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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)

UPDATES ON RECENT DEVELOPMENTS AND SUSPENSION OF TRADING

Reference is made to the announcements of the Company dated 26 January 2011, 31 January 2011, 2 March 2011, 3 March 2011, 29 April 2011, 14 October 2011, 27 April 2012 and 30 April 2012, respectively.

The Board wishes to provide an update to the Shareholders regarding the latest developments concerning the Company and the suspension of trading in the Shares.

UPDATE ON BUSINESS OPERATIONS

Harvesting Activities

Since July 2012, the Company has harvested and sold approximately 28,000 cubic meters (unaudited) of timbers in Sichuan and Yunnan provinces.

Wood Trading Activities

Since July 2012, the Company has sold approximately 23,000 cubic meters of logs (unaudited) in Manzhouli, Yichun and Yunnan province.

Investment in Manzhouli Triple Success Co. Ltd.

The acquisition of Manzhouli Triple Success Co. Ltd. (“**Triple Success**”) was completed on 27 April 2012. Triple Success is engaged in the provision of wood processing services for timber logs in the PRC. Through the acquisition, the Group will be able to expand its business to downstream operation. The Company is now focusing on resources integration, liaising with suppliers and developing PRC and international clientele. Production is expected to ramp up during 2013.

Wood-frame House Business

The Company has engaged in the strategic expansion into the wood-frame house manufacturing and construction business, which is expected to strengthen the revenue base of the Company. The Company has secured a wood-frame house project in Tangshan, Hebei. The wood-frame house project is currently under construction.

UPDATE ON FORESTRY RIGHT OWNERSHIP

As disclosed in the announcement of the Company dated 27 April 2012, the area of forests covered by the forestry rights certificates reviewed in the course of the Independent Investigation represents approximately 41% of the area of forests in which the Group owned forestry rights as at 31 December 2010 as disclosed in the Company's 2010 annual report.

As at 31 December 2011, (i) the Company possessed forestry ownerships certificates (“**FOC**”) representing approximately 33,000 hectares and 67,000 hectares of forests in Sichuan and Yunnan, respectively; and (ii) the Company has received confirmations from the relevant forestry bureaus confirming its ownership of forestry rights of approximately 54,000 hectares of forests additionally. The Company is now working on the recovery of FOCs and expect more FOCs to be recovered by the end of 2012.

UPDATE ON INTERNAL CONTROL REVIEW

As disclosed in the announcement of the Company dated 30 April 2012, the Company has completed the First Phase Internal Control Review and the Second Phase Internal Control Review, the scope and findings of which are set out in the said announcement.

The Company would like to inform the Shareholders and the investment public that it is arranging another phase of internal control review (the “**Third Phase Internal Control Review**”). The purpose of the Third Phase Internal Control Review is to ensure effective controls are in place within the Group, especially pinpointing to those weaknesses found in the Independent Investigation report.

SUSPENSION OF TRADING

As disclosed in the announcement of the Company dated 26 January 2011, Shares of the Company have been suspended from trading since 10:24 a.m., 26 January 2011 at the request of the Company. The Company is in the process of devising a plan for resumption of trading in its Shares on the Stock Exchange and has appointed Somerley Limited and Reorient Financial Markets Limited as its financial advisors in this regard.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of directors of the Company
“Company”	China Forestry Holdings Co., Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“First Phase Internal Control Review”	a review of the Group’s internal control system conducted by the Internal Control Review Consultant during July and August 2011
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent board committee of the Board established to conduct an inquiry into the Irregularities as disclosed in the announcement of the Company dated 31 January 2011
“Independent Investigation”	the forensic review conducted by the Independent Board Committee with the assistance of a major accounting firm and other professionals engaged by the Company for the period from 2006 to 2010 in relation to, among other things, the Irregularities and any other matters as disclosed in the announcement of the Company dated 27 April 2012
“Internal Control Review Consultant”	a major accounting firm engaged by the Company to conduct the First Phase Internal Control Review, the Second Phase Internal Control Review and the Third Phase Internal Control Review
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Phase Internal Control Review”	a review of the Group’s internal control system conducted by the Internal Control Review Consultant during March 2012
“Shares”	shares of the Company

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

* *denotes English translation of the name of a Chinese company or entity or vice versa and is provided for identification purposes only.*

Hong Kong, 23 November 2012

As at the date of this announcement, the executive directors of the Company are Mr. Li Kwok Cheong 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. Liu Can, Dr. Liu Yongping and Ms. Hsu Wai Man, Helen.