



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
Hunan Shengtai Forest Development Company Limited
Total Acquisition Area of 149,980 Chinese Mu and Volume of Timber of approx. 660,000m³
At a Consideration of RMB 111,870,000**

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

(Hong Kong, 31 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 30 August 2007 with Hunan Shengtai Forest Development Company Limited (“Hunan Shengtai”) for acquiring leasehold interest in forest land in Guangxi Zhuang Autonomous Region with total land area of 149,980 Chinese Mu (or approximately 9,999 hectares) for the leasehold period of 40 years and volume of timber vested with the forest land of approximately 660,000m³, of which mainly are planted with pine trees, fir trees and latifoliate hardwood tree, at a cash consideration of RMB 111,870,000 (Including Forest Tree Ownership and Use Rights of RMB 75,874,800 and Forest Land Use Right of RMB 35,995,200).

In accordance with this transfer agreement, an initial deposit of RMB 44,748,000 is payable to Hunan Shengtai within 7 days after signing of the agreement; RMB 67,122,000 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.

Mr. Ng Leung Ho, Chairman of the Group, said, “We are very pleased to enter into this transfer agreement with Hunan Shengtai. 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 ecological 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.

- End -

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

Media Relations

Mr. Danny Cheng

Tel.: 3183 0233

Fax: 2583 9138

Investor Relations

Ms. Cindy Xin

Tel.: 3183 0226

Fax: 2155 9165