



**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 a Transfer Agreement with  
Beijing Huatuo Lijia Muye Company Limited**

**Total Acquisition Area of 270,938 Chinese Mu and Volume of Timber of approx. 780,000m<sup>3</sup>  
At a Consideration of RMB 156,788,300**

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

(Hong Kong, 24 August 2007) China Grand Forestry Resources Group Limited (“CH GRAND FOREST” or the “Group”) (SEHK: 00910) 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 23 August 2007 with Beijing Huatuo Lijia Muye Company Limited (“Huatuo Lijia”) for acquiring leasehold interest in forest land in Guizhou Province, with total land area of 270,938 Chinese Mu (or approximately 18,063 hectares) for the leasehold period of 50 years and volume of timber vested with the forest land of approximately 780,000m<sup>3</sup>, of which mainly are planted with mixed hard wood, at a cash consideration of RMB 156,788,300 (Including Forest Tree Ownership and Use Rights of RMB 90,803,800 and Forest Land Use Right of RMB 65,984,500).

In accordance with this transfer agreement, an initial deposit of RMB 62,700,000 is payable to Huatuo Lijia within 7 days after signing of the agreement; RMB 94,088,300, 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.

Mr. Ng Leung Ho, Chairman of the Group, said, “We are very pleased to enter into this transfer agreement with Huatuo Lijia. In future, 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: 00910)**

The Group is principally engaged in the ecology forestry business and design, manufacture and sale of quality men's and women's wear and accessories. In view of the enormous market demand of timber and pulp in the PRC, the Group believes that the ecological forestry business is a good 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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