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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)

**1) CHANGE OF CHAIRMAN/CHAIRLADY,
RE-DESIGNATION OF DIRECTOR AND
APPOINTMENT OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER;
AND**

2) CHANGE OF COMPOSITION OF EXECUTIVE COMMITTEE

The Board announces that with effect from 1 March 2018:

1. Mr. Yeung Sau Chung will step down from his position as the Chairman of the Board, will cease to be the Chairman of the Executive Committee and will be re-designated as a Non-executive Director of the Company;
2. Ms. Wang Jingyu, an Executive Director of the Company, will be appointed as the Chairlady of the Board and the Chairlady of the Executive Committee; and
3. Mr. Lai Ming Wai will be appointed as an Executive Director and the Chief Executive Officer of the Company and a member of the Executive Committee.

**1. CHANGE OF CHAIRMAN/CHAIRLADY, RE-DESIGNATION OF DIRECTOR
AND APPOINTMENT OF EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE
OFFICER**

The Board of Directors (the “**Board**”) of Sustainable Forest Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) announces that with effect from 1 March 2018:

- (i) Mr. Yeung Sau Chung (“**Mr. Yeung**”) will step down from his position as the Chairman of the Board and will be re-designated as a Non-executive Director of the Company as he needs to devote more time to his other business engagements;
- (ii) Ms. Wang Jingyu (“**Ms. Wang**”), an Executive Director of the Company, will be appointed as the Chairlady of the Board; and

** For identification purpose only*

- (iii) Mr. Lai Ming Wai (“**Mr. Lai**”) will be appointed as an Executive Director and the Chief Executive Officer of the Company.

Mr. Yeung confirmed that there is no disagreement with the Board and there is no other matter in relation to his step down from the position of Chairman of the Board that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

Set out below are the biographical details of Mr. Yeung, Ms. Wang and Mr. Lai:

Mr. Yeung

Mr. Yeung, aged 51, joined the Group in June 2015 as an Executive Director. He is also a director of various subsidiaries of the Company. Mr. Yeung holds a Bachelor of Arts degree in Accountancy from the City University of Hong Kong and has more than 20 years experience in research and analysis of investment portfolios and in risk management.

Mr. Yeung has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the date of this announcement.

As at the date of this announcement and within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), Mr. Yeung is a registered holder of ordinary share warrants with nominal value of HK\$54,754,149.13 (which are convertible into 644,166,460 ordinary shares of the Company, representing approximately 7.23% of the issued ordinary shares of the Company as at the date of this announcement) and convertible preferred share warrants with nominal value of HK\$2,157,945.67 (which are convertible into 6,735,161 ordinary shares of the Company, representing approximately 0.08% of the issued ordinary shares of the Company as at the date of this announcement).

As at the date of this announcement and save as disclosed above, Mr. Yeung (i) does not hold any other positions in the Group; and (ii) does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

The directorship of Mr. Yeung is subject to retirement by rotation and re-election pursuant to the Bye-laws of the Company (the “**Bye-laws**”) and he is entitled to receive a director’s fee of HK\$240,000 per annum. The director’s fee of Mr. Yeung has been recommended by the Remuneration Committee and approved by the Board based on his qualifications, experience, level of responsibilities undertaken and prevailing market conditions. The director’s fee of Mr. Yeung will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and there is no other matter relating to the re-designation of Mr. Yeung that needs to be brought to the attention of the Shareholders.

Ms. Wang

Ms. Wang, aged 37, joined the Group in October 2017 as an Executive Director and is a member of the Executive Committee. She is also a director of various subsidiaries of the Company. Ms. Wang graduated from the Southwestern University of Finance and Economics in the People's Republic of China (the "PRC") with a Bachelor's degree in Economics specialised in international finance. She has extensive experience in corporate management and investments. Ms. Wang was the chairlady, managing director and an executive director of Applied Development Holdings Limited (stock code: 519), a company listed on the Main Board of the Stock Exchange, until 14 September 2016.

Save as disclosed above, Ms. Wang has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the date of this announcement.

As at the date of this announcement and within the meaning of Part XV of the SFO, Ms. Wang indirectly through Champion Alliance Enterprises Limited is interested in 2,365,154,448 ordinary shares of the Company (representing approximately 26.54% of the issued ordinary shares of the Company as at the date of this announcement) and 2,534,575,896 convertible preferred shares of the Company (which are convertible into 79,205,496 ordinary shares of the Company, representing approximately 0.89% of the issued ordinary shares of the Company as at the date of this announcement).

As at the date of this announcement and save as disclosed above, Ms. Wang (i) does not hold any other positions in the Group; and (ii) does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is an employment contract entered into between a subsidiary of the Company and Ms. Wang. According to the employment contract, Ms. Wang is not appointed for any specific length or proposed length of service and her term of service shall continue unless and until terminated by either party by giving to the other two months' prior notice in writing. The directorship of Ms. Wang is subject to retirement by rotation and re-election pursuant to the Bye-laws. Ms. Wang is entitled to receive a remuneration of HK\$130,000 per annum which has been approved by the Remuneration Committee based on her qualifications, experience, level of responsibilities undertaken and prevailing market conditions. Ms. Wang may also be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee having regard to Ms. Wang's and the Company's performance. The remuneration of Ms. Wang is subject to annual review by the Remuneration Committee.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules on the Stock Exchange and there is no other matter relating to the appointment of Ms. Wang as the Chairlady of the Board that needs to be brought to the attention of the Shareholders.

Mr. Lai

Mr. Lai, aged 58, holds a Bachelor of Social Sciences degree from The University of Hong Kong. Mr. Lai was a senior executive of Bank of America and was primarily responsible for developing and managing the business of the bank in southern region of the PRC. He has extensive experience in the banking and finance industry. Mr. Lai was an executive director and the chairman of Courage Investment Group Limited (stock code: 1145) (“**Courage Investment**”), a company primarily listed on the Main Board of the Stock Exchange and secondarily listed on the Singapore Exchange Securities Trading Limited from 19 October 2017 to 28 February 2018 and was an executive director and the chief executive officer of Courage Investment from 14 October 2015 to 31 March 2017. He is also a non-executive director of Hong Wei (Asia) Holdings Limited (stock code: 8191), a company listed on the Growth Enterprise Market of the Stock Exchange, and an independent non-executive director of Winshine Science Company Limited (stock code: 209), a company listed on the Main Board of the Stock Exchange. Mr. Lai was an executive director of Enviro Energy International Holdings Limited (stock code: 1102), a company listed on the Main Board of the Stock Exchange until 15 September 2017.

Save as disclosed above, Mr. Lai has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the date of this announcement.

As at the date of this announcement and within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Mr. Lai is not interested in and does not hold any short position in any shares or underlying shares or any debentures of the Company.

As at the date of this announcement, Mr. Lai (i) does not hold any other positions in the Group; and (ii) does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is an employment contract entered into between a subsidiary of the Company and Mr. Lai. According to the employment contract, Mr. Lai is not appointed for any specific length or proposed length of service and his term of service shall continue unless and until terminated by either party by giving to the other two months’ prior notice in writing. The directorship of Mr. Lai is subject to retirement by rotation and re-election pursuant to the Bye-laws. Mr. Lai is entitled to receive a remuneration of HK\$650,000 per annum which has been approved by the Remuneration Committee based on his qualifications, experience, level of responsibilities undertaken and prevailing market conditions. Mr. Lai may also be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee having regard to Mr. Lai’s and the Company’s performance. The remuneration of Mr. Lai is subject to annual review by the Remuneration Committee.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules on the Stock Exchange and there is no other matter relating to the appointment of Mr. Lai that needs to be brought to the attention of the Shareholders.

2. CHANGE OF COMPOSITION OF EXECUTIVE COMMITTEE

The Board also announces that with effect from 1 March 2018:

- (i) following the re-designation of Mr. Yeung as a Non-executive Director of the Company, Mr. Yeung will cease to be the chairman of the Executive Committee;
- (ii) Ms. Wang will be appointed as the Chairlady of the Executive Committee; and
- (iii) following the appointment of Mr. Lai as an Executive Director of the Company, Mr. Lai will be appointed as a member of the Executive Committee.

The Board would like to take this opportunity to extend its warmest welcome to Mr. Lai for joining the Board and Ms. Wang and Mr. Yeung for taking up their new positions.

By Order of the Board
Sustainable Forest Holdings Limited
Wang Jingyu
Executive Director

Hong Kong, 28 February 2018

As at the date of this announcement, the Board comprises Mr. Yeung Sau Chung (Chairman), Ms. Wang Jingyu, Ms. Lai Yin Ling and Ms. Chan Yuk Yee as Executive Directors; and Mr. Yam Kwong Chun, Mr. Chiang Bun and Mr. Chai Chi Keung as Independent Non-executive Directors.