

CHINA GRAND FORESTRY RESOURCES GROUP LIMITED

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INTERIM REPORT 2006

The board of directors (the "Board" or "Directors") of China Grand Forestry Resources Group Limited (formerly known as Good Fellow Group Limited) (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2006.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 31 December 2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000
	Notes		
<b>Turnover</b>	2	<b>366,551</b>	72,422
Cost of sales		<b>(111,775)</b>	(57,419)
<b>Gross profit</b>		<b>254,776</b>	15,003
Other revenue		<b>2,131</b>	1,910
Other net gain/(loss)		<b>124,263</b>	(1,531)
Selling and distribution expenses		<b>(38,685)</b>	(6,987)
Administrative expenses		<b>(22,648)</b>	(7,165)
Other operating expenses		<b>(74,740)</b>	(165)
<b>Profit from operations</b>	4	<b>245,097</b>	1,065
Finance costs	5	<b>(10,610)</b>	(75)
Share of (losses)/profits of jointly-controlled entities		<b>(3,457)</b>	1,463
Gain on disposal of interest in a jointly-controlled entity		<b>2,258</b>	-
<b>Profit before taxation</b>		<b>233,288</b>	2,453
Taxation	6	<b>556</b>	-
<b>Profit for the period</b>		<b>233,844</b>	2,453
Profit attributable to:			
Equity holders of the Company		<b>164,752</b>	2,453
Minority interest		<b>69,092</b>	-
		<b>233,844</b>	2,453
<b>Earnings per share for profit attributable to equity holders of the Company</b>	7		
Basic		<b>HK3.74 cents</b>	HK0.08 cent
Diluted		<b>HK3.22 cents</b>	HK0.08 cent