



**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 4 Transfer Agreements for Acquiring Forest Land  
Total Acquisition Area of 172,424 Chinese Mu at a Consideration of RMB 137,492,500**

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

(Hong Kong, 20 July 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 4 transfer agreements on 19 July 2007 with FeiFei SenWang Resource Group Co., Ltd. (“FeiFei SenWang”) for acquiring leasehold interest in forest land in the PRC with a total land area of 172,424 Chinese Mu (or approximately 11,495 hectares), at a total cash consideration of RMB 137,492,500. The lands are located in Chongqing, Hubei, Hunan and Shanxi respectively.

Please find the details of the four agreements below:

| <b>Agreement</b>                   | <b>Land area</b>                           | <b>Total cash consideration</b> | <b>Terms of the payment</b>   | <b>Lease term (years)</b> |
|------------------------------------|--|---------------------------------|---|---------------------------|
| Chongqing City Transfer Agreement  | 33,023 Chinese Mu (approx. 2,202 hectares) | RMB34,978,700                   | 1) RMB14,000,000 as initial deposit payable within 7 days of signing the transfer agreement;<br>2) RMB 20,978,700, being the balance of the consideration, payable within 10 days after completion of acquisition under the transfer agreement when the forest ownership certificate is issued to Beijing WFC | 70                        |
| Hubei Province Transfer Agreement  | 27,997 Chinese Mu (approx. 1,866 hectares) | RMB25,577,400                   | 1) RMB10,230,000 as initial deposit payable within 7 days of signing the transfer agreement;<br>2) RMB 15,347,400, being the balance of the consideration, payable within 10 days after completion of acquisition under the transfer agreement when the forest ownership certificate is issued to Beijing WFC | 50                        |
| Hunan Province Transfer Agreement  | 34,735 Chinese Mu (approx. 2,316 hectares) | RMB37,342,600                   | 1) RMB14,937,000 as initial deposit payable within 7 days of signing the transfer agreement;<br>2) RMB 22,405,600, being the balance of the consideration, payable within 10 days after completion of acquisition under the transfer agreement when the forest ownership certificate is issued to Beijing WFC | 50                        |
| Shanxi Province Transfer Agreement | 76,669 Chinese Mu (approx. 5,111 hectares) | RMB39,593,800                   | 1) RMB15,840,000 as initial deposit payable within 7 days of signing the transfer agreement;<br>2) RMB 23,753,800, being the balance of the consideration, payable within 10 days after completion of acquisition under the transfer agreement when the forest ownership certificate is issued to Beijing WFC | 50                        |

Mr. Ng Leung Ho, Chairman of the Group, said, “The Group will not only focus on hastening the implementation of land transfer agreements to increase its forest land resources and cope with the robust domestic timber demand but will also strengthen its research and development, actively enhance its business scale and operation efficiency to further consolidate its leading position in the ecological forestry industry and bring better return for shareholders.”

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

The Group is principally engaged in the design, manufacture and sale of quality men's and women's wear and accessories and ecology forestry business in the PRC. In view of the enormous market demand of timber and pulp in the PRC, the Group believes that the ecological forestry business is a unique opportunity with favorable long-term prospect. The Group will focus its resources in 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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