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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 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of Sustainable Forest Holdings Limited (the “**Company**”) will be held at the Conference Room, Rooms 3001-02, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong on 31 August 2010 at 10:00 a.m. (or an adjournment thereof) for the following purposes:-

#### **ORDINARY BUSINESSES**

1. To receive and adopt the audited consolidated financial statements and the report of the directors and auditor of the Company for the year ended 31 March 2010.
2. To re-elect Directors.
3. To authorise the Board of Directors to fix the remuneration of the Directors.
4. To re-appoint auditor of the Company and authorize the Directors to fix their remuneration.

#### **SPECIAL BUSINESS**

As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions:

#### **ORDINARY RESOLUTIONS**

5. “**THAT:-**
  - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.0533 each in the

\* *For identification purposes only*

capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures 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 power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures 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 power during or after the end of the Relevant Period;
- (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 of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to
  - (i) a Rights Issue (as hereinafter defined); or
  - (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes, options or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company; or
  - (iii) an issue of shares 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 of the Company; or
  - (iv) an issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the bye-laws of the Company, from time to time,

shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:-

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 Company is required by any applicable law or the Bye-laws of the Company to be held; and

- (iii) the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to the holders of shares of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such shares (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the directors of the Company 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 any recognised regulatory body or any stock exchange in, any relevant jurisdiction).”

6. **“THAT:-**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.0533 each in the share capital of Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares to be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent of the aggregate nominal amount of share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:-

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 of the Company to be held; and
- (iii) the date upon which the authority set out in this Resolution is revoked or varied by way of ordinary resolution of the shareholders in general meeting of the Company;” and

7. “**THAT**, subject to the passing of Ordinary Resolution Nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Resolution No. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting, provided that such amount of shares shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”

By Order of the Board  
**Sustainable Forest Holdings Limited**  
**LEUNG Chau Ping, Paul**  
*Executive Director*

Hong Kong, 30 July 2010

*Notes:*

- (1) A member of the Company entitled to attend and vote at the AGM may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint registered holders of any share of HK\$0.0533 each in the capital of the Company (“**Share**”), any one of such persons may vote at the AGM, 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 AGM 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, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM 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 of directors of the Company comprises Mr LEUNG Chau Ping, Paul, Mr CHIU Raymond Yim and Mr Leandro Dos Martires GUERRA as executive directors and Mr LEUNG Siu Hung Joel, Mr CHU Kin Wang, Peleus, Mr John Tewksbury BANIGAN, and Mr. KEUNG Paul Hinsum as independent non-executive directors.