
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Forestry Holdings Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
(2) RE-ELECTION OF DIRECTORS
(3) RE-APPOINTMENT OF AUDITORS
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at No.6 Conference Hall on 3rd Floor, Kuntai Royal Hotel, B12 Chaoyang Menwai Avenue, Beijing, the People's Republic of China on Friday, 15 June 2012 at 10:30 a.m. is set out on pages 14 to 17 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

17 May 2012

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at No. 6 Conference Hall on 3rd Floor, Kuntai Royal Hotel, B12 Chaoyang Menwai Avenue, Beijing, the People’s Republic of China on Friday, 15 June 2012 at 10:30 a.m., or where the context so admits, any adjournment thereof
“Articles”	the articles of association of the Company
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business for dealing in securities
“Company”	China Forestry Holdings Co., Ltd. (中國森林控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares of up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	11 May 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Li Kwok Cheong (*Chairman*)

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

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business
in Hong Kong:*

Room 2507, 25th Floor

Bank of America Tower

12 Harcourt Road

Central, Hong Kong

17 May 2012

To the Shareholders

Dear Sir/Madam,

(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
(2) RE-ELECTION OF DIRECTORS
(3) RE-APPOINTMENT OF AUDITORS
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM for the approval of, inter alia:

- (a) the grant of the Repurchase Mandate, the Issue Mandate and the extension of the Issue Mandate;

LETTER FROM THE BOARD

- (b) the re-election of Directors; and
- (c) the re-appointment of auditors of the Company.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors the Repurchase Mandate, being a general mandate to the Directors to exercise the powers of the Company to repurchase, in the terms as stated in such ordinary resolution, Shares in and up to a maximum of 10% of the issued share capital of the Company at the date of passing of such ordinary resolution.

In addition, two ordinary resolutions will be proposed at the AGM, (1) to grant to the Directors the Issue Mandate, being a general mandate to allot, issue and deal with additional Shares in and up to a maximum of 20% of the issued share capital of the Company as at the date of passing of such resolution; and (2) to extend the limit under the Issue Mandate if granted to the Directors the number of Shares representing the number of the Shares which may be repurchased by the Company under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) revocation or variation by an ordinary resolution of the shareholders of the Company in a general meeting; or (c) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held.

As at the Latest Practicable Date, a total of 3,060,452,000 Shares were in issue. Subject to the passing of the proposed ordinary resolution approving the Issue Mandate and assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the date of passing the abovementioned resolution in respect of the Issue Mandate, the maximum number of Shares that may be issued by the Directors pursuant to the Issue Mandate is 612,090,400 Shares.

An explanatory statement, as required under the Listing Rules, regarding the repurchase by companies with primary listings on the Stock Exchange of their own securities to provide the requisite information on the Repurchase Mandate, is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with articles 84(1) and 84(2) of the Articles, Messrs. Li Kwok Cheong, Xiao Feng and Meng Fan Zhi will retire at the AGM, and being eligible, will offer themselves for re-election at the AGM. The Company clarifies that Mr. Zhu De Miao will not retire at the AGM as disclosed in the results announcement of the Company dated 27 April 2012.

Information on the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

RE-APPOINTMENT OF AUDITORS

In accordance with the Articles, Crowe Horwath (HK) CPA Limited will retire as the auditors of the Company at the AGM. Crowe Horwath (HK) CPA Limited has indicated their willingness to be re-appointed as the auditors of the Company for the year following the close of the AGM.

A resolution will be proposed at the AGM to approve the re-appointment of Crowe Horwath (HK) CPA Limited as the auditors of the Company.

ANNUAL GENERAL MEETING

Set out on pages 14 to 17 of this circular is a notice convening the AGM to consider and, if thought fit, to approve the resolutions relating to, among other matters, the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-election of Directors and the re-appointment of auditors.

A form of proxy for use at the AGM is enclosed. If you are not able to attend at the AGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of poll by the Shareholders.

RECOMMENDATIONS

The Board considers that (i) the Repurchase Mandate; (ii) the Issue Mandate; (iii) the extension of the Issue Mandate; (iv) the re-election of the retiring Directors; and (v) the re-appointment of Crowe Horwath (HK) CPA Limited as the auditors of the Company, are all in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

ADDITIONAL INFORMATION

The Company will publish an announcement on the voting results of the AGM as soon as possible, but in any event at least 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day following the date of the AGM in accordance with the Listing Rules.

Your attention is also drawn to the additional information set out in the Appendices to this circular.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 13 June 2012 to Friday, 15 June 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 AGM, 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, 12 June 2012.

RESPONSIBILITY OF DIRECTORS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

Yours faithfully,
For and on behalf of the Board of
China Forestry Holdings Co., Ltd.
Li Kwok Cheong
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 3,060,452,000 Shares. Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares will be issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 306,045,200 Shares, representing 10% of the issued share capital of the Company as at the date of the resolution granting the Repurchase Mandate.

SHARE PRICES

The highest and lowest price at which the Shares have been traded on the Stock Exchange during each of the twelve months up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2011		
April		Suspended *
May		Suspended
June		Suspended
July		Suspended
August		Suspended
September		Suspended
October		Suspended
November		Suspended
December		Suspended
2012		
January		Suspended
February		Suspended
March		Suspended
April		Suspended
May (up to the Latest Practicable Date)		Suspended

* *Trading in the Shares on the Stock Exchange has been suspended since 10:24 a.m. on 26 January 2011. The closing price per Share as quoted on the Stock Exchange prior to the aforesaid date of suspension was HK\$2.950.*

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Repurchases of Shares by the Company must be made out of funds which are legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

The Company shall not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Subject to the above, any repurchase of the Shares by the Company may be made out of profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, subject to Cayman Islands Companies Law, out of capital, provided that on the day immediately following the date of repurchase of the Shares, the Company is able to pay its debts as they fall due in the ordinary course of business.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2011) in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as this would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DIRECTORS' DEALING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined under the Listing Rules) have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

EFFECT OF THE TAKEOVERS CODE

A repurchase of Shares may result in an increase in the proportionate interests of a Shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, as far as the Directors are aware, substantial shareholders of the Company having an interest in 10% or more in the issued share capital of the Company are as follows:

Name	Notes	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding
Kingfly Capital Limited ("Kingfly Capital")	1	Beneficial Owner	1,556,950,000	50.87%
		Security Interest	75,000,023	2.45%
Mr. Li Kwok Cheong	1	Interest in controlled corporation	1,556,950,000	50.87%
		Security Interest	75,000,023	2.45%
Silver Capital Enterprise Limited	2	Security Interest	400,000,000	13.07%
Wong Moon Hei	2	Interest in controlled corporation	400,000,000	13.07%
Carlyle Asia Growth Partners III, L.P. ("CAGP")	3	Beneficial owner	322,650,000	10.54%
CAGP General Partner, L.P.	3	Interest in controlled corporation	335,475,000	10.96%
CAGP Ltd.	3	Interest in controlled corporation	335,475,000	10.96%
TC Group Cayman Investment Holdings, L.P.	3	Interest in controlled corporation	335,475,000	10.96%
TCG Holdings Cayman II, L.P.	3	Interest in controlled corporation	335,475,000	10.96%
Carlyle Offshore Partners II, Limited	3	Interest in controlled corporation	335,475,000	10.96%

Notes:

- Kingfly Capital is wholly-owned and controlled by Mr. Li Kwok Cheong and Mr. Li Kwok Cheong is therefore deemed to be interested in the Shares held by Kingfly Capital.

Kingfly Capital, as the chargee in respect of a charge made by Top Wisdom Overseas Holdings Limited as the chargor over 75,000,023 Shares representing approximately 2.45% of the issued share capital of the Company, has a security interest over such Shares.

- Silver Capital Enterprise Limited is wholly owned by Wong Moon Hei.

3. CAGP General Partner, L.P. is the general partner of CAGP and CAGP III Coinvestment, L.P. (“CAGP Coinvestment”) which collectively are interested in 10.96% of the total issued share capital of the Company. CAGP General Partner, L.P. itself acts by its general partner, CAGP Ltd., which in turn is 100% owned, controlled and managed by TC Group Cayman Investment Holdings, L.P., the general partner of which is, TCG Holdings Cayman, L.P. Carlyle Offshore Partners II, Limited is the general partner of TCG Holdings Cayman II, L.P.. Each of CAGP General Partner, L.P., CAGP Ltd., TC Group Cayman Investment Holdings, L.P., TCG Holdings Cayman II, L.P. and Carlyle Offshore Partners II is deemed to be interested in the Shares held by CAGP and CAGP Coinvestment.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Kingfly Capital Limited, being a substantial shareholder of the Company, was beneficially interested in 1,556,950,000 Shares representing approximately 50.87% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full and assuming that there is no change in the number of Shares held by Kingfly Capital Limited and there is no other change to the issued share capital of the Company, the shareholding percentage of Kingfly Capital Limited in the Company will be increased to approximately 56.53%. Based on the information known as at the Latest Practicable Date, the Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchase to be made under the Repurchase Mandate. Nevertheless, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, trigger any potential consequences under the Takeovers Code.

The Directors have no present intention to repurchase Shares to such extent which will result in the amount of Shares held by the public being reduced to less than 25% of the total issued share capital of the Company or such other minimum percentage as prescribed by the Listing Rules from time to time.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares have been made by the Company in the last six months up to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

CONNECTED PERSONS

No connected person (as defined under the Listing Rules) of the Company has notified the Company of a present intention to sell Shares to the Company nor has any such person undertaken not to sell any Shares to the Company in the event that the Repurchase Mandate is granted.

The details of the Directors eligible and offering themselves for re-election at the AGM are set out below:

Mr. Li Kwok Cheong

Li Kwok Cheong (李國昌), aged 54, is our executive Director and chairman. He was appointed as a Director on 21 December 2007. Mr. Li is mainly responsible for the Group's strategic development and oversees the Group's operations and investments. Mr. Li graduated from 中華全國律師函授中心 (Chinese Nation Attorney Teaches by Correspondence the Center), an organization assisting self-learners in legal higher education examination in China, in June 1987. Mr. Li is an entrepreneur and had invested in tobacco trading from 1993 to 2001, before co-founding the Group in 2001. Mr. Li is the council member of the China Council for the Promotion of Environment and Forestry ("CCPEF"). Mr. Li has over 16 years of experience in management, of which over 8 years of experience in the forestry industry. Mr. Li is the sole director of Kingfly Capital Limited, which is a substantial shareholder of the Company.

Mr. Li entered into a service contract with the Company for an initial term of three years commencing from 3 December 2009. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles and is subject to termination by either party giving not less than three months' written notice. Mr. Li is entitled to an annual emolument of RMB4,204,000 as basic remuneration. Such remuneration is determined and adjustable by the Board with reference to his duties and responsibilities and subject to review from time to time.

Save as disclosed above, Mr. Li does not have any relationship with any other directors, senior management, or other substantial shareholders or controlling shareholders of the Company and its subsidiaries.

Mr. Li has not held any directorship in other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Li was interested in 1,631,950,023 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders, and there is no other information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Xiao Feng

Xiao Feng (肖楓), aged 39, is our non-executive Director. He was appointed as a Director on 8 January 2008 when Carlyle Asia Growth Partners III, L.P. and CAGP III Coinvestment, L.P. invested in us and nominated him to our Board. Mr. Xiao is a managing director of the Carlyle Group, which focused on growth capital investment in China. Prior to joining Carlyle in April 2005, Mr. Xiao was a vice general manager at China International Capital Corporation, a well-known investment bank in China, from January 2000 to April 2005. Mr. Xiao received his Master of Business Administration from the China Europe International Business School in April 2000. He obtained a Lawyer's Qualification Certificate in China issued by Ministry of Justice of PRC in June 1997. He also obtained a bachelor degree in electronics and computer science technology and a Bachelor of Arts in English from Tsinghua University in July 1995. Mr. Xiao was appointed as a director of Xtep International Holdings Limited (which shares are listed on the Hong Kong Stock Exchange (Stock code: 1368)) in September 2007 and became its non-executive director in January 2008.

Save as disclosed above, Mr. Xiao did not hold any directorship in other publicly listed companies in the last three years.

Mr. Xiao entered into a service contract with the Company for an initial term of three years commencing from 3 December 2009. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles and is subject to termination by either party giving not less than three months' written notice. Mr. Xiao has waived his annual emolument since 1 April 2011.

Mr. Xiao does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there are no other matters concerning Mr. Xiao that need to be brought to the attention of the Shareholders, and there is no other information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Meng Fan Zhi

Meng Fan Zhi (孟繁志), aged 47, is our non-executive Director. He was appointed as director on 1 January 2011. He has more than 10 years of experience in the forestry industry. Apart from his appointment with the company, he has been acting as the deputy chairman of The China Council for the Promotion of Environment and Forestry since 2010. Prior to his appointment as the deputy chairman, Mr. Meng had been acting as the secretary-general since 2000.

Mr. Meng did not held any other directorships in other listed public companies in the past three years.

Mr. Meng has entered into a service contract with the Company for an initial term of 3 years commencing from 1 January 2011 which may be terminated by either party furnishing written notice of not less than 3 months and in any event subject to rotation, retirement and re-election at annual general meeting pursuant to the articles of association of the company. Mr. Meng is entitled to a directors' remuneration of RMB300,000 per annum and such remuneration is determined with reference to the market conditions and his experience and qualification.

Save as disclosed above, Mr. Meng has no relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company nor does he have any other interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and there are no other matters that need to be brought to the attention of the Shareholders and no other information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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 IS HEREBY GIVEN that the Annual General Meeting of China Forestry Holdings Co., Ltd. (the “**Company**”) for the year ended 31 December 2011 will be held at No.6 Conference Hall on 3rd Floor, Kuntai Royal Hotel, B12 Chaoyang Menwai Avenue, Beijing, the People’s Republic of China on Friday, 15 June 2012 at 10:30 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 2011, together with the reports of the directors and auditors of the Company thereon.
2.
 - (a) To consider and, if thought fit, to re-elect Mr. Li Kwok Cheong as an executive director of the Company;
 - (b) To consider and, if thought fit, to re-elect Mr. Xiao Feng Tong as a non-executive director of the Company; and
 - (c) To consider and, if thought fit, to re-elect Mr. Meng Fan Zhi as a non-executive director of the Company.
3. To consider and, if thought fit, to authorise the Board to fix the directors’ remuneration.
4. To consider and, if though 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 special businesses, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

5. “**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:

NOTICE OF ANNUAL GENERAL MEETING

- (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).

6. “**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:

NOTICE OF ANNUAL GENERAL MEETING

- (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.”

7. “**THAT** conditional upon the passing of the Resolutions Nos. 5 and 6 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. 5 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. 6.”

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

Hong Kong, 17 May 2012

The Directors as at the date of this notice are:

Executive Directors:

Mr. Li Kwok Cheong (*Chairman*)

Mr. Lin Pu

Non-Executive Directors:

Mr. Xiao Feng

Mr. Li Zhi Tong

Mr. Meng Fan Zhi

NOTICE OF ANNUAL GENERAL MEETING

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, 13 June 2012 to Friday, 15 June 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, 12 June 2012.
- (4) 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.
- (5) 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.
- (6) With respect to Resolution No. 3 of this notice, Messrs. Li Kwok Cheong, Xiao Feng and Meng Fan Zhi 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 17 May 2012.
- (7) In relation to Resolution Nos. 5 and 7 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.
- (8) In relation to Resolution No. 6 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 17 May 2012.