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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)**

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of China Forestry Holdings Co., Ltd. (the “**Company**”) for the year ended 31 December 2010 will be held at No. 6 Conference Hall on 3rd Floor, Kuntai Royal Hotel, B12 Chaoyangmenwai Avenue, Beijing, the People’s Republic of China on Friday, 17 February 2012 at 10:00 a.m. for the purpose of transacting the following business:

1. To consider and, if thought fit, to adopt the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2010, together with the reports of the directors and auditors of the Company thereon.
2. To consider and, if thought fit, to approve a distribution of a special dividend of HK\$0.0254 per share of the Company, in the aggregate amount of HK\$77,677,000, and to authorise the board of directors of the Company (the “**Board**”) to implement the aforesaid distribution.
3.
  - (a) To consider and, if thought fit, to re-elect Mr. Liu Pu as an executive director of the Company;
  - (b) To consider and, if thought fit, to re-elect Mr. Li Zhi Tong as a non-executive director of the Company;
  - (c) To consider and, if thought fit, to re-elect Mr. Meng Fan Zhi as a non-executive director of the Company;
  - (d) To consider and, if thought fit, to re-elect Mr. Wong Tak-jun as an independent non-executive director of the Company;
  - (e) To consider and, if thought fit, to re-elect Mr. Liu Can as an independent non-executive director of the Company;

- (f) To consider and, if thought fit, to re-elect Mr. Zhu De Miao as an independent non-executive director of the Company; and
  - (g) To consider and, if thought fit, to re-elect Ms. Hsu Wai Man, Helen as an independent non-executive director of the Company.
4. To consider and, if thought fit, to authorise the Board to fix the directors' remuneration.
  5. To consider and, if thought fit, to re-appoint Crowe Horwath (HK) CPA Limited as the auditors of the Company and to authorise the Board to fix their remuneration.

As a special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

6. **“THAT** the removal of Mr. Li Han Chun as an executive director of the Company be and is hereby approved.”

As special businesses, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

7. **“THAT** the general mandate unconditionally given to the directors of the Company (the **“Directors”**) to allot, issue and deal with shares in the share capital of the Company, and to make or grant offers, agreements and options in respect thereof including warrants to subscribe shares, which would or might require the exercise of such powers, be and it is hereby generally and unconditionally approved in substitution for and to the exclusion of any existing authority previously granted, subject to the following conditions:
  - (a) the mandate shall not extend beyond the Relevant Period (as defined below), except that the Directors might during the Relevant Period make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
  - (b) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors, otherwise than pursuant to (i) a Rights Issue (as defined below), (ii) the exercise of the subscription rights attaching to any warrant in the Company or (iii) the exercise of any options granted under any option scheme adopted by the Company, shall not exceed 20% of the aggregate nominal value of the share capital of the Company in issue at the date of passing of this Resolution; and

(c) for the purposes of this Resolution,

“Relevant Period” means the period from the date of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the mandate given under this Resolution by an ordinary resolution of the shareholders in general meeting; or
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

8. **“THAT** a general mandate be and is hereby unconditionally given to the Directors, in substitution for and to the exclusion of any existing authority previously granted, to exercise all powers of the Company, to repurchase shares in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, provided that:

- (a) the mandate shall not extend beyond the Relevant Period (as defined below);
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and

(c) for the purposes of this Resolution,

“Relevant Period” means the period from the date of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the mandate given under this Resolution by ordinary resolution of the shareholders in general meeting; or
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held.”

9. “**THAT** conditional upon the passing of the Resolutions Nos. 7 and 8 as set out in the notice of the Annual General Meeting of which this Resolution forms part, the general mandate granted to the Directors to allot shares pursuant to the said Resolution No. 7 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the said Resolution No. 8.”

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

Hong Kong, 13 January 2012

The Directors as at the date of this notice are:

*Executive Directors:*

Mr. Li Kwok Cheong (*Chairman*)  
Mr. Li Han Chun (duties suspended)  
Mr. Lin Pu

*Non-Executive Directors:*

Mr. Xiao Feng  
Mr. Li Zhi Tong  
Mr. Meng Fan Zhi

*Independent Non-Executive Directors:*

Mr. Wong Tak-jun  
Mr. Liu Can  
Mr. Zhu De Miao  
Ms. Hsu Wai Man, Helen

*Notes:*

- (1) Any Shareholder entitled to attend and vote at the annual general meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a Shareholder.
- (2) In order to be valid, a form of proxy and the power of attorney (if any) or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the annual general meeting or any adjournment thereof.
- (3) The register of members of the Company will be closed from Wednesday, 15 February 2012 to Friday, 17 February 2012, both days inclusive, during which period no transfer of shares in the Company will be effected. In order to qualify for the right to attend and vote at the annual general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 14 February 2012.
- (4) The register of members of the Company will be closed from Thursday, 23 February 2012 to Friday, 24 February 2012, both days inclusive, during which period no transfer of shares in the Company will be effected. In order to qualify for the special dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 22 February 2012. It is currently expected by the Company that the payment of the special dividend will be made on or after Friday, 9 March 2012.
- (5) Delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the annual general meeting convened and in such event, the form of proxy shall be deemed to be revoked.
- (6) In the case of joint registered holders of any Share, any one of such joint registered holders may vote at the annual general meeting, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint registered holders be present at the annual general meeting, the vote of the senior who tenders a vote either personally or by proxy shall be accepted to the exclusion of the votes of the other joint registered holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (7) With respect to Resolution No. 3 of this notice, Messrs. Lin Pu, Li Zhi Tong, Meng Fan Zhi, Wong Tak-jun, Liu Can, Zhu De Miao and Hsu Wai Man, Helen shall retire and, being eligible, offer themselves for re-election. Details of their information which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated 13 January 2012.
- (8) In relation to Resolution Nos. 7 and 9 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to allot and issue shares of the Company. The Directors have no immediate plans to issue any new shares of the Company.
- (9) In relation to Resolution No. 8 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the Resolution as required by the Listing Rules is set out in the Appendix I in the circular of the Company dated 13 January 2012.