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CHINA GRAND FORESTRY RESOURCES GROUP LIMITED

中國林大資源集團有限公司*

(Formerly known as Good Fellow Group Limited 金威集團控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 910)

PROPOSED CHANGE OF AUDITORS

The Board proposes to appoint Horwath as the new auditors to fill the vacancy following the cessation of business of JCC, and to hold office until the conclusion of the next annual general meeting of the Company. The appointment of Horwath is subject to the approval of the shareholders of the Company at the SGM to be convened for this purpose.

The board of directors (the "Board") of China Grand Forestry Resources Group Limited (the "Company") announces that the Board proposes to appoint Horwath Hong Kong CPA Limited ("Horwath"), as the auditors of the Company to fill the vacancy left by the resignation of Johnny Chan & Co. Limited ("JCC") on ground of cessation of business, and to hold office until the conclusion of the next annual general meeting to be convened pursuant to the bye-laws of the Company. The appointment of Horwath is subject to the approval of the shareholders of the Company at the Special General Meeting (the "SGM") to be convened for this purpose.

Both the Board and Audit Committee of the Company confirms that there is no disagreement between the Company and JCC and there are no circumstances in relation to resignation of JCC that should be brought to the attention of the Shareholders and creditors of the Company.

In its letter of resignation, JCC confirmed that there were no circumstances or matters that need to be brought to the attention of the shareholders and creditors of the Company in relation to its resignation as auditors of the Company.

A circular containing details of the change of auditors of the Company and a notice of the SGM will be dispatched to the shareholders of the Company in due course.

By Order of the Board
China Grand Forestry Resources Group Limited
Ng Leung Ho
Chairman

Hong Kong, 3 January 2007

As at the date of this announcement, the board of directors of the company comprises of Mr. Ng Leung Ho, Ms. Lee Ming Hin, Mr. Hu Xiaming and Mr. Ge Wen Hong being the executive directors of the company, and Mr. Lo Cheung Kin, Mr. Zou Zi Ping and Mr. Zhu Jian Hong being the independent non-executive directors of the company.

** For identification purpose only*

Please also refer to the published version of this announcement in The Standard.