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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)

SUSPENSION OF TRADING

Reference is made to the announcement of the China Forestry Holdings Co., Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 26 January 2011.

The board of directors of the Company would like to inform the shareholders of the Company that during the audit process in respect of the financial year ended 31 December 2010 currently underway, possible irregularities have been identified by KPMG, the auditors of the Company. Accordingly, the Company has applied for suspension of trading in the shares of the Company in the interest of the Company and its shareholders as a whole.

An independent board committee composed of Mr. Liu Can (an independent non-executive director of the Company (“**Director**”) and the chairman of the independent board committee), Mr. Zhu Demiao (an independent non-executive Director) and Mr. Xiao Feng (a non-executive Director) has been established to conduct an inquiry into the matters concerned according to an action plan approved by the board of Directors (the “**Board**”). Duties of persons suspected to be involved in the possible irregularities have been suspended. In addition, measures have been taken to tighten control over the assets of the Group with a view to ensure that the assets of the Group will not be inappropriately transferred or utilised during the course of the inquiry.

The Board also confirmed that the Group’s business operations have not been affected by the matters being inquired and that the Group has sufficient financial resources to pay off all existing loans and payables, expenses and carry on its operations.

Trading in the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited will remain suspended. Further announcement will be made to keep the shareholders and the investing public informed.

By Order of the Board
China Forestry Holdings Co., Ltd.
Li Kwok Cheong
Chairman

Hong Kong, 31 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.