notices shall commence no earlier than the day after the dispatch of the notice of the Meeting appointed for such election and end no later than seven (7) days prior to the date of such Meeting.
4. Where such Notices are received by the Company after publication of the notice of Meeting, the Company will publish an announcement or issue a supplementary circular including particulars of the Candidate in compliance with Rule 13.70 of the Listing Rules and may adjourn the Meeting for the Election if necessary as required under Rule 13.73 of the Listing Rules.
5. The shareholder proposing the Candidate to be elected as a director of the Company will be required to read out aloud the proposed resolution at the Meeting.

C. Required information of the Candidate(s) proposed by shareholder(s)

In order to enable shareholder(s) to make an informed decision on their election of directors, the information of the Candidate(s) as requested in the Appendix is required to be disclosed under Rule 13.51(2) of the Listing Rules which will be contained in the announcement or supplementary circular as referred to in paragraph 4 of Section B above.

APPENDIX

CONFIRMATION

To: Sustainable Forest Holdings Limited (“**Issuer**”)

1. I, [*name of Candidate*], [(*Hong Kong ID card no./Passport or any ID no. and name of issuing authority*): _____], hereby provide the following personal details and information (“**Personal Details**”) about myself for the purpose of the proposed election of myself as a director of the Issuer:

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| Full name and age | |
| Positions held with the Issuer and its subsidiaries, or an appropriate negative statement | |
| Experience including (i) other directorship held in the past three years in public companies the securities of which are listed on any securities market in Hong Kong and overseas; (ii) other major appointments and professional qualifications and (iii) current employment and such other information (which may include business experience and academic qualifications) of which shareholder(s) should be aware of, pertaining to the ability or integrity of myself | |
| Length or proposed length of services with the Issuer (if appropriate) | |
| Relationships with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules (“ Listing Rules ”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of the Issuer, or an appropriate negative statement | |
| Interests in the shares of the Issuer within the meaning of Part XV of Securities and Futures Ordinance (Cap 571, Laws of Hong Kong), or an appropriate negative statement | |

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| Full particulars in respect of any information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect | |
| Contact details:- (i) Telephone number (ii) Facsimile number (iii) Email address (iv) Residential address (v) Correspondence address | |

2. I hereby confirm that:

- (a) I have carefully read the enclosed provisions of rules 13.51(2) of the Listing Rules, and fully understand the said provisions;
- (b) the Personal Details of myself set out in the table in paragraph 1 above contain **all** the information required to be disclosed pursuant to rule 13.51(2) of the Listing Rules;
- (c) the Personal Details are true, complete and accurate, are not misleading, and there is no omission in the Personal Details which would render such particulars untrue or misleading;

3. I hereby consent and authorize the Issuer to publish my Personal Details in the Issuer's announcement or supplementary circular to be despatched to the shareholders of the Issuer for the purpose of proposing a resolution to be voted by the shareholders at a general meeting for electing myself as a director of the Issuer.

Date: _____

[*sign here*]

Name: [-]

Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is as follows:

Any changes in its directorate or supervisory committee, and shall procure that each new director or supervisor or member of its governing body shall sign and lodge with the Exchange as soon as practicable after their appointment a declaration and undertaking in the form set out in Form B, H or I, where applicable in Appendix 5.

Where a new director, supervisor or chief executive is appointed or the resignation, re-designation, retirement or removal of a director, supervisor or chief executive takes effect, the issuer must publish an announcement of the change as soon as practicable and include the following details in the announcement:-

- (a) the full name (which should normally be the same as that stated in the declaration and undertaking of the director or supervisor in the form set out in Form B, H or I in Appendix 5) and age;
- (b) positions held with the issuer and other members of the issuer's group;
- (c) experience including (i) other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;
- (d) length or proposed length of service with the issuer;
- (e) relationships with any directors, senior management or substantial or controlling shareholders of the issuer;
- (f) his interests in shares of the issuer within the meaning of Part XV of the Securities and Futures Ordinance;
- (g) amount of the director's or supervisor's emoluments and the basis of determining the director's or supervisor's emoluments (including any bonus payments, whether fixed or discretionary in nature, irrespective of whether the director or supervisor has or does not have a service contract) and how much of these emoluments are covered by a service contract;
- (h) full particulars of any public sanctions made against him by statutory or regulatory authorities;

- (i) where he has at any time been adjudged bankrupt or insolvent, the Court by which he was adjudged bankrupt or insolvent and, if discharged, the date and conditions on which he was granted his discharge;
- (j) where he has at any time been a party to a deed of arrangement or entered into any other form of arrangement or composition with his creditors, full particulars of the deed of arrangement or the arrangement or composition with his creditors;
- (k) full particulars of any unsatisfied judgments or court orders of continuing effect against him;
- (l) where any enterprise, company or unincorporated business enterprise has been dissolved or put into liquidation (otherwise than by a members' voluntary winding up when the company, in the case of a Hong Kong company, was solvent) or bankruptcy or been the object of an analogous proceeding, or entered into any form of arrangement or composition with creditors, or had a receiver, trustee or similar officer appointed over it (i) during the period when he was one of its directors or, in the case of an enterprise, a company or an unincorporated business enterprise established in the PRC, during the period when he was one of its directors, supervisors or managers, or (ii) within 12 months after his ceasing to act as one of its directors, supervisors or managers, as the case may be, full particulars, including the name of the enterprise, company or unincorporated business enterprise, its place of incorporation or establishment, the nature of its business, the nature of the proceeding involved, the date of commencement of the proceeding and the amounts involved together with an indication of the outcome or current position of the proceeding;
- (m) subject to the provisions of the Rehabilitation of Offenders Ordinance or comparable legislation of other jurisdictions, full particulars of any conviction for any offence (including details of each such offence, the court by which he was convicted, the date of conviction and the penalty imposed):
 - (i) involving fraud, dishonesty or corruption;
 - (ii) under the Companies Ordinance, the Bankruptcy Ordinance, the Banking Ordinance, the Securities and Futures Ordinance, the repealed Protection of Investors Ordinance, the repealed Securities Ordinance, the repealed Securities (Disclosure of Interests) Ordinance, the Commodity Exchanges (Prohibition) Ordinance, the repealed Securities and Futures Commission Ordinance, the repealed Commodities Trading Ordinance, the repealed Stock Exchanges Unification Ordinance, the repealed Securities and Futures (Clearing Houses) Ordinance, the repealed Exchanges and Clearing Houses (Merger) Ordinance, the

repealed Securities (Insider Dealing) Ordinance, the repealed Leveraged Foreign Exchange Trading Ordinance or any Ordinance relating to taxation, and any comparable legislation of other jurisdictions; or

(iii) in respect of which he has, within the past 10 years, been sentenced as an adult to a period of imprisonment of six months or more, including suspended or commuted sentences;

(n) full particulars where:

(i) he has been identified as an insider dealer pursuant to Parts XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance at any time;

(ii) any enterprise, company or unincorporated business enterprise with which he was or is connected (as such expression is defined in Parts XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance) or any enterprise, company or unincorporated business enterprise for which he acts or has acted as an officer, supervisor or manager has been identified as an insider dealer pursuant to Parts XIII or XIV of the Securities and Futures Ordinance or the repealed Securities (Insider Dealing) Ordinance at any time during the period when he was connected and/or acted as an officer, supervisor or manager;

(iii) he has been found guilty of or been involved in insider dealing, or been held by any Court or competent authority to be in breach of any securities or financial markets laws, rules or regulations including any rules and regulations of any securities regulatory authority, stock exchange or futures exchange at any time; or

(iv) any enterprise, company or unincorporated business enterprise in which he was or is a controlling shareholder (as such term is defined in the Exchange Listing Rules) or was or is a supervisor, manager, director or officer or has been found guilty of or been involved in insider dealing, or been held by any Court or competent authority to be in breach of any securities or financial markets laws, rules or regulations including any rules and regulations of any securities regulatory authority, stock exchange or futures exchange at any time during the period when he was a controlling shareholder, supervisor, manager, director or officer;

- (o) where he has been adjudged by a Court or arbitral body civilly liable for any fraud, breach of duty or other misconduct by him involving dishonesty, full particulars of the judgement;
- (p) where any enterprise, company, partnership or unincorporated business enterprise of which he was or is a partner, director, supervisor or manager has had its business registration or licence revoked at any time during the period when he was one of its partners, directors, supervisors or managers, full particulars of such revocation, including the date upon which such registration or licence was revoked, the reasons for the revocation, the outcome and current position;
- (q) where he has at any time been disqualified from holding, or deemed unfit to hold, the position of director, supervisor or manager of an enterprise, a company or an unincorporated business enterprise, or from being involved in the management or conduct of the affairs of any enterprise, company or unincorporated business enterprise, pursuant to any applicable law, rule or regulation or by any competent authority, full particulars of such disqualification or ruling;
- (r) except where such disclosure is prohibited by law, full particulars of any investigation by any judicial, regulatory or governmental authority to which he is subject, including the investigating body, the nature of the investigation and the matters under investigation;
- (s) where he has at any time been refused admission to membership of any professional body or been censured or disciplined by any such body to which he belongs or belonged or been disqualified from membership in any such body or has at any time held a practising certificate or any other form of professional certificate or licence subject to special conditions, full particulars of such refusal, censure, disciplinary action, disqualification or special conditions;
- (t) where he is now or has at any time been a member of a triad or other illegal society, full particulars;
- (u) except where such disclosure is prohibited by law, where he is currently subject to (i) any investigation, hearing or proceeding brought or instituted by any securities regulatory authority, including the Hong Kong Takeovers Panel or any other securities regulatory commission or panel, or (ii) any judicial proceeding in which violation of any securities law, rule or regulation is or was alleged, full particulars of such investigation, hearing or proceeding;

- (v) except where such disclosure is prohibited by law, where he is a defendant in any current criminal proceeding involving an offence which may be material to an evaluation of his character or integrity to be a director or supervisor of the issuer, full particulars of such proceeding;
- (w) any other matters that need to be brought to the attention of holders of securities of the issuer; and
- (x) where there is no information to be disclosed pursuant to any of the requirements of this rule 13.51(2), an appropriate negative statement to that effect.

The issuer must also disclose in the announcement of resignation or removal of a director, supervisor or chief executive the reasons given by or to him for his resignation or removal (including, but not limited to, any information relating to his disagreement with the board and a statement whether or not there are any matters that need to be brought to the attention of holders of securities of the issuer).

The issuer must notify the Exchange and publish an announcement on any important change in the holding of an executive office, including changes to any important functions or executive responsibilities of a director.