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CHINA GRAND FORESTRY RESOURCES GROUP LIMITED

中國林大資源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00910)

ANNOUNCEMENT

The board of directors (the “Board”) of China Grand Forestry Resources Group Limited (the “Company”) wish to report the forest resources of the Company and its subsidiaries (the “Group”) as a result of impact on (i) earthquake at Sichuan happened in May 2008 and (ii) the continued frosty weather that came with rain and snow during January and February 2008 in Southern China.

Forest land of the Group in Sichuan accounts for about 2% of its total forest land area and is mainly located in south-west of Sichuan. Its forest resources in Sichuan accounts for about 4% of its total forest resources. The Group is still in the process of assessing the economic loss suffered by it due to the earthquake but the Board does not expect a significant loss in forest resources. The traffic in the areas affected by the earthquake has also been subject to different levels of disruption. To show the Board’s support for the residents in the affected areas, the Company and its subsidiaries have made donations both in cash and in kind to the affected areas.

The continued frosty weather that came with rain and snow during January and February 2008 in the Southern China had affected Hunan, Guizhou, Yunnan and Chongqing, the bases of the Group’s forest lands. It caused different levels of damage to trees and the traffic in these areas was affected by the frosty weather which in turn caused delays in our transportation. After in depth assessment, the loss of forest resources of these areas is not significant.

By Order of the Board
China Grand Forestry Resources Group Limited
Ng Leung Ho
Chairman

Hong Kong, 10 June 2008

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Ng Leung Ho, Ms. Cao Chuan, Ms. Lee Ming Hin, Mr. Hu Xiaoming and Mr. Cheung Wai Tak being the executive Directors; Mr. John MacMillan Duncanson being the non-executive Director; and Mr. Lo Cheung Kin, Mr. Zou Zi Ping and Mr. Zhu Jian Hong being the independent non-executive Directors.

* *for identification purposes only*