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CHINA FORESTRY HOLDINGS CO., LTD.

中國森林控股有限公司

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 930)

PLACING OF EXISTING SHARES BY A SHAREHOLDER

This announcement is made by China Forestry Holdings Co., Ltd. (the “Company”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of the Company announces that it has been informed by Top Wisdom Overseas Holdings Limited (“Top Wisdom”), a shareholder of the Company, that after trading hours on 12 January 2011, Top Wisdom has entered into a placing agreement (the “Placing Agreement”) with Standard Chartered Securities (Hong Kong) Limited (“Standard Chartered”) for the placing of an aggregate of 119,000,000 shares (“Sale Shares”) of US\$0.001 each in the share capital of the Company (the “Shares”) to not less than six professional, institutional and/or individual investors (the “Placees”) who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined under the Listing Rules) at a price of HK\$3.35 per Sale Share (the “Placing”). The entire issued share capital of Top Wisdom is owned by Mr. Li Hanchun, the chief executive officer, an executive director and a shareholder of the Company. The Sale Shares represent approximately 3.89% of the existing issued share capital of the Company.

Top Wisdom undertakes to Standard Chartered that, for a period commencing on the date of the Placing Agreement until the expiry of six months from the completion of the Placing, Top Wisdom will not and will procure that none of its nominees or companies controlled by it (whether individually or together and whether directly or indirectly) will, without the prior written consent of Standard Chartered, sell, transfer, grant options over, charge or otherwise dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or interests therein (or make an offer for such sale, transfer, grant, charge or disposal) beneficially owned by Top Wisdom as at the date of the Placing Agreement.

As at 12 January 2011 and immediately prior to the Placing, Top Wisdom directly held 194,175,000 Shares, representing approximately 6.34% of the existing issued share capital of the Company. Upon completion of the Placing, Top Wisdom will hold 75,175,000 Shares, representing approximately 2.46% of the existing issued share capital of the Company.

Mr. Li Han Chun has indicated that he currently has no intention to leave the Company after this transaction.

By order of the Board
Li Kwok Cheong
Chairman

Hong Kong, 12 January 2011

As at the date of this announcement, the executive directors of the Company are Mr. Li Kwok Cheong, Mr. Li Han Chun and Mr. Lin Pu, the non-executive directors of the Company are Mr. Xiao Feng, Mr. Li Zhi Tong and Mr. Meng Fanzhi, and the independent non-executive directors of the Company are Mr. Wong Tak-jun, Mr. Liu Can and Mr. Zhu Demiao.