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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)**

### **APPOINTMENT OF EXECUTIVE DIRECTOR**

The Board hereby announces that Mr. Li Zhixiong has been appointed as an executive director of the Company with effect from 2 September 2011.

The board of directors (the “**Board**”) of Sustainable Forest Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that Mr. Li Zhixiong (“**Mr. Li**”) has been appointed as an executive director (“**Executive Director**”) of the Company with effect from 2 September 2011.

**Mr. Li Zhixiong**, aged 38, joined the Group as an advisor in March 2011. Mr. Li has over 21 years of manufacturing and sales experience of wood products in China. He specializes in wood flooring, and has developed and registered the patent of ‘curve flooring’ in China. Mr. Li found a company specializing manufacturing and sales of wood products and flooring products in the PRC, namely New Oasis Wood Industry Co., Ltd. in Zhongshan, China in 2001. He also created the brand name “New Oasis” which has succeeded to become one of the highest quality flooring products in China. The brand ranked 3<sup>rd</sup> in, flooring category, by “Top Ten Brands in China” in May 2011 and was awarded “China’s 500 Most Valuable Brands” of the year 2010 by the World Brand Laboratory. Mr. Li did not hold any directorships in any other publicly 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. Li has entered into a service agreement with the Group regarding his appointment as an Executive Director for a term of 3 years commencing from 2 September 2011, 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 of the Company. The service agreement may be terminated by either party giving one month’s written notice or payment in lieu. Mr. Li will be entitled to a director’s fee of HK\$960,000 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.

As at the date of this announcement, Mr. Li holds 380,000,000 ordinary shares (the “**Shares**”) of the Company having a par value of HK\$0.0533 each, he is also entitled to an additional 389,230,769 Shares which may be issued by the Company to Mr. Li subject to the terms and conditions of an acquisition agreement entered into between, among other party, the Company and Mr. Li on 21 March 2011 (details of which are set out in a circular of the Company dated 23 May 2011). Other than disclosed above, Mr. Li did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed in this announcement, the Board is not aware of any other information that are required to be disclosed pursuant to paragraphs (h) to (v) of Rules 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any other matters that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to welcome Mr. Li to join the Board as an Executive Director.

By order of the Board  
**Sustainable Forest Holdings Limited**  
**LOH Jiah Yee, Katherine**  
*Chairman*

Hong Kong, 2 September 2011

*As at the date of this announcement, the Board comprises Ms. Loh Jiah Yee, Katherine, Ms. Fletcher Yurk Nam, Sandy, Mr. Shih Chiu, David and Mr. Li Zhixiong as executive directors; Mr. Leung Chau Ping, Paul as non-executive director; and Mr. Leung Siu Hung, Joel, Mr. John Tewksbury Banigan and Mr. Keung Paul Hinsum as independent non-executive directors.*

*\* For identification purpose only*