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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)**

### **NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) 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 Friday, 16 July 2010 at 9:30 a.m. (or an adjournment thereof) to consider and, if thought fit, pass with or without modifications, the following resolution:

#### **ORDINARY RESOLUTION**

**“THAT:**

- (a) the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with the shares of HK\$0.0533 each in the capital of the Company as approved by the shareholders of the Company at the special general meeting held on 21 January 2010, to the extent not already exercised, be and is hereby revoked (but without prejudice to any valid exercise of such general mandate prior to the passing of this Resolution);
- (b) 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 purposes only

- (c) the approval in paragraph (b) 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;
- (d) 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 (b) above, otherwise than
  - (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 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 pursuant to the bye-laws of the Company, from time to time,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (e) for the purpose of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“**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).”

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

Hong Kong, 24 June 2010

*Principal place of business in Hong Kong:*

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

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Notes:*

1. A holder of the Share(s) (as defined below) of the Company (“**Shareholder**”) entitled to attend and vote at the SGM may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a Shareholder.
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 SGM, 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 SGM 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 SGM.
4. As at the date of this notice, the board of directors of the Company consists of 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 and Mr John Tewksbury BANIGAN as independent non-executive Directors.