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## DEFINITIONS

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*In this prospectus, the following expressions and terms shall have the meanings set out below unless the context otherwise requires. Certain terms are explained in the section headed “Glossary of Technical Terms” in this prospectus.*

“Accession and Amendment Agreement”	an agreement dated 18 March 2008 and entered into between, among others, Mr. Li Kwok Cheong, Kingfly Capital, us, Beijing Zhaolin and the Carlyle Funds to amend the First Share Purchase Agreement and the First Shareholders’ Agreement
“affiliate”	any person, directly or indirectly, controlling or controlled by or under direct or indirect common control with a specified person
“Application Form(s)”	<b>white</b> application form(s), <b>yellow</b> application form(s) and <b>green</b> application form(s) relating to the Hong Kong Public Offering or where the context so requires, any of them
“Articles of Association” or “Articles”	the articles of association of our Company, adopted on 5 November 2009 and as amended from time to time, a summary of which is set out in Appendix VI to this prospectus
“Beijing Zhaolin ”	Beijing Zhaolin Forestry Resources Development Co., Ltd. (北京兆林林業資源開發有限公司), a limited company established in the PRC on 6 August 2001, wholly owned by Li Kwok Cheong, and which forestry assets have been purchased by Kunming Ultra Big, and was engaged in the management and development of forest and sales of logs. It was dissolved and deregistered on 4 September 2008
“Board” or “Board of Directors”	the board of Directors of the Company
“business day”	a day that is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	the British Virgin Islands
“CAGP”	Carlyle Asia Growth Partners III, L.P., an exempted limited partnership organised under the laws of the Cayman Islands, acting through its general partner CAGP General Partner, L.P., an exempted limited partnership formed under the laws of the Cayman Islands (“CAGP LP”) which itself acts through its general partner CAGP, Ltd., an exempted company incorporated under the laws of the Cayman Islands
“CAGP Coinvestment”	CAGP III Coinvestment, L.P., an exempted limited partnership organised under the laws of the Cayman Islands, acting through its general partner CAGP LP which itself acts through its general partner CAGP, Ltd., an exempted company incorporated under the laws of the Cayman Islands
“CAGR”	compound annual growth rate, a method of assessing the average growth of a value over time

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## DEFINITIONS

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“Capitalisation Issue”	the capitalisation issue referred to in the section headed “Further information about our Group — Written Resolutions of our Shareholders” in Appendix VII to this prospectus
“Carlyle Funds”	each of CAGP and CAGP Coinvestment
“Carlyle Group”	T.C. Group, LLC and its affiliated companies and investment funds conducting business as the “Carlyle Group”
“Cayman Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Cazenove Asia”	Cazenove Asia Limited (to be renamed Standard Chartered Securities (Hong Kong) Limited on or around 14 December 2009), an entity incorporated in Hong Kong and licensed under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities. Cazenove Asia Limited is a Standard Chartered group company. The mark “Cazenove” and marks containing “Cazenove” are trade marks of Cazenove IP Limited and are used under limited licence. Cazenove Asia Limited and its subsidiaries and associates are now subsidiaries or associates of Standard Chartered Bank (Hong Kong) Limited, and are not affiliated with J.P. Morgan Cazenove Limited, Cazenove Inc., or their subsidiaries
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
“CCPEF”	the China Council for the Promotion of Environment and Forestry (中國林業與環境促進會), a national non-profit association in China managed by the SFA and established for promoting the proper use of resources, protection of the environment and sustainable economic development
“CFK”	Chandler Fraser Keating Limited, an independent technical consultant engaged by us to value our forests and prepare an independent technical report which is set out in Appendix V to this prospectus

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## DEFINITIONS

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“Chengdu Yishang”	Chengdu Yishang Forestry Resource Development Co., Ltd. (成都億尚林業資源開發有限公司), a limited company established in the PRC on 21 March 2008 and an indirect wholly-owned subsidiary of the Company, and is engaged in the management and development of forest and sales of logs
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this prospectus, Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
“China Zhaoneng”	China Zhaoneng Group Limited (中國兆能集團有限公司), an investment holding company incorporated in Hong Kong on 15 November 2006 and an indirect wholly-owned subsidiary of the Company
“Connected Person”	any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates
“Controlling Shareholders”	has the meaning ascribed thereto under the Hong Kong Listing Rules and unless the context requires otherwise, refer to Kingfly Capital and Mr. Li Kwok Cheong, who hold approximately 51.17% interest of our Company immediately after completion of the Capitalisation Issue and the Global Offering (assuming the Over-allotment Option is not exercised)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the Chinese national securities markets
“Director(s)”	director(s) of the Company
“EU” or “European Union”	a supranational and intergovernmental union of twenty-seven states and a political body. It was established in 1993 by the Treaty on European Union and is the de facto successor to the six member European Economic Community founded in 1957
“FAO”	the Food and Agriculture Organization of the United Nations, which acts as a neutral forum where all nations negotiate agreements and debate policy, and collects, analyses and disseminates data to aid development and keeps a comprehensive database on forestry information for countries worldwide
“Fine Fit”	Fine Fit Limited (億尚有限公司), an investment holding company incorporated on 3 December 2007 in Hong Kong as a limited company and an indirect wholly-owned subsidiary of the Company
“First Shareholders’ Agreement”	a shareholders agreement dated 30 December 2007 and entered into between, among others, Mr. Li Kwok Cheong, Kingfly Capital, ourselves and the Carlyle Funds to, among other things, regulate their respective rights and obligations as shareholders of the Company

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## DEFINITIONS

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“First Share Purchase Agreement”	a share purchase agreement dated 30 December 2007 and entered into between, among others, Mr. Li Kwok Cheong, Kingfly Capital, ourselves and the Carlyle Funds pursuant to which the Carlyle Funds acquired and subscribed for an aggregate of 4,000,000 Shares for a total consideration of HK\$312,044,000 (equivalent to approximately US\$40,000,000)
“Forest Maintenance Fee”	a fee required to be paid when a logging permit is applied for in the PRC, which is contributed to the forest maintenance fund (育林基金) maintained by the PRC government
“FSC”	The Forest Stewardship Council, being a council established in the early 1990s by a group of concerned business representatives, social groups and environmental organisations following the UN Conference on Sustainable Development in 1992
“GDP”	gross domestic product
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Green Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider designated by our Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”, “HKSAR” or “HK”	the Hong Kong Special Administration Region of the PRC
“Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time)
“Hong Kong dollar(s) or HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Offer Shares”	the 75,000,000 new Shares (subject to adjustment) being offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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## DEFINITIONS

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“Hong Kong Underwriters”	the several underwriters of the Hong Kong Public Offering listed in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated 18 November 2009 relating to the Hong Kong Public Offering entered into between, among others, our Company, the Hong Kong Underwriters and the Joint Global Coordinators
“IAS”	International Accounting Standards
“IFRS”	International Financial Reporting Standards promulgated by the International Accounting Standards Board, including the IAS and their interpretations
“Implementation Regulations of PRC EIT Law”	the Regulations for the Implementation of the PRC EIT Law (中國人民共和國企業所得稅法實施條例) promulgated on 6 December 2007 and became effective on 1 January 2008
“Implementation Regulations of PRC Forestry Law”	the Regulations for the Implementation of the PRC Forestry Law (中華人民共和國森林法實施條例) effective as of 29 January 2000
“Independent Third Party(ies)”	a person(s) or company(ies) which is (are) not a Connected Person
“International Fund”	International Fund Management S.A., a company organised under the laws of Luxembourg
“International Offering”	the conditional placing by the International Underwriters of the International Offer Shares, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Offer Shares”	the 675,000,000 new Shares (subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus) being offered by us for subscription pursuant to the International Offering together, where relevant, with any additional Shares to be issued pursuant to the exercise of the Over-allotment Option
“International Purchase Agreement”	the international purchase agreement relating to the International Offering to be entered into among us, the International Underwriters and the Joint Global Coordinators on or around the Price Determination Date
“International Underwriters”	the several underwriters of the International Offering who are expected to enter into the International Purchase Agreement
“IFM-Invest: 2 PrivateEquity”	an investment fund organised under the laws of Luxembourg and managed by International Fund and advised by Partners Group AG
“ITTO”	International Timber Organization, an intergovernmental organisation which promotes the conservation and sustainable

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## DEFINITIONS

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	management, use and trade of tropical forest resources, and collects, analyses and disseminates data on the production and trade of tropical timber, develops policy documents to promote sustainable forest management and forest conservation and assists tropical member countries to adapt such policies to local circumstances and to implement them in the field through projects
“ITTO 2008 Report”	ITTO’s Annual Review and Assessment of the World Timber Situation 2008
“Joint Sponsors”, “Joint Bookrunners”, “Joint Global Coordinators” or “Joint Lead Managers”	Cazenove Asia and UBS AG, Hong Kong Branch
“Kingfly Capital”	Kingfly Capital Limited (景豐資本有限公司), an investment holding company incorporated on 7 November 2007 in the BVI as a limited company, the entire issued share capital of which is owned by Mr. Li Kwok Cheong
“Kunming Ultra Big”	Kunming Ultra Big Forestry Resource Development Co., Ltd.(昆明錦德林業資源開發有限公司), a limited company established in the PRC on 7 March 2008 and an indirect wholly-owned subsidiary of the Company, and is engaged in the management and development of forest and sales of logs
“Latest Practicable Date”	14 November 2009
“Listing”	the listing of our Shares on the Hong Kong Stock Exchange
“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be 3 December 2009, on which dealings in the Shares first commence on the Hong Kong Stock Exchange
“Memorandum”	the memorandum of association of our Company
“MOFCOM”	the Ministry of Commerce of the PRC
“mu”	a measurement of area used in the PRC; 15 Chinese mu is equal to 1 hectare
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會), a macroeconomic management agency under the State Council, which studies and formulates policies for economic and social development, maintains a balance of economic aggregates and guides overall economic system restructuring

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## DEFINITIONS

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“No. 9 Policy”	The Decision of the Central Committee of the Communist Party of China and the State Council on Accelerating the Development of Forestry (中共中央、國務院關於加快林業發展的決定(中發[2003]9號)) promulgated on 25 June 2003 (“No. 9 Policy”), which set out, among other things, the directive for the private sector to participate in China’s forestry development
“NPC”	the National People’s Congress of the PRC
“Offer Price”	the final Hong Kong dollar price per Share (exclusive of brokerage fee of 1%, Hong Kong Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.004%) at which the Offer Shares are to be subscribed pursuant to the Hong Kong Public Offering
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares together, where relevant, with any additional Shares issued pursuant to the exercise of the Overallotment Option
“Over-allotment Option”	the option expected to be granted by us to the International Underwriters under the International Purchase Agreement pursuant to which we may be required by the Joint Global Coordinators on behalf of the International Underwriters to issue up to an aggregate of 112,500,000 additional Shares, representing in aggregate approximately 15% of the initial number of Offer Shares, at the Offer Price, to, among other things, cover over-allocations in the International Offering, if any
“Partners Group”	Partners Group Holding AG and its subsidiaries conducting business as “Partners Group”
“Partners Group Access”	Partners Group Access 119 L.P., a limited partnership organised under the laws of Scotland, acting through its general partner, Partners Group Management (Scotland) Limited, a private company limited by shares incorporated under the laws of Scotland and an indirect wholly-owned subsidiary of Partners Group Holding AG, a limited liability company incorporated under the laws of Switzerland
“Partners Group Funds”	each of Partners Group Access and International Fund on account of IFM-Invest: 2 PrivateEquity being investment vehicles advised by Partners Group AG
“Partners Group Holding AG”	Partners Group Holding AG, a limited liability company incorporated under the laws of Switzerland
“PRC Companies Law”	the PRC Companies Law (中華人民共和國公司法), which was first enacted by the SCNPC on 29 December 1993 and became effective on 1 July 1994 (as amended from time to time)

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## DEFINITIONS

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“PRC EIT Law”	the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法), which was enacted by the NPC on 16 March 2007 and became effective on 1 January 2008
“PRC Forestry Law”	the PRC Forestry Law (中華人民共和國森林法), which was enacted by the SCNPC on 20 September 1984 and amended on 29 April 1998
“PRC GAAP”	China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and its supplementary regulations
“PRC Labour Contract Law”	the PRC Labour Contract Law (中華人民共和國勞動合同法), which was enacted by the SCNPC on 29 June 2007 and became effective on 1 January 2008
“Price Determination Date”	the date expected to be on or around 25 November 2009, and in any event will be no later than 1 December 2009, on which the Offer Price is fixed for the purpose of the Global Offering
“Profit Wise”	Profit Wise International Limited (智盈國際有限公司), an investment holding company incorporated on 7 November 2007 in the BVI as a limited company and a wholly-owned subsidiary of the Company
“Qualified Institutional Buyers”	qualified institutional buyers within the meaning of Rule 144A under the US Securities Act
“Regulation S”	Regulation S under the US Securities Act
“Reorganisation”	the corporate reorganisation of our Group conducted in preparation for the Listing, details of which are set out in the section headed “History, Reorganisation and Corporate Structure” in this prospectus
“Rich Fame”	Rich Fame International Limited (美豐國際有限公司), an investment holding company incorporated on 7 November 2007 in the BVI as a limited company and a wholly-owned subsidiary of the Company
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the US Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration
“SCNPC”	the Standing Committee of the NPC
“Second Amendment Agreement”	an agreement dated 25 July 2008 and entered into between, among others, Mr. Li Kwok Cheong, Kingfly Capital, us and the



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## DEFINITIONS

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	Carlyle Funds to amend the First Shareholders' Agreement as amended by the Accession and Amendment Agreement
"Second Shareholders' Agreement"	a shareholders' agreement dated 25 June 2009 and entered into between, among others, Mr. Li Kwok Cheong, Kingfly Capital, Mr. Li Han Chun, Top Wisdom, Mr. Huang Fan, Victory Early, ourselves, the Carlyle Funds and the Partners Group Funds, which supersedes the First Shareholders Agreement as amended by the Accession and Amendment Agreement and the Second Amendment Agreement, to, among other things, regulate their respective rights and obligations as shareholders of the Company
"Second Share Purchase Agreement"	a share purchase agreement dated 25 June 2009 and entered into between, among others, Mr. Li Kwok Cheong, Kingfly Capital, Mr. Li Han Chun, Top Wisdom, ourselves, the Carlyle Funds and the Partners Group Funds pursuant to which the Carlyle Funds further acquired and subscribed for an aggregate of 1,304,347 Shares for a total consideration of US\$14,999,990.5 and the Partners Group Funds acquired and subscribed for an aggregate of 2,608,696 Shares for a total consideration of US\$30,000,004
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFA"	the State Forestry Administration of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time)
"Share(s)"	ordinary share(s) with nominal value of US\$0.001 each in the share capital of our Company
"Shareholder(s)"	holder(s) of the Share(s)
"Share Option Scheme"	the share option scheme conditionally adopted by our Company pursuant to a resolution passed by our Shareholders on 5 November 2009
"Sichuan Earthquake"	the earthquake with a magnitude 8.0 on the Richter scale that hit Sichuan, China on 12 May 2008
"Sky Famous"	Sky Famous Limited (聖輝有限公司), an investment holding company incorporated on 27 August 2007 in the BVI as a limited company and a wholly owned subsidiary of the Company
"Stabilising Manager"	UBS AG, Hong Kong Branch
"State Council"	the State Council of the PRC

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## DEFINITIONS

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“Stock Borrowing Agreement”	a stock borrowing agreement to be entered into on or around the Price Determination Date between the Stabilising Manager and Kingfly Capital
“Top Wisdom”	Top Wisdom Overseas Holdings Limited, an investment holding company incorporated on 26 March 2008 in the BVI as a limited company, the entire issued share capital of which is owned by Mr. Li Han Chun
“Track Record Period”	the three financial years ended 31 December 2008 and the six months ended 30 June 2009
“Ultra Big”	Ultra Big Investments Limited (錦得投資有限公司), an investment holding company incorporated on 3 December 2007 in Hong Kong as a limited company and an indirect wholly-owned subsidiary of the Company
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Purchase Agreement
“United States” or “US”	the United States of America
“US\$” or “US dollar”	United States dollar, the lawful currency of the United States
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“US Securities Act”	the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“Victory Early”	Victory Early Investments Limited, an investment holding company incorporated on 26 March 2008 in the BVI as a limited company, the entire issued share capital of which is owned by Mr. Huang Fan
“VAT”	value added tax
“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of White Form eIPO Service Provider, <b>www.eipo.com.hk</b>
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Yunnan Earthquake”	the earthquake with a magnitude 6.0 on the Richter scale that hit Yunnan, China on 9 July 2009

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## DEFINITIONS

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“Yunnan Luxi/ Shuangjiang Forest”	the forest of approximately 59,333 hectares located in Luxi, Lin Cang City and Shuangjiang, De Hong Zhou of Yunnan Province, which we acquired in March 2008
“Yunnan Wenshan Forest”	the forest of approximately 100,000 hectares located in Wen Shan Zhou of Yunnan Province, which we acquired in July 2008

In this prospectus:

- unless otherwise specified, amounts denominated in RMB and US\$ have been translated for the purpose of illustration only into Hong Kong dollars (or vice versa) in this prospectus at the following rates:

HK\$1.00 : RMB0.88

HK\$7.80 : US\$1.00

US\$1.00 : RMB6.83

No representation is made that any amounts in RMB, US\$ or HK\$ can be or could have been converted at the above rates or any rates at all at the relevant dates.

- “Company” and “our Company” refer to China Forestry Holdings Co., Ltd., a company incorporated on 21 December 2007 as an exempted company under the laws of the Cayman Islands;
- “Group”, “our”, “we” and “us” means the Company and its subsidiaries from time to time and where the context refers to any time prior to the completion of the Reorganisation, includes Beijing Zhaolin and its businesses;
- the terms “associate”, “connected transaction”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires;
- “forestry right” or “forest right” refers to the legal right to own the trees and use the forest land and the forest trees under the PRC law, and references to ownership of forest, unless the context otherwise requires, shall mean ownership of “forestry right” in that forest (for the avoidance of doubt, we do not own forest lands under PRC law);
- for ease of reference, the names of companies and entities established in China have been included in this prospectus in English by way of translation if such Chinese entities do not have an English name as part of their legal name, and if there is any inconsistency between the Chinese names of the Chinese entities mentioned in this prospectus and their English translations, the Chinese version shall prevail; and
- for ease of reference, the names of companies and entities incorporated outside China have been included in this prospectus in English and, where available, a Chinese translation has been provided even though such Chinese name may not be part of their legal name, and if there is any inconsistency between the Chinese translation and the English names of entities incorporated outside China which are mentioned in this prospectus, the English version shall prevail.