The forecast of consolidated profit attributable to equity shareholders of our Company for the year ending 31 December 2009 is set out under the section headed "Financial Information— Profit Forecast" in this prospectus.

1. BASES AND ASSUMPTION

Our Directors have prepared the forecast of our consolidated profit attributable to the equity holders of our Company for the financial year ending 31 December 2009 based on the audited consolidated results of our Group for the six months ended 30 June 2009, unaudited consolidated results of the Group for the two months ended 31 August 2009 and a forecast of our consolidated results for the remaining four months ending 31 December 2009.

The profit forecast has been prepared on the basis of accounting policies consistent in all material respects with those normally adopted by us as summarized in the accountant's report, the text of which is set forth in Appendix I to this prospectus.

The forecast fair value of the Group's plantation assets as at 31 December 2009 is valued by CFK (including the underlying assumptions).

Assumptions with respect to change in fair value of plantation assets

Under IAS 41, we are required to reassess the fair value of our plantation assets less costs to sell at each balance sheet date. As there is no active market for such tree plantations, we determine their fair value using a net present value approach based on the projected net cash flows derived from the assets in the future. The aggregate gain or loss arising from changes in the fair value of such assets, less costs to sell, is recognised in our income statement as profit or loss, as the case may be. As a result, our results of operations may be substantially affected by such movements. See "Risk Factors — Risks Relating to Our Business — Our results may fluctuate due to revaluation gains or losses on our forest assets." for further information.

Changes in the fair value of our plantation assets less costs to sell are dependent on market conditions and other factors that are beyond our control. While we have considered for the purposes of the profit forecast what we believe is the best estimate of the fair value of our plantation assets less costs to sell as at 31 December 2009, and our independent forestry asset valuer is of the view that the assumptions upon which the forecast is based are reasonable, the fair value of our plantation assets less costs to sell as at 31 December 2009 may differ materially from our estimate.

The forecast profit of RMB508 million for the year ending 31 December 2009 includes an unrealised gain due to changes in fair value of plantation assets less costs to sell estimated at RMB656 million. In arriving at this estimated unrealised gain, we in conjunction with our independent forestry asset valuer have used a basis of valuation which is, so far as practicable, consistent with the basis of valuation which has been adopted by our independent forestry asset valuer in valuing our plantation assets for the purposes of our audited consolidated financial information for the six months ended 30 June 2009.

We expect the fair value of our plantation assets less costs to sell as at 31 December 2009, and in turn any revaluation gain or loss on plantation assets, to continue to be dependent on market conditions and other factors that are beyond our control, and to be based on the valuation performed by our independent forestry asset valuer involving the use of assumptions that are, by their nature, subjective and uncertain, including those described in "Financial Information — Critical Accounting Policies — Fair value of plantation assets less costs to sell".

The following table illustrates the sensitivity of the net profit attributable to the equity holders of our Company to levels of revaluation gain or loss on our Group's plantation assets for the year ending 31 December 2009:

Changes in the estimated fair value of plantation assets less costs to sell as at 31 December 2009 compared to the relevant estimated revaluation gain of RMB656 million	-15%	-10%	-5%	5%	10%	15%
Impact on profit attributable to the equity holders of the Company (RMB in millions)	(99)	(66)	(33)	33	66	99

This sensitivity illustration is intended for reference only, and any variation could exceed the amounts indicated. Investors should note in particular that (i) this sensitivity illustration is not intended to be exhaustive and is limited to the impact of changes in the fair value of our plantation assets less costs to sell and (ii) the profit forecast is subject to further and additional uncertainties generally. While we have considered for the purposes of the profit forecast what we believe is the best estimate of the revaluation gain on our plantation assets less costs to sell as at 31 December 2009, our actual revaluation gain or loss as at 31 December 2009 may differ materially from our estimate and is dependent on market conditions and other factors that are beyond our control. See "Risks Factors — Risks Relating to the Global Offering and our Share Performance — Our net profit attributable to equity holders of our Company for the year ending 31 December 2009 will involve gains or losses that may arise on revaluation of our plantation assets, which are subject to certain estimates and assumptions."

General assumptions

Our Directors have made the following further assumptions in the preparation of the profit forecast:

1. there will be no material change in existing political, legal or regulatory (including changes in legislation, laws or regulations, government policies or rules), fiscal, market or economic conditions in the PRC;

2. there will be no material change in inflation, interest rates or exchange rates from those prevailing as at the date of this prospectus;

3. there will be no material change in the bases or rates of taxation or duties in the PRC;

4. the Group's operations and business will not be severely interrupted by any force majeure events of unforeseeable factors or any unforeseeable reasons that are beyond the control of the Directors, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents; and

5. there will be no material change in the key parameters which have been used by CFK in determining the fair value of the Group's plantation assets as at 31 December 2008.

2. LETTERS

Set out below are texts of letters received by the Directors from KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, and from the Joint Sponsors in connection with forecast of the consolidated profit attributable to equity shareholders of the Company for the year ending 31 December 2009.

(A) LETTER FROM KPMG

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong prepared for the purpose of incorporation in this prospectus, in respect of the forecast of consolidated profit attributable to equity shareholders of the Company.

KPMG

8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

19 November 2009

The Board of Directors
China Forestry Holdings Co., Ltd.

Dear Sirs,

We have reviewed, in accordance with the Auditing Guideline 3.341 "Accountants' report on profit forecasts" issued by the Hong Kong Institute of Certified Public Accountants, the accounting policies adopted and calculations made in arriving at the forecast of the consolidated profit attributable to equity holders of China Forestry Holdings Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ending 31 December 2009 (the "Profit Forecast"), for which the directors of the Company are solely responsible, as set forth in the section headed "Financial Information" in the prospectus of the Company dated 19 November 2009 (the "Prospectus").

The Profit Forecast has been prepared by the directors of the Company based on the audited consolidated results of the Group for the six months ended 30 June 2009, the unaudited consolidated results of the Group for the two months ended 31 August 2009 and a forecast of the consolidated results of the Group for the remaining four months ending 31 December 2009.

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the assumptions made by the directors as set out in Appendix III of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountant's report dated 19 November 2009, the text of which is set out in Appendix I to the Prospectus.

Without qualifying our opinion above, we draw to your attention that in preparing the Profit Forecast, the directors of the Company have assumed that there will be fair value gains on valuation of plantation assets of RMB656 million which are estimated based on projected valuations at 31 December 2009. While the directors of the Company believe this is the best estimate of the fair value change on the plantation assets for the year ending 31 December 2009, the fair value of the plantation assets and/or any fair value gains or losses on plantation assets as at the relevant time may differ materially from their estimate. Should the actual increase or decrease in fair value of the plantation assets differ from the amount estimated by the directors of the Company, such difference would have the effect of increasing or decreasing the forecast consolidated profit attributable to the equity holders of the Company for the year ending 31 December 2009.

Yours faithfully,

KPMG
Certified Public Accountants
Hong Kong

(B) LETTER FROM THE JOINT SPONSORS

The following is the text of a letter, prepared for inclusion in this prospectus by Cazenove Asia Limited and UBS AG, Hong Kong Branch, the Joint Sponsors, in connection with the profit forecast of the Company for the year ending 31 December 2009.

CAZENOVE ASIA
A Standard Chartered group company

15/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

UBS Investment Bank

52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

19 November 2009

The Board of Directors
China Forestry Holdings Co., Ltd.

Dear Sirs,

We refer to the forecast of the consolidated profit attributable to the equity holders of China Forestry Holdings Co., Ltd. (the "Company") and its subsidiaries (the "Group") for the year ending 31 December 2009 (the "Profit Forecast") as set out in the prospectus issued by the Company dated 19 November 2009 (the "Prospectus").

We have discussed with you the bases and assumptions made by the directors of the Company as set out in Appendix III to the Prospectus upon which the Profit Forecast has been made. We have also considered the letter dated 19 November 2009 addressed to yourselves and ourselves from KPMG, Certified Public Accountants, Hong Kong, regarding the accounting policies and calculations upon which the Profit Forecast has been made.

On the basis of the information comprising the Profit Forecast and on the basis of the accounting policies and calculations adopted by you and reviewed by KPMG, Certified Public Accountants, Hong Kong, we are of the opinion that the Profit Forecast, for which you as the directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of

Cazenove Asia Limited

Joseph Hsu
Director

UBS AG, Hong Kong Branch

Tim Cen
Executive Director

Michael Cheung
Director