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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)**

## **CLARIFICATION**

Reference is made to the announcement (the “**Announcement**”) of China Forestry Holdings Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 23 May 2013. Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used in this announcement.

It was previously disclosed in the Announcement that to the best of the Board’s knowledge having made all reasonable enquiry at the time of the Announcement, the sister-in-law of the Chairman, Ms. Su Qianqian (蘇倩倩) (“**Ms. Su**”), who was the legal representative of the Mortgagor was not a director of the Mortgagor. The information regarding the Mortgagor as disclosed in the Announcement was based on the information provided by the Borrower before the publication of the Announcement.

Subsequent to the publication of the Announcement, the Board made further attempts to ascertain and verify the information about the Mortgagor by requesting the Borrower to liaise with the Mortgagor to provide a copy of the registration of directors, managers and supervisors (the “**Corporate Documents**”) of the Mortgagor. Upon the request of the Board, the Borrower eventually obtained a copy of the Corporate Documents from the Mortgagor and provided the same to the Company. We also independently conducted a search for the corporate documents of the Mortgagor at the relevant administration for industry and commerce (the “**AIC**”) through our PRC legal advisers and retrieved a set of documents of the Mortgagor filed with the AIC (the “**Search Result**”). After reviewing the information as shown in the Corporate Documents and the Search Result, the Board would like to inform the Shareholders and the investment public and clarify that based on the Corporate Documents and the Search Result and as confirmed by the Borrower, Ms. Su was the sole director and the manager of the Mortgagor at the time of the Loan Agreement. The Board confirmed that other than the fact that Ms. Su was the sole director and the manager of the Mortgagor, the Corporate Documents did not reveal any other facts that were inconsistent with the disclosure regarding the Mortgagor in the Announcement. The Board further confirmed that, despite the directorship of Ms. Su in the Mortgagor, the Mortgagor was not a connected person of the Company because the Mortgagor was not an

“associate” of Ms. Su within the meaning of such term as defined under Rule 1.01 and Rule 14A.11(4) of the Listing Rules, as Ms. Su was not a shareholder of the Mortgagor, did not have any voting power at general meetings of the Mortgagor and did not control the composition of the board of directors of the Mortgagor, which was controlled by the major shareholder of the Mortgagor. Therefore, the Loan Agreement did not constitute a connected transaction of the Company under the Listing Rules.

In connection with the above matters, the Board would also like to clarify that in note 23 to the financial statements of the Company set out on page 106 of the Company’s 2012 annual report dated 30 April 2013 (the “**2012 Annual Report**”), where it was stated that the “legal representative of 呈獻 is 蘇倩倩”, it should be stated that the “legal representative, the sole director and the manager of 呈獻 is 蘇倩倩”.

The Board apologizes for the oversight in verifying the information about Ms. Su as disclosed in the Announcement and the 2012 Annual Report and any inconvenience it may cause to the Shareholders and the investment public.

By the order of the Board  
**China Forestry Holdings Co., Ltd.**  
**Mr. Li Kwok Cheong**  
*Chairman*

Hong Kong, 19 July 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Li Kwok Cheong, Mr. Lin Pu and Mr. Wei Bin, 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.*