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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 Units 3–5, 21/F, No. 9 Queen’s Road Central, Central, Hong Kong on Monday, 30 September 2013 at 11:00 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 RESOLUTION

1. “**THAT:**

- (a) conditional upon, inter alia, the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of, and permission to deal in, the Consolidated Shares (as hereinafter defined) and with effect from the Effective Date (as hereinafter defined), every six (6) shares with par value of HK\$0.0533 each in the issued share capital of the Company be consolidated (the “**Share Consolidation**”) into one (1) consolidated share with par value of HK\$0.32 (“**Consolidated Share**”), and all of the Consolidated Shares resulting from the consolidation of shares in the share capital of the Company in this resolution shall, when allotted, issued and fully paid, rank pari passu in all respects with each other; and
- (b) for the purpose of this resolution, “**Effective Date**” means the business day (as defined in the Rules Governing the Listing of Securities on the Stock Exchange) in Hong Kong immediately after the date on which this resolution is passed by the shareholders of the Company.”

* for identification purpose only

SPECIAL RESOLUTIONS

2. “THAT:

- (a) immediately following the Share Consolidation, the par value of each issued Consolidated Share be reduced (the “**Capital Reduction**”) such that each issued Consolidated Share in the capital of the Company shall have a par value of HK\$0.01 and all authorised unissued shares (and for the avoidance of doubt, excluding the authorised unissued convertible preference shares) shall be cancelled and the authorised share capital thereafter be increased to HK\$575,340,000 by the creation of an additional approximately 28,612,068,569 unissued ordinary shares of HK\$0.01 each (the “**Change in Authorised Share Capital**”) so that the authorised share capital of the Company shall comprise a total of 30,000,000,000 issued and unissued ordinary shares of HK\$0.01 each (the “**Adjusted Shares**”) and 27,534,000,000 convertible preference shares of HK\$0.01 each;
- (b) all of the Adjusted Shares resulting from the Capital Reduction and Change in Authorised Share Capital shall, when allotted, issued and fully paid, rank pari passu in all respects with each other;
- (c) the credit arising from the Capital Reduction be transferred to the contributed surplus account of the Company and the directors of the Company be and are hereby authorised to apply the amount in the contributed surplus account of the Company in any manner permitted by the laws of Bermuda and the bye-laws of the Company, including, but not limited to, facilitating distributions to the Shareholders of the Company; and
- (d) the directors of the Company (“**Directors**”) be and are authorised generally to sign and execute such documents and take any and all steps, and to do and/or procure to be done any and all acts and things which in their opinion may be necessary, desirable or expedient to implement and carry into effect the Share Consolidation, Capital Reduction and Change in Authorised Share Capital, including the aggregation of all the fractional entitlements that may arise from the Share Consolidation and sale of these entitlements by a person appointed by the board of directors of the Company in accordance with the terms and conditions set out in the circular of the Company dated Friday, 6 September 2013 (“**Circular**”) despatched to the shareholders of the Company.”

3. “THAT, conditional on compliance with the requirements of section 46(2) of the Companies Act 1981 of Bermuda to effect the Share Premium Cancellation (as defined below), with effect from the business day (as defined in the Rules Governing the Listing of Securities on the Stock Exchange) in Hong Kong immediately after the date on which this resolution is passed by shareholders of the Company (the “**Effective Date of Share Premium Cancellation**”):

- (a) all amounts standing to the credit of the share premium account of the Company as at the Effective Date of Share Premium Cancellation be cancelled (“**Share Premium Cancellation**”);

- (b) the credit arising from the Share Premium Cancellation be transferred to the contributed surplus account of the Company and the directors of the Company be and are hereby authorised to apply the amount in the contributed surplus account of the Company in any manner permitted by the laws of Bermuda and the bye-laws of the Company, including, but not limited to, facilitating distributions to the shareholders of the Company; and
- (c) the board of directors of the Company be and is hereby authorised to take all actions in connection with the Share Premium Cancellation as the board of directors of the Company shall think necessary or desirable including, without limiting, the generality of the foregoing (i) approving the execution and delivery of any instruments or agreements and the issue of any documents for and on behalf of the Company in connection with or for the purpose of giving effect to the Share Premium Cancellation; and (ii) exercising all the powers of the Company to give effect to the Share Premium Cancellation.”
4. **“THAT** bye-law 148 of the bye-laws of the Company be amended by inserting the words “or in such other manner as may be approved by Members” immediately after the words “distributed by way of dividend and in the same proportions”
5. **“THAT** subject to the passing of special resolution numbered 4 as set out in the Notice, the new bye-laws of the Company in the form of the document marked “C” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates all of the proposed amendments referred to in resolution numbered 4 as set out in the Notice and all previous amendments made pursuant to resolutions passed by the members of the Company at general meetings be approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect.”

By Order of the Board
Sustainable Forest Holdings Limited
ZHOU Jing
Chairman

Hong Kong, 6 September 2013

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, 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 authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
- (5) As at the date of this notice, the Board comprises Ms. ZHOU Jing and Mr. MUNG Wai Ming as executive directors; and Mr. William Keith JACOBSEN, Mr. WU Wang Li and Mr. NG Wai Hung as independent non-executive directors.