CHINA GRAND FORESTRY RESOURCES GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Six months ended 31 December	
	2006 (Unaudited) <i>HK\$'000</i>	2005 (Unaudited) <i>HK\$'000</i>
Total shareholders' equity as at 1 July	934,937	442,592
Repurchase of shares	-	(309)
Profit for the period	233,844	2,453
Exchange difference on translation of foreign operations recognized directly in equity	16,999	884
Share of reserve movement of jointly-controlled entities	79	(1,198)
Exercise of share options	4,320	_
Conversion of convertible notes	76,218	_
Total shareholders' equity as at 31 December	1,266,397	444,422