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CHINA FORESTRY HOLDINGS CO., LTD.

中國森林控股有限公司

(In Official Liquidation)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 930)

INSIDE INFORMATION

This announcement is made by the Joint Official Liquidators of China Forestry Holdings Co., Ltd. (In Official Liquidation) (the “Company”) pursuant to Rules 13.09 and 13.24A of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (“SFO”).

Reference is made to recent press articles which reported that the Securities and Futures Commission (“SFC”) has initiated legal proceedings against the Company, its management, Standard Chartered Securities (Hong Kong) Limited (“SCB”) and UBS AG (“UBS”) (the joint sponsors) and KPMG (the reporting accountants) in respect of the Company’s initial public offering (“IPO”) in 2009. It was reported that the SFC is seeking compensation from the above parties to restore independent minority shareholders who had bought the Company’s shares and held them at the time trading was suspended in January 2011.

As at the date of this announcement, the Company has not been served with the Writ of Summons issued by SFC. However, the Liquidators understand that, in a Writ of Summons dated 16 January 2017 filed with the High Court of Hong Kong SAR (“HK Court”), the SFC is seeking a number of orders against the Company, Li Kwok Cheong, Li Han Chun, SCB, UBS and KPMG (collectively, “Defendants”) including, inter alia, the following:

1. Order under the SFO in respect of market misconduct concerning the Company’s IPO prospectus, annual results announcement and annual report of the Company for the year ended 31 December 2009 and interim results announcement and interim report of the Company for the 6 months ended 30 June 2010;
2. Order pursuant to the SFO requiring the Defendants to take such steps as the HK Court may direct including steps to restore the independent minority shareholders of the Company to any transaction entered into as a result of the Defendants’ conduct referred to in paragraph 1 above and who held shares in the Company as at 31 January 2011 to the position in which they were before the transaction was entered into; and

3. further, or in the alternative to paragraph 2 above, an Order under SFO requiring the Defendants (or one or some of them) to pay damages (which may include interest) to the independent minority shareholders of the Company who had entered into any transaction as a result of the Defendants' conduct referred to in paragraph 1 above and who held shares in the Company as at 31 January 2011.

The Company will seek legal advice as necessary and further announcements will be made as and when appropriate.

Trading in the shares of the Company has been suspended since 26 January 2011 and will remain suspended until further notice.

For and on behalf of
China Forestry Holdings Co., Ltd.
(In Official Liquidation)
Cosimo Borrelli
and
Margot MacInnis
Joint Official Liquidators

Hong Kong 24 January 2017

On the basis of the information available from the previous announcements made by the Company, the Board of Directors of the Company comprises: Mr Li Kwok Cheong and Mr Lin Pu as executive directors, Mr Li Zhi Tong and Mr Meng Fan Zhi as non-executive directors; and Mr Liu Can as independent non-executive director.