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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Sustainable Forest Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

### **PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES; RETIREMENT AND RE-ELECTION OF DIRECTORS; AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM of the Company to be held at 20/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Thursday, 31 August 2017 at 11:00 a.m. is set out on pages AGM-1 to AGM-5 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

28 July 2017

\* For identification purpose only

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## DEFINITIONS

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*In this circular (other than in the notice of AGM), unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at 20/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Thursday, 31 August 2017 at 11:00 a.m. or any adjournment thereof
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Sustainable Forest Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise all the powers of the Company to allot, issue or otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the Share capital of the Company in issue on the date of passing of the relevant resolution

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## DEFINITIONS

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“Latest Practicable Date”	25 July 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Preferred Shares”	convertible preferred share(s) of HK\$0.01 each in the capital of the Company carrying rights to convert into Shares
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise all the powers of the Company to repurchase Shares not exceeding 10% of the aggregate nominal amount of the Share capital of the Company in issue on the date of passing of the relevant resolution
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by the Shareholders at the special general meeting of the Company held on 27 November 2009
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. YEUNG Sau Chung (*Chairman*)

Mr. LIU Shun Chuen

Mr. MUNG Wai Ming

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent non-executive Directors:*

Mr. William Keith JACOBSEN

Mr. WU Wang Li

Mr. NG Wai Hung

*Head office and principal place of  
business in Hong Kong:*

Suites No. 302-305

3rd Floor, Sino Plaza

255-257 Gloucester Road

Causeway Bay, Hong Kong

28 July 2017

*To the Shareholders, and for information only,  
holders of Preferred Shares,*

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND REPURCHASE SHARES;  
RETIREMENT AND RE-ELECTION OF DIRECTORS; AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with the notice of AGM and information regarding the resolutions to be proposed at the AGM relating to, among other things, (i) the granting of the Issue Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the granting of the Extension Mandate to the Directors; and (iv) the retirement and re-election of Directors.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### 2. ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

By ordinary resolutions passed at the annual general meeting of the Company held on 7 September 2016, the Directors were granted a general mandate to repurchase Shares and a general mandate to allot, issue and deal with Shares. These mandates will expire at the conclusion of the forthcoming AGM. At the AGM, the following resolutions (among other matters) will be proposed:

- (a) to grant the Issue Mandate to the Directors, i.e. to exercise all the powers of the Company to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution;
- (b) to grant the Repurchase Mandate to the Directors, i.e. to exercise all the power of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution; and
- (c) to grant the Extension Mandate, i.e. to increase the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, the total issued share capital of the Company included 8,910,242,737 Shares. Subject to the passing of the proposed resolution for the grant of the Issue Mandate and on the basis that no Shares are allotted and issued or repurchased by the Company prior to the AGM, the maximum number of new Shares to be issued under the Issue Mandate (if approved by the Shareholders at the AGM) is 1,782,048,547 Shares.

Each of the Issue Mandate and the Repurchase Mandate, if approved, will continue in force until the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; or (b) the end of the period within which the Company is required by the Companies Act or the Bye-laws to hold its next annual general meeting; or (c) the revocation or variation of the authority given under such resolution by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company following the AGM.

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution for the grant of the Repurchase Mandate to the Directors. The explanatory statement required by the Listing Rules is set out in Appendix I to this circular.

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## **LETTER FROM THE BOARD**

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The Directors wish to state that they have no immediate definitive plans to issue any new Shares pursuant to the Issue Mandate. With reference to the Repurchase Mandate, the Directors have no immediate plan to repurchase any Shares pursuant thereof.

### **3. RETIREMENT AND RE-ELECTION OF DIRECTORS**

At the AGM, Mr. YEUNG Sau Chung and Mr. LIU Shun Chuen will retire from office by rotation in accordance with Bye-law 87(2) of the Bye-laws. All the above mentioned Directors will offer themselves for re-election as Directors of the Company at the forthcoming AGM.

The biographical details of Mr. YEUNG Sau Chung and Mr. LIU Shun Chuen are set out in Appendix II to this circular.

### **4. AGM AND PROXY ARRANGEMENT**

A notice convening the AGM to be held at 20/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Thursday, 31 August 2017 at 11:00 a.m. is set out on pages AGM-1 to AGM-5 of this circular. At the AGM, in addition to the ordinary businesses of the meeting, resolutions will be proposed for approval on the proposed Issue Mandate, the Repurchase Mandate and the Extension Mandate as special businesses.

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM or any adjourned meeting should you so wish.

### **5. VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the AGM will demand a poll for all the resolutions to be put forward at the AGM pursuant to Bye-law 66 of the Bye-laws. The Company will appoint scrutineers to handle vote-taking procedures at the AGM. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible after the AGM in accordance with Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### 6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 7. RECOMMENDATION

The Board is pleased to recommend Mr. YEUNG Sau Chung and Mr. LIU Shun Chuen to stand for re-election by Shareholders as Directors. The Directors also consider that the proposed resolutions set out in the notice of AGM, including the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all the Shareholders to vote in favour of the said ordinary resolutions to be proposed at the AGM.

Yours faithfully,  
By order of the Board  
**Sustainable Forest Holdings Limited**  
**YEUNG Sau Chung**  
*Chairman*



*This appendix serves as an explanatory statement, as required under the Listing Rules, to provide requisite information to Shareholders in connection with the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the authorized share capital of the Company was HK\$575,340,000 divided into (i) 30,000,000,000 Shares, among which a total of 8,910,242,737 Shares were issued and fully paid-up and (ii) 27,534,000,000 Preferred Shares, among which a total of 9,655,527,221 Preferred Shares were issued, outstanding and fully paid-up.

Subject to the passing of the relevant ordinary resolution at the AGM approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 891,024,273 Shares.

## **2. REASONS FOR REPURCHASES**

The Directors believe that the proposed grant of the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. The Repurchase Mandate will give the Company the flexibility to repurchase Shares as and when appropriate. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASES**

Repurchases of Shares must be made out of funds legally available for the purpose and in accordance with the Bye-laws, the Listing Rules, the laws of Bermuda and other applicable laws, being profits available for distribution and proceeds of a new issue of Shares made for such purpose and it is envisaged that the funds required for any repurchase would be derived from such sources.

**4. IMPACT ON WORKING CAPITAL OR GEARING POSITION**

Taking into account the current working capital position of the Company, the Directors consider that, the exercise of the Repurchase Mandate in full will have a material adverse impact on the working capital and/or gearing position of the Company as compared with the position disclosed in the Company's audited financial statements for the year ended 31 March 2017. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. DISCLOSURE OF INTERESTS**

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, none of the Directors nor, any of their associates have a present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

No connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorized to make repurchases of Shares.

**6. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws, the laws of Bermuda and the applicable laws.

**7. EFFECT OF THE TAKEOVERS CODE**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

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**APPENDIX I****EXPLANATORY STATEMENT ON  
THE REPURCHASE MANDATE**

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As at the Latest Practicable Date, to the best knowledge of the Directors, the following Shareholders were interested in 5% or more of the Company's issued Share capital:

<b>Name of Shareholder</b>	<b>Number of Shares held as at the Latest Practicable Date</b>	<b>Percentage of holding as at the Latest Practicable Date</b>	<b>Percentage of holding if the Repurchase Mandate is exercised in full</b>
Assure Gain International Limited ("Assure Gain") (Note 1)	744,508,207	8.36%	9.28%
Winner Global Holdings Limited ("Winner Global") (Note 1)	213,360,741	2.39%	2.66%
Splendid Asset Holdings Limited ("Splendid Asset") (Note 1)	<u>220,733,622</u>	<u>2.48%</u>	<u>2.75%</u>
<b>TOTAL</b>	<b><u>1,178,602,570</u></b>	<b><u>13.23%</u></b>	<b><u>14.69%</u></b>
Ocean Honor Limited ("Ocean Honor") (Note 2)	2,194,847,088	24.63%	27.37%

Note:

- (1) Ms. Loh Jiah Yee, Katherine, is beneficially interested in 100% of the issued share capital of Assure Gain. Assure Gain owns 100% of the issued share capital of Winner Global and Splendid Asset respectively. As at the Latest Practicable Date, Assure Gain is the holder of 744,508,207 Shares and 2,485,386,889 Preferred Shares carrying rights to convert into 77,668,340 Shares, Winner Global is the holder of 213,360,741 Shares and Splendid Asset is the holder of 220,733,622 Shares. Assure Gain, Winner Global and Splendid Asset held in aggregate 1,178,602,570 Shares.
- (2) Ms. Chan Man Ling is beneficially interested in 100% of the issued share capital of Ocean Honor. Ocean Honor is the holder of 2,194,847,088 Shares and 2,534,575,896 Preferred Shares carrying rights to convert into 79,205,496 Shares.

Save as aforesaid and based on the information available to the Directors as at the Latest Practicable Date, the Directors are not aware of any consequences or implications which may arise under the Takeovers Code as a result of exercising the power to repurchase Shares under the Repurchase Mandate. The Directors have no present intention of exercising the Repurchase Mandate.

The Directors are also aware that the Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in the hands of the public. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the Company failing to comply with the public float requirements under the Rule 8.08 of the Listing Rules.

#### **8. SHARES PURCHASES MADE BY THE COMPANY**

During the last six months preceding the Latest Practicable Date, the Company did not repurchase any Shares on the Stock Exchange or otherwise.

**9. SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve (12) calendar months immediately preceding the Latest Practicable Date were as follows:

	<b>Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2016</b>		
July	0.111	0.096
August	0.102	0.075
September	0.107	0.093
October	0.122	0.090
November	0.135	0.089
December	0.125	0.095
<b>2017</b>		
January	0.129	0.094
February	0.114	0.100
March	0.108	0.085
April	0.087	0.064
May	0.074	0.060
June	0.067	0.051
July (up to the Latest Practicable Date)	0.062	0.050

*Pursuant to the Listing Rules, stated below are the biographical details of the Directors who will retire and be eligible for re-election at the AGM.*

**EXECUTIVE DIRECTORS****Mr. YEUNG Sau Chung**

Mr. YEUNG Sau Chung, aged 51, joined the Group in June 2015 as an Executive Director and a member of the Executive Committee. He has more than 20 years experience in research and analysis of investment portfolios and in risk management. He holds a Bachelor of Arts degree in Accountancy from City University of Hong Kong. Mr. Yeung will be responsible for the overall management of the Company. Mr. Yeung was an executive director of Qingdao Holdings International Limited (formerly known as HyComm Wireless Limited, Stock Code: 499) and resigned on 20 November 2014. Save as disclosed above, Mr. Yeung did not hold any other directorships in any other publicly listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Yeung has entered into a service agreement with the Group regarding his appointment as an Executive Director for a term of 2 years commencing from 5 June 2017, subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Bye-laws of the Company. The service agreement may be terminated by either party by giving one month's prior written notice or payment in lieu. Mr. Yeung is entitled to a director's fee of HK\$997,440 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation.

**Mr. LIU Shun Chuen**

Mr. LIU Shun Chuen, aged 54, joined the Group in June 2015 as an Executive Director and a member of the Executive Committee. He holds a Bachelor of Science degree in Business Administration from San Francisco State University, United States of America, and a Bachelor degree in Estate Management from University of Reading, United Kingdom. He has more than 15 years experience in property development and investment in Hong Kong and the PRC. Mr. Liu will be responsible for the overall corporate strategy of the Company. Mr. Liu was an executive director of Qingdao Holdings International Limited (formerly known as HyComm Wireless Limited, Stock Code: 499) and resigned on 27 September 2014. Save as disclosed above, Mr. Liu did not hold any other directorships in any other publicly listed companies in the last three years and does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Liu has entered into an appointment letter with the Group regarding his appointment as an executive Director for a term of 2 years commencing from 5 June 2017, subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the Bye-laws of the Company. The appointment letter may be terminated by either party by giving one month's prior written notice or payment in lieu. Mr. Liu is entitled to a director's fee of HK\$579,600 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation.

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## NOTICE OF AGM

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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 (“**AGM**”) of Sustainable Forest Holdings Limited (“**Company**”) will be held at 20/F, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong on Thursday, 31 August 2017 at 11:00 a.m. (or an adjournment thereof) to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions:

#### ORDINARY BUSINESSES

1. To receive and adopt the audited consolidated financial statements and the reports of the directors (“**Directors**”) and auditor of the Company for the year ended 31 March 2017.
2.
  - (i) To re-elect Mr. YEUNG Sau Chung as an executive Director.
  - (ii) To re-elect Mr. LIU Shun Chuen as an executive Director.
3. To authorise the board (“**Board**”) of Directors to fix the remuneration of the Directors.
4. To re-appoint Crowe Horwath (HK) CPA Limited as auditor of the Company and authorize the Board to fix their remuneration.

\* For identification purpose only



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## NOTICE OF AGM

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### SPECIAL BUSINESSES

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

5. **“THAT:**
- (a) subject to paragraph (c) below, 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\$0.01 each (“**Shares**”) in the 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, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above 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 power after the end of the Relevant Period;
  - (c) the aggregate nominal amount of Shares 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 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; 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; or

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## NOTICE OF AGM

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(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 (“**Bye-laws**”), 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 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; and
- (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.

“Rights Issue” means an offer of Shares of the Company open for a period fixed by the Directors 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 of members of the Company 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 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).”

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## NOTICE OF AGM

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6. “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange 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 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; and
- (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.

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## NOTICE OF AGM

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7. “**THAT**, subject to the passing of Resolutions Nos. 5 and 6 set out in the notice convening this AGM, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to Resolution No. 5 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 Resolution No. 6, 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**  
**YEUNG Sau Chung**  
*Chairman*

Hong Kong, 28 July 2017

*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 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 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 Level 22, Hopewell Centre, 183 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) The register of members of the Company will be closed from Monday, 28 August 2017 to Thursday, 31 August 2017, both days inclusive, for the purpose of determining the right to attend and vote at the AGM, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share register in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 25 August 2017.
- (6) As at the date of this notice, the Board comprises Mr. YEUNG Sau Chung, Mr. MUNG Wai Ming and Mr. LIU Shun Chuen as executive directors; and Mr. William Keith JACOBSEN, Mr. WU Wang Li and Mr. NG Wai Hung as independent non-executive directors.