



**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 2 Transfer Agreements for Acquiring Forest Land  
Total Acquisition Area of 497,442 Chinese Mu at a Consideration of RMB 317,575,780**

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

(Hong Kong, 24 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 two transfer agreements with Yunnan Shenyu Xin Neng Yuan Company Ltd. (“Yunnan Shenyu”) on 22 July 2007 and Furuisen (Beijing) Forest Development Company Limited (“Furuisen”) on 23 July 2007 respectively, for acquiring leasehold interests in forest land in the PRC with a total land area of 497,442 Chinese Mu (approx. 33,163 hectares), at a total cash consideration of RMB317,575,780. The lands are located in Qiubei County and Wenshan County, Guizhou Province respectively. An application has been made by the Group to the Hong Kong Stock Exchange for the resumption of trading in the shares with effect from 9:30a.m. on Wednesday, 25 July, 2007.

Please find the details of the two 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>
Yunnan Shenyu Transfer Agreement	245,190 Chinese Mu (approx. 16,346 hectares)	RMB157,982,900	1) RMB63,200,000 in cash as the initial payment payable within 7 days upon the entering into the Transfer Agreement 2) RMB 94,782,900 in cash as the balance of the consideration payable within 10 days upon completion of the transfer of the relevant forest ownership certificate	50
Furuisen Transfer Agreement	252,252 Chinese Mu (approx. 16,817 hectares)	RMB159,592,880	1) RMB63,840,000 in cash as the initial payment payable within 7 days upon the entering into the Transfer Agreement 2) RMB 95,752,880 in cash as the balance of the consideration payable within 10 days upon completion of the transfer of the relevant forest ownership certificate	50

Mr. Ng Leung Ho, Chairman of the Group, said, “The Group is pleased to announce the two new land acquisitions in Guizhou Province. The acquisitions mark the Group’s determination in further expanding our existing business scale. Going forward, the Group will continue to increase the area of forest land and timber resources, and better facilitate our ecological forestry business. We believe that the Group will further consolidate its leading position in the ecological forestry industry and maximize shareholders’ returns in the future.”

**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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