



## 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: 00910)

### CHANGES IN DIRECTORS

The Board of Directors of the Company is pleased to announce the following changes in Directors with effect from 2 October 2007:

- (1) Mr. CHEUNG Wai Tak has been appointed as an Executive Director of the Company;
- (2) Mr. John MacMillan DUNCANSON has been appointed as a Non-Executive Director of the Company, and
- (3) Mr. GE Wen Hong has resigned as an Executive Director of the Company.

### APPOINTMENTS OF DIRECTORS

The board of (the "Board") of directors (the "Directors") of China Grand Forestry Resources Group Limited (the "Company") is pleased to announce the following appointments of Directors with effect from 2 October 2007:

- (1) Mr. CHEUNG Wai Tak has been appointed as an Executive Director of the Company, and
- (2) Mr. John MacMillan DUNCANSON has been appointed as a Non-Executive Director of the Company.

**Mr. Cheung Wai Tak**, aged 54, has more than twenty years of working experience in the investment banking and accounting field. He is a Certified Public Accountant in the United States of America and a member of the Hong Kong Institute of Certified Public Accountants. He graduated with an MBA degree from the University of California at Berkeley, the United States of America in 1981. Mr. Cheung's experience in the forestry industry dated back to 1994, when he was the initial management team of Sino Forest Corp, which is currently listed on the Toronto Stock Exchange. He is currently an independent non-executive director of Compass Pacific Holdings Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Save as disclosed, Mr. Cheung has not held any other position with the Company or any of its subsidiaries. Nor did Mr. Cheung hold any other directorships in other listed public companies in the last three years.

Mr. Cheung has entered into a service contract with the Company for a term of 3 years and is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company. The remuneration of Mr. Cheung is HK\$800,000 per annum, which was determined with reference to his duties and responsibilities. He is also entitled to a discretionary bonus (subject to certain conditions) and reasonable out-of-pocket expenses.

\* *for identification purposes only*

Mr. Cheung is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, he has share options to subscribe for 6,000,000 new shares in the Company, exercisable at a price of HK\$2.61 per share and granted pursuant to the Company's existing share option scheme, as adopted by the Company's shareholders in the Company's annual general meeting held on 23 November 2001. Mr. Cheung is deemed to be interested in such 6,000,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinances (Chapter 571 of the Laws of Hong Kong).

As at the date of this announcement, to the best knowledge, information and belief of the Directors having made reasonable enquiry, save as disclosed above, there are no other matters in relation to Mr. Cheung that need to be brought to the attention of the shareholders of the Company or are required to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**Mr. John MacMillan Duncanson**, aged 56, has worked for the past 32 years in the forest sector and more recently, in the investment industry as an analyst and a corporate banker. He is a registered professional forester, an ISO 10000 auditor and a financial analyst. He obtained his Bachelor of Science in Forestry degree from the University of Toronto, Canada in 1974. Mr. Duncanson is currently working as the President of Duncanson Investment Research Inc – Toronto (a consulting firm which specializes in independent market and resource analysis). Save for the directorship with the Company, Mr. Duncanson has not held other position with the Company or any of its subsidiaries. Mr. Duncanson did not hold any other directorship in listed companies in the last three years.

Mr. Duncanson has entered into a service contract with the Company for a term of three years and is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company. The emoluments of Mr. Duncanson will be determined by the Board (which is to be authorized by the Shareholders at the Annual General Meeting) at its discretion with reference to his duties and responsibilities. There are no contractual provisions for a specific amount of remuneration payable to Mr. Duncanson but the Board anticipates that the remuneration for financial year ending 31 March 2008 shall most probably be HK\$50,000.

Mr. Duncanson is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, he has share options to subscribe for 3,000,000 new shares in the Company, exercisable at a price of HK\$2.61 per share and granted pursuant to the Company's existing share option scheme, as adopted by the Company's shareholders in the Company's annual general meeting held on 23 November 2001. Mr. Duncanson is also personally interested in 125,000 shares in the Company. Mr. Duncanson is deemed to be interested in such 3,125,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinances (Chapter 571 of the Laws of Hong Kong).

As at the date of this announcement, to the best knowledge, information and belief of the Directors having made reasonable enquiry, save as disclosed above, there are no other matters in relation to Mr. Duncanson that need to be brought to the attention of the shareholders of the Company or are required to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## **RESIGNATION OF EXECUTIVE DIRECTOR**

The Board announces that Mr. Ge Wen Hong has resigned as an executive director of the Company with effect from 2 October 2007. Mr. Ge confirmed that he has no disagreement with the Board and there are no other matters in relation to his resignation that need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited.

The Board would like to take this opportunity to express its appreciation to Mr. Ge for his valuable contribution to the Company during his tenure of office.

For and on behalf of the Board  
**China Grand Forestry Resources Group Limited**  
**Ng Leung Ho**  
*Chairman*

Hong Kong, 2 October 2007

*As at the date of this announcement, the board of directors of the Company comprises Mr. Ng Leung Ho, Ms. Cao Chuan, Ms. Lee Ming Hin, Mr. Hu Xiaoming and Mr. Cheung Wai Tak being the executive directors of the Company, Mr. John MacMillan Duncanson being the non-executive director 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.*

*This announcement will be published on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and on the website at [www.capitalfp.com.hk/eng/index.jsp?co=910](http://www.capitalfp.com.hk/eng/index.jsp?co=910)*