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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 (“**SGM**”) of Sustainable Forest Holdings Limited (“**Company**”) will be held at Unit A, 29th Floor, Admiralty Centre Tower 1, 18 Harcourt Road, Hong Kong on Wednesday, 11 April 2012 at 10:00 a.m. (or an adjournment thereof) for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolutions:

#### **ORDINARY RESOLUTIONS**

1. (A) **“THAT**, to the extent not already exercised, the mandate to allot, issue and deal with the shares of the Company given to the directors (“**Directors**”) of the Company at the annual general meeting of the Company held on 25 August 2011 (“**AGM**”) be and is hereby revoked and replaced by the mandate **THAT**:
  - (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.0533 each (“**Shares**”) in the share capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes 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 powers during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants, debentures, notes 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 powers after the end of the Relevant Period;

\* *for identification purposes only*

- (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 pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined);
  - (ii) an issue of shares of the Company 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;
  - (iii) an issue of shares of the Company as scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares pursuant to the bye-laws (“**Bye-laws**”) of the Company from time to time;
  - (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes, options of the Company or any other securities issued by the Company which carry rights to subscribe for or are convertible into shares,

shall not exceed the aggregate of:

- (1) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution; and
- (2) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),

and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

- (d) for the purpose of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (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 to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Right Issue**” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as to the Directors 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

(B) “**THAT** conditional upon the passing of resolution no. 1(A) above, the mandate granted to the Directors at the AGM to extend the general mandate to allot and issue shares of the Company to shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 1(A) above in respect of the share capital of the Company referred to in sub-paragraph (2) of the paragraph (c) of such resolution.”

2. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by a resolution of the shareholders of the Company on 27 November 2009 (“**Share Option Scheme**”) and any other share option scheme of the Company and its subsidiaries, representing 10% of the issued share capital of the Company as at the date on which this Resolution is passed:

(a) approval be and is hereby granted for refreshing the 10% limit under the Share Option Scheme (“**Refreshed Scheme Mandate Limit**”) and any other share option scheme of the Company and its subsidiaries provided that the aggregate nominal amount of the shares of the Company to be allotted and issued upon the exercise of all options under the Share Option Scheme and any other share option scheme of the Company and its subsidiaries under the limit as refreshed hereby shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme); and

(b) the Directors be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time), to grant options to subscribe for the shares of the Company under the Share Option Scheme up to the Refreshed Scheme Mandate Limit in accordance with the rules of the Share Option Scheme and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

3. “**THAT**, the authorised share capital of the Company be and is hereby increased from HK\$725,340,000 divided into 8,437,500,000 Shares and 27,534,000,000 convertible preference shares of HK\$0.01 each to HK\$915,340,000 divided into 12,000,000,000 Shares and 27,534,000,000 convertible preference shares of HK\$0.01 each.”

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

Hong Kong, 21 March 2012

*As at the date of this notice, the Board comprises Ms. LOH Jiah Yee Katherine, Ms. FLETCHER Yurk Nam Sandy, Mr. SHIH Chiu David, Mr. LI Zhixiong and Mr. LEUNG Siu Hung Joel as executive directors; and Mr. John Tewksbury BANIGAN, Mr. KEUNG Paul Hinsum and Mr. Donald Smith WORTHLEY as independent non-executive directors.*

*Notes:*

- (1) A member of the Company 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 of the Company.
- (2) Where there are joint registered holders of any 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 and transfer office, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
- (4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.