

For Immediate Release



CHINA GRAND FORESTRY RESOURCES GROUP LIMITED

中國林大資源集團有限公司

(Incorporated in Bermuda with limited liability)

Announces to Be Included in the MSCI Hong Kong Small Cap Index

(Hong Kong, 7 May, 2007) China Grand Forestry Resources Group Limited (“CH GRAND FOREST” or the “Group”) (SEHK: 910) announced that on 4 May, 2007, the Group has been included by the Morgan Stanley Capital International Inc. (MSCI) into the MSCI Hong Kong Small Cap Index, will be effective May 31, 2007 after the market closes.

Mr. Ng Leung Ho, Chairman of the Group, said, “We are optimistic towards the bright future of the Group’s ecological forestry business, and we are pleased to announce the Group has been included in the MSCI Hong Kong Small Cap Index. Looking forward, the Group will not only focus on implementing more agreements on land acquisition with accelerated progress in land surveys carried out nationally to consolidate the Group’s land sources, but also broaden its sales and distribution channel to further enhance its leading position in the ecological forestry industry and obtain greater returns to its shareholders.”

MSCI is a global leading provider of worldwide equity indices and benchmark related products and services to investors. Morgan Stanley Capital International (MSCI) announced on 4 May 2007 the latest MSCI Global Investable Market Indices, which include index securities selected from global and emerging markets. Amongst, 8 securities have been newly added into Hong Kong Small Cap Index, while 3 have been deleted.

About China Grand Forestry Resources Group Limited (SEHK: 910)

The Group is an investment company that was originally engaged in the design, manufacture and sale of quality men's and women's wear and accessories. In the second quarter of 2006, the Group has successfully transformed its business into ecology forestry business in the PRC through the acquisition of Beijing Wan Fu Chun Forest Resources Development Company Limited. In view of the enormous market demand of raw materials for the paper making industry in the PRC, the Group believes that the ecological forestry business is a unique opportunity with favorable long-term prospect. The Group is committed to utilizing its resources for developing ecological forestry business and becoming the industry leader.

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Released by the **Elite Communications Group Limited** for and on behalf of **China Grand Forestry Resources Group Limited**. For further information, please contact:

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