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CHINA GRAND FORESTRY GREEN RESOURCES GROUP LIMITED

中國林大綠色資源集團有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 00910)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules. The Board wishes to inform the Shareholders of the Company and potential investors that the annual results of the Group for the year ended 31 March 2010 are expected to record a significant loss as compared with those for the year ended 31 March 2009, which was mainly attributable to non-cash revaluation loss of biological assets, impairment loss of intangible assets and a drop of sales.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by China Grand Forestry Green Resources Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the annual results of the Group for the year ended 31 March 2010 are expected to record a significant loss as compared with those for the year ended 31 March 2009. Based on the information available for the time being, the Board considers the loss was mainly attributable to the following factors:

1. Expected non-cash revaluation losses of biological assets;
2. Expected non-cash impairment loss of intangible assets; and
3. A significant decrease in sales.

The Company is in the process of finalizing the annual results of the Group for the year ended 31 March 2010 at the moment. The information contained in this announcement is only a preliminary assessment by the Company based on the management accounts of the Group and preliminary valuation results provided by the independent valuers, but not on any data or information audited or reviewed by the auditor of the Company. Further details of the performance of the Group will be disclosed in the announcement of the annual results for the year ended 31 March 2010.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
China Grand Forestry Green Resources Group Limited
Lai Yeung Fun
Company Secretary

Hong Kong, 15 July 2010

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Tse On Kin, Mr. Pang Chun Kit, Mr. Lau Man Tak and Mr. Chi Chi Hung Kenneth being the Executive Directors and Dr. Wong Yun Kuen, Mr. Chan Chi Yuen and Ms. Xu Lei being the Independent Non-Executive Directors.