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CHINA GRAND FORESTRY GREEN RESOURCES GROUP LIMITED
中國林大綠色資源集團有限公司

(Formerly known as “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)

MONTHLY ANNOUNCEMENT
IN RESPECT OF THE CONVERTIBLE NOTE

Reference is made to the Company’s Announcement and Circular. The Company made this announcement as per the undertakings given to the Stock Exchange to inform Shareholders and investors of future dilution in shareholdings as a result of the conversion of the Convertible Notes into new Shares.

Reference is made to the Company’s announcement dated 1 June 2006 (the “Announcement”) and circular to shareholders dated 18 April 2006 (the “Circular”). Reference is also made to the Company’s previous monthly announcement dated 3 October 2008. The Company made this announcement as per the undertakings given to the Stock Exchange to inform Shareholders and investors of future dilution in shareholdings as a result of the conversion of the Convertible Notes into new Shares. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

The Directors report that there was no conversion made of Convertible Notes outstanding with the Company during the month of October 2008. There was no other issuance of Shares during the month of October 2008.

During the period from 11 September 2008 to 29 October 2008, the Company repurchased an aggregate of 41,508,000 Shares. 32,650,000 Shares have been cancelled and the cancellation of the remaining 8,858,000 Shares is still working in progress. As at the date of this announcement, there are in aggregate 5,480,573,600 Shares outstanding with the issued share capital of the Company. The 5,480,573,600 Shares is after the cancellation of 32,650,000 Shares.

As at the date of this announcement, the aggregate outstanding principal amount of the Convertible Notes is HK\$100,000,000. The exercise in full of conversion rights vested with the Company’s outstanding Convertible Notes would result in the issue and allotment of 833,333,333 new Shares in the Company.

GENERAL

As at the date of this announcement, the Board of Directors of the Company comprises of Mr. Ng Leung Ho, Ms. Cao Chuan, Ms. Lee Ming Hin, Mr. Cheung Wai Tak and Mr. Cheng Shouheng being the Executive Directors and Mr. Lo Cheung Kin, Mr. Zou Zi Ping and Mr. Zhu Jian Hong being the Independent Non-Executive Directors.

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

Hong Kong, 5 November 2008

* *For identification purpose only*