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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)

ANNOUNCEMENT PROFIT WARNING FINANCIAL RESULTS FOR SIX MONTHS ENDED 30 JUNE 2011

The announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the holders of the shares and senior notes of the Company and the investment public that the Group is expected to record a loss for the six months ended 30 June 2011 as compared to a profit for the six months ended 30 June 2010.

Shareholders and holders of senior notes of the Company, and investors are advised to exercise caution when dealing in securities and senior notes of the Company.

At the request of the Company, trading in shares of the Company was suspended with effect from 10:24 a.m. on 26 January 2011 and remains suspended until further notice.

This announcement is made by China Forestry Holdings Co., Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the holders of the shares and senior notes of the Company and the investment public that the Group is expected to record a loss for the six months ended 30 June 2011 (the “**Interim Results**”) as compared to a profit for the six months ended 30 June 2010. This is mainly due to (i) the irregularities as disclosed in the announcement of the Company dated 29 April 2011 (the “**Irregularities**”), which had a negative impact on the business operations and financial results of the Group; and (ii) the interest expenses for the senior notes for the six months ended 30 June 2011 (no interest expenses for the senior notes was recorded for the six months ended 30 June 2010 as the senior notes were issued in November 2010).

As the Company is still in the course of compiling and finalizing the Interim Results, the information contained in this announcement is a preliminary assessment by the Board by reference to information currently available to the Board and is not based on any figures or information that has been audited or reviewed by the Company's auditors. Accordingly, the Board is not in a position to give the exact amount of loss at this stage. The Interim Results and the 2011 interim report of the Company will be published as soon as practicable.

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

Hong Kong, 13 July 2011

As at the date of this announcement, the executive directors of the Company are Mr. Li Kwok Cheong, Mr. Li Han Chun (duties suspended) 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. Wong Tak-jun, Mr. Liu Can, Mr. Zhu Demiao and Ms. Hsu Wai Man, Helen.