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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)

**(I) POLL RESULTS OF THE SPECIAL GENERAL MEETING
HELD ON 30 SEPTEMBER 2013;
(II) SHARE CONSOLIDATION, CAPITAL REORGANISATION AND
SHARE PREMIUM CANCELLATION; AND
(III) ADJUSTMENTS TO THE CPS, THE SHARE OPTIONS AND
THE SHARE WARRANTS**

POLL RESULTS OF THE SGM

The Board is pleased to announce that the ordinary resolution and all the special resolutions as set out in the Notice of SGM were duly passed by the Shareholders by way of poll at the SGM held on 30 September 2013.

SHARE CONSOLIDATION, CAPITAL REORGANISATION AND SHARE PREMIUM CANCELLATION

As all the conditions of each of the Share Consolidation, the Capital Reorganisation and the Share Premium Cancellation have been fulfilled, the Share Consolidation, the Capital Reorganisation and the Share Premium Cancellation will become effective from Wednesday, 2 October 2013. Details of the trading arrangements relating to the Share Consolidation, the Capital Reorganisation and the Share Premium Cancellation are set out in the Circular.

ADJUSTMENTS TO THE CPS, THE SHARE OPTIONS AND THE SHARE WARRANTS

As a result of the Share Consolidation, adjustments will be made to the conversion price of the CPS and the exercise prices and numbers of the outstanding Share Options and the Share Warrants pursuant to the relevant terms of the CPS, the Share Option Scheme and the Share Warrants.

* *For identification purposes only*

Reference is made to the circular (the “**Circular**”) of Sustainable Forest Holdings Limited (the “**Company**”) dated 6 September 2013. Capitalized terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise defined herein.

POLL RESULTS OF THE SGM

The Board is pleased to announce that the ordinary resolution and all the special resolutions as set out in the notice of SGM (the “**Notice of SGM**”) dated 6 September 2013 were duly passed by the Shareholders by way of poll at the SGM held on 30 September 2013. The Share Registrar, Tricor Tengis Limited, was appointed as the scrutineer for vote-taking at the SGM.

The poll results of the ordinary resolution and the special resolutions as set out in the Notice of SGM are as follows:

Ordinary Resolution (<i>Note</i>)		Number of Shares (Approximate percentage)	
		For	Against
1.	To approve the Share Consolidation.	2,850,698,558 (99.25%)	21,510,000 (0.75%)
Special Resolutions (<i>Note</i>)		Number of Shares (Approximate percentage)	
		For	Against
2.	To approved the Capital Reorganisation.	2,850,698,908 (99.25%)	21,510,000 (0.75%)
3.	To approve the Share Premium Cancellation.	2,850,698,908 (99.25%)	21,510,000 (0.75%)
4.	To approve the amendments to the bye-laws of the Company.	2,850,698,908 (99.25%)	21,510,000 (0.75%)
5.	To approve the adoption of the new bye-laws of the Company.	2,850,698,908 (99.25%)	21,510,000 (0.75%)

Note:

The table provides a summary of the ordinary resolution and the special resolutions only. The full texts of the ordinary resolutions and the special resolutions have been set out in the Notice of SGM.

As at the date of the SGM, the total number of issued Shares was 8,350,169,841 Shares, which was also the total number of Shares entitling the Shareholders to attend and vote for or against the ordinary resolution and the special resolutions. No Shareholder was required to abstain from voting on the ordinary resolution and the special resolutions and no Shareholder was entitled to attend and vote only against the ordinary resolution and the special resolutions.

SHARE CONSOLIDATION, CAPITAL REORGANISATION AND SHARE PREMIUM CANCELLATION

The Company has applied for, and the Stock Exchange has granted the approval for the listing of, and permission to deal in the Adjusted Shares. As all the conditions of each of the Share Consolidation, the Capital Reorganisation and the Share Premium Cancellation have been fulfilled, the Share Consolidation, the Capital Reorganisation and the Share Premium Cancellation will become effective from Wednesday, 2 October 2013. Adjusted Shares shall commence trading with effect from 9:00 a.m. on Wednesday, 2 October 2013. Shareholders may, on or after Wednesday, 2 October 2013 and until Friday, 8 November 2013, submit certificates for the Existing Shares (in green color) to the Share Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in exchange for certificates for the Adjusted Shares (in orange color) at the expense of the Company. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for the Adjusted Shares. Share certificates in green for the Existing Shares will cease to be valid for trading and settlement purpose but will remain valid and effective as document of title. Further details of the trading arrangements relating to the Share Consolidation, the Capital Reorganisation and the Share Premium Cancellation are set out in the Circular.

ADJUSTMENTS TO THE CPS, THE SHARE OPTIONS AND THE SHARE WARRANTS

As a result of the Share Consolidation, adjustments will be made to the conversion price of the CPS and the exercise prices and numbers of the outstanding Share Options and the Share Warrants pursuant to the relevant terms of the CPS, the Share Option Scheme and the Share Warrants, details of which are set out as follows:

Adjustments to the CPS

Pursuant to the terms and conditions of the CPS, the rights for conversion of CPS into Shares shall be adjusted from at a ratio of one CPS to 0.1875 Existing Share to a ratio of one CPS to 0.03125 Consolidated Share (and subsequently, Adjusted Share). Based on the outstanding CPS in the aggregate principal amount of HK\$15,089,455.37 as at the date of this announcement, the number of Shares to be allotted and issued to the respective holders of the outstanding CPS upon exercise of the conversion rights attaching to the CPS would be adjusted from 282,876,773 Existing Shares to 47,146,128 Consolidated Shares (and subsequently, Adjusted Shares) as a result of the Share Consolidation.

Adjustments to the Share Options

Pursuant to the Company's Share Option Scheme adopted on 27 November 2009 and the requirements of Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005, the exercise prices of the Share Options would be adjusted from HK\$0.9400, HK\$0.7100, HK\$0.3750 and HK\$0.0534 per Existing Share to HK\$5.6400, HK\$4.2600, HK\$2.2500, and HK\$0.3204 per Consolidated Share (and subsequently, Adjusted Share) respectively while the number of Shares to be allotted and issued upon exercise of the subscription rights attaching to the outstanding Share Options

would be adjusted from 1,562,597, 842,597, 200,000 and 166,551,732 Existing Shares to 260,432, 140,432, 33,333 and 27,758,622 Consolidated Shares (and subsequently, Adjusted Shares) respectively as a result of the Share Consolidation.

Adjustments to the Share Warrants

Pursuant to the terms and conditions of the Share Warrants, the exercise price of the Share Warrants would be adjusted from HK\$0.0534 per Existing Share to HK\$0.3204 per Consolidated Share (and subsequently, Adjusted Share) as a result of the Share Consolidation. Based on the outstanding Share Warrants in the aggregate principal amount of HK\$58,597,950.93 as at the date of this announcement, the number of Shares to be allotted and issued to the respective holders of the outstanding Share Warrants upon exercise of the subscription rights attaching to the Share Warrants would be adjusted from 1,097,339,905 Existing Shares to 182,889,984 Consolidated Shares (and subsequently, Adjusted Shares) as a result of the Share Consolidation.

Save for the above adjustments, all other terms and conditions of the CPS, the Share Options and the Share Warrants remain unchanged. The above adjustments to the CPS, the Share Options and the Share Warrants have been reviewed by the auditor of the Company, in accordance with their respective terms and conditions.

By order of the Board
Sustainable Forest Holdings Limited
Zhou Jing
Chairman

Hong Kong, 30 September 2013

As at the date of this announcement, 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.