



CHINA GRAND FORESTRY RESOURCES GROUP LIMITED

中國林大資源集團有限公司

(Incorporated in Bermuda with limited liability)

**Announces the Valuations of Shenyu New Energy Group and Wan Fu Chun
to be Finalised in June and July 2008 Respectively**

(Hong Kong, 1 June 2008) **China Grand Forestry Resources Group Limited** (“CH GRAND FOREST” or the “Group”) (SEHK: 00910) announced the valuations on the (i) forest resources and *Jatropha Curcas L* resource of Shenyu New Energy Group Limited and its subsidiaries (“Shenyu New Energy Group”) as at 31 December 2007, and (ii) forest resources of Beijing Wan Fu Chun Forest Resources Development Company Limited (北京萬富春森林資源發展有限公司) (“WFC”), the Group’s wholly-owned subsidiary, are expected to be finalized in June and July 2008 respectively.

Mr. Ng Leung Ho, Chairman of the Group, said, “The finalization of the valuation reports was slightly behind schedule, because the local investigation was affected by the continued frosty weather in the Southern China in early 2008, and our business operation is substantially different from other forestry companies. Upon the finalization of the valuation on the Shenyu New Energy Group and affirmation of its asset value, we will further negotiate the terms of the corresponding acquisition.”

The details of the two valuations are as follows,

(i) The valuation on the Shenyu New Energy Group:

In December 2007, the Group appointed Pöyry Forest Industry Limited (“Pöyry”) as the Group’s valuer to particularly carry out a comprehensive due diligence exercise and in-depth study on the quality of assets and business/asset valuation owned by Shenyu New Energy Group. Pöyry is a renowned independent valuation company recognized as one of the world’s leading advisers to the global forest industry. Subject to the valuation report in the context of Shenyu New Energy Group’s asset quality and business value, the Group will further negotiate and adjust the terms of the acquisition of the entire issued share capital of Shenyu New Energy Group, which includes but is not limited to the consideration.

(ii) The valuation on the WFC:

In January 2008, the Group has appointed Pöyry to carry out valuation on the forest resources of WFC as at 31 March 2008.

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About China Grand Forestry Resources Group Limited (SEHK: 00910)

The Group is principally engaged in the tree plantation & management and sales of forest products. In view of the enormous market demand for timber, pulp and energy in the PRC, the Group believes that forestry business has a promising prospect. The Group will focus its resources in developing ecological forestry business and consolidating its position as the industry leader.

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

Media Relations

Ms. Priscilla Wong / Mr. Danny Cheng

Tel: (852) 3183 0236 / (852) 3183 0233

Fax: (852) 2583 9138

Email: priscilla.wong@prasia.net / danny.cheng@prasia.net

Investor Relations:

Ms. Cindy Xin / Ms. Gloria Chan

Tel.: (852) 3183 0226 / (852) 3183 0227

Fax: (852) 2155 9165

Email: cindy.xin@ccgelite.com / gloria.chan@ccgelite.com