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CHINA GRAND FORESTRY RESOURCES GROUP LIMITED

中國林大資源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 910)

CLARIFICATION ANNOUNCEMENT

Reference is made to the Company's announcement (the "Announcement") dated 12 June 2007. The board of Directors of the Company (the "Board") would like to clarify and amend certain information contained in the Announcement.

Reference is made to the Announcement dated 12 June 2007. The Board would like to clarify and amend the following information as contained in the English version of the Announcement:

- 1) First paragraph of the Hunan Shengtai Transfer Agreement, the consideration of the acquisition of a leasehold interest in a forest land on 28 June 2006 from the vendor should be RMB20,000,000 instead of RMB200,000,000.
- 2) Point (b) of paragraph headed Terms of the payment of the Hunan Shengtai Transfer Agreement: the amount should be RMB27,957,600 instead of RMB27,957,000 as the balance of the consideration.

The aforesaid error were inadvertently made and the Board wishes to apologise for any inconvenience caused.

Apart from the above, there are no other changes to the contents of the Announcement.

By Order of the Board

China Grand Forestry Resources Group Limited

Ng Leung Ho

Chairman

Hong Kong, 13 June 2007

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

* *For identification purpose only*

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