



CHINA GRAND FORESTRY RESOURCES GROUP LIMITED

中國林大資源集團有限公司

(Incorporated in Bermuda with limited liability)

**Beijing WFC Entered into Transfer Agreements for Acquiring Forest Land
Total Acquisition Area of 346,480 Chinese Mu at a Consideration of RMB 109,555,600**

**Committed to Acquiring More Forest Land
Further Increasing Land Resources and Timber Resources**

(Hong Kong, 13 June 2007) China Grand Forestry Resources Group Limited (“CH GRAND FOREST” or the “Group”) (SEHK: 910) announced that Beijing Wan Fu Chun Forest Resources Development Company Limited (“Beijing WFC”), a wholly owned subsidiary of the Group, entered into a transfer agreement on 12 June 2007 with Fu Jia Tian Xia Wood Industry (Shenzhen) Company Limited (“Fu Jia Tian Xia”) for acquiring leasehold interest in a forest land in Shuangbai County of Yunnan Province, with total land area of 213,192 Chinese Mu (or approximately 14,212.8 hectares), at a cash consideration of RMB 68,598,000. On the same day, Beijing WFC entered into a transfer agreement with Hunan Shengtai Forest Development Company Limited (“Shengtai Forest”) for acquiring leasehold interest in another forest land in Shuangbai County of Yunnan Province, with total land area of 133,288 Chinese Mu (or approximately 8,885.9 hectares), at a cash consideration of RMB 40,957,600.

In accordance with the transfer agreement with Fu Jia Tian Xia, an initial deposit of RMB 21,000,000 is payable to Fu Jia Tian Xia within 10 days of signing of the agreement; RMB 47,598,000, as the remaining balance of the consideration will be paid within 10 days upon completion of the acquisition when the forest ownership certificate is issued to Beijing WFC.

In accordance with the transfer agreement with Shengtai Forest, an initial deposit of RMB 13,000,000 is payable to Shengtai Forest within 10 days of signing of the agreement; RMB 27,957,600, as the remaining balance of the consideration will be paid within 10 days upon completion of the acquisition when the forest ownership certificate is issued to Beijing WFC.

Pursuant to the transfer agreements with Fu Jia Tian Xia and Shengtai Forest respectively, Beijing WFC is entitled to exercise the rights of the leasehold forest lands for a term of approximately 50 years from 12 June 2007 to 11 June 2057.

Mr. Ng Leung Ho, Chairman of the Group, said, “We are very pleased to enter into transfer agreements with Fu Jia Tian Xia and Shengtai Forest respectively. Looking forward, the Group will not only focus on implementing more agreements on land transfer to consolidate its land resources and cope with the growing domestic and international demands for timbers, but will also expand its business scope and enhance its operation efficiency to further consolidate its leading position in the ecological forestry industry and obtain greater returns to its shareholders.”

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 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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