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: 910)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2012

The board of directors (the "Board" or "Directors") of China Grand Forestry Green Resources Group Limited announces the annual consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2012 together with comparative figures for the year ended 31 March 2011:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2012

	Notes	**2012** *HK$'000*	2011 *HK$'000*
Revenue	*4*	**23,864**	2,761
Loss arising from changes in fair value less costs to sell of biological assets		**(1,149,363)**	(719,800)
Gain on bargain purchase	*15*	**1,222,432**	—
Change in fair value of derivative financial instrument		**(12,459)**	—
Other income	*4*	**6,794**	11,330
Other net losses	*6*	**(93,811)**	(24,647)
Write-off of patent		**—**	(13,762)
Cost of inventories and forestry products sold		**(1,320)**	(1,626)
Impairment loss on long-term prepayments		**—**	(96,547)
Impairment loss on other receivables		**(5,230)**	(66,154)
Impairment loss on available-for-sale investment		**(1,270)**	(12,416)
Impairment loss on property, plant and equipment		**(38,319)**	—
Write-off of biological assets		**(89,174)**	(279,363)
Write-off of prepaid lease payments		**(262,482)**	(57,741)
Staff costs		**(10,795)**	(28,281)
Depreciation of property, plant and equipment		**(16,295)**	(12,587)
Amortisation of patent		**—**	(928)
Release of prepaid lease payments		**(32,467)**	(28,469)
Other operating expenses		**(41,704)**	(36,959)
Finance costs	*7*	**(22,147)**	(9,660)
Loss before income tax	*9*	**(523,746)**	(1,374,849)
Income tax credit	*8*	**136,366**	171,197
Loss for the year		**(387,380)**	(1,203,652)

	Notes	**2012** ***HK$'000***	2011 *HK$'000*
Other comprehensive income, after tax:	*10*		
Exchange differences on translating foreign operations		**(91,757)**	168,528
Impairment loss on available-for-sale financial assets		**(1,270)**	(12,416)
Reclassification to profit or loss		**1,270**	12,416
Other comprehensive income for the year, after tax		**(91,757)**	168,528
Total comprehensive income for the year		**(479,137)**	(1,035,124)
Loss attributable to:			
Owners of the Company		**(387,379)**	(1,203,652)
Non-controlling interests		**(1)**	—
		(387,380)	(1,203,652)
Total comprehensive income attributable to:			
Owners of the Company		**(479,136)**	(1,035,124)
Non-controlling interests		**(1)**	—
		(479,137)	(1,035,124)
			(Restated)
Loss per share	*11*		
— Basic		**HK$(0.66)**	HK$(2.61)
— Diluted		**HK$(0.66)**	HK$(2.61)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Biological assets		**1,286,982**	2,487,426
Investment property		**3,554,530**	—
Property, plant and equipment		**43,953**	65,693
Construction in progress		**8,236**	39,857
Prepaid lease payments		**897,161**	1,217,950
Available-for-sale investments		**155**	1,425
Derivative financial instrument		**27,644**	—
		5,818,661	3,812,351
Current assets			
Inventories		**1,203**	816
Trade receivables	*12*	**773**	373
Prepaid lease payments		**18,211**	29,545
Other receivables, deposits and prepayments		**6,499**	13,625
Financial assets at fair value through profit or loss		**97,826**	313,266
Amounts due from related parties		**6,527**	—
Cash and cash equivalents		**24,414**	580,938
		155,453	938,563
Total assets		**5,974,114**	4,750,914

	Note	2012 HK$'000	2011 HK$'000
Current liabilities			
Trade payables	*13*	**39,480**	18,007
Other payables and accruals		**406,219**	251,684
Tax payable		**86,709**	80,574
		532,408	350,265
Net current (liabilities)/assets		**(376,955)**	588,298
Total assets less current liabilities		**5,441,706**	4,400,649
Non-current liabilities			
Long term payables		**426,982**	162,085
Convertible notes payable		**262,255**	—
Deferred taxation		**632,775**	135,526
		1,322,012	297,611
Net assets		**4,119,694**	4,103,038
Capital and reserves attributable to owners of the Company			
Share capital	*14*	**6,871**	974,105
Reserves		**4,112,757**	3,128,866
Equity attributable to owners of the Company		**4,119,628**	4,102,971
Non-controlling interests		**66**	67
Total equity		**4,119,694**	4,103,038

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs — effective 1 April 2010

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HK(IFRIC)-Interpretation 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

Excepts as explained below, the adoption of these new/revised standards and interpretations has no material effect on the Group's financial statements.

HKFRS 3 (Amendments) — Business Combinations

As part of the Improvements to HKFRSs issued in 2010, HKFRS 3 has been amended to clarify that the option to measure non-controlling interests ("NCI") at either fair value or the NCI's proportionate share in the recognised amounts of the acquiree's identifiable net assets is limited to instruments that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of NCI are measured at their acquisition date fair value unless another measurement basis is required by HKFRSs. The Group has amended its accounting policies for measuring NCI but the adoption of the amendment has had no impact on the Group's financial statements.

HKFRS 7 (Amendments) — Financial Instruments: Disclosures

As part of the Improvements to HKFRSs issued in 2010, HKFRS 7 has been amended to enhance the interaction between quantitative and qualitative disclosures. If the carrying amount of a financial asset best represents the maximum exposure to credit risk, the standard does not require a positive statement to this effect in the financial statements. This amended disclosure requirement has been applied retrospectively. The carrying amount of the Group's trade and other receivables represents the Group's maximum exposure to credit risk in respect of these financial assets as at 31 March 2012 and 2011. The prior year financial statements included a positive statement to this effect which is removed in the 2012 financial statements following the amendments. The adoption of the amendments has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HK(IFRIC) — Interpretation 19 — Extinguishing Financial Liabilities with Equity Instruments

The Interpretation applies where the Group renegotiates the terms of a financial liability and as a result issues its own equity instruments to the lender in full or partial settlement (commonly referred to as "debt for equity swaps"). The equity instruments are regarded as consideration paid and recognised at their fair value on the date the financial liability (or part thereof) is extinguished. The difference between the carrying amount of the financial liability extinguished and the consideration paid is recognised in profit or loss. If only part of the financial liability is extinguished, it is necessary to assess whether some of the consideration paid relates to modification of the terms of the liability that remains outstanding. In cases where it does, the consideration is allocated between the part extinguished and the part remaining. Previously, the Group recognised the equity instruments issued at the carrying amount of the debt extinguished with no gain or loss reported in profit or loss.

HKAS 24 (Revised) — Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition and no material impact has been noted for current and comparative period. The adoption of HKAS 24 (Revised) has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[4]
Amendments to HKFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosures — Offsetting financial assets and financial liabilities[4]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[6]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurements[4]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[3]
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets[2]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 27 (2011)	Separate Financial Statements[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC)-INT 20	Stripping Costs in the Production Phase of A Surface Mine[4]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 July 2012
4 Effective for annual periods beginning on or after 1 January 2013
5 Effective for annual periods beginning on or after 1 January 2014
6 Effective for annual periods beginning on or after 1 January 2015

Amendments to HKFRS 7 — Disclosures — Transfers of Financial Assets

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Amendments to HKAS 12 — Deferred Tax — Recovery of Underlying Assets

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively.

Amendments to HKAS 1 (Revised) — Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 — Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 — Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 13 — Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's consolidated financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of measurement and going concern assumption

The financial statements have been prepared under the historical cost basis except for investment property, financial instruments and certain biological assets which are measured at fair value or fair value less costs to sell.

During the year, the Group incurred a loss of approximately HK$387,380,000 for the year ended 31 March 2012 and, as of that date, the Group's current liabilities exceeded its current assets by HK$376,955,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity and financial position of the Group in view of the conditions described in the preceding paragraph. The directors are taking active measures to improve the working capital of the Group as described below:

1. the Group is in the process of obtaining bank borrowings by pledging the investment property;

2. the directors intend to negotiate with forest vendors to restructure the repayment schedules of the payables for the acquisition of forest farms;

3. the directors will implement procedures by improving efficacy of the management of forestry business for seeking potential business opportunities;

4. the directors anticipate that the Group will generate positive cash flows from its property business; and

5. the major shareholder has undertaken to provide continuing financial support in order to maintain the Group as a going concern.

As a result of the above , the directors consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 March 2012. Accordingly, the directors are satisfied that it is appropriate to prepare these consolidated financial statements for the year ended 31 March 2012 on a going concern basis.

If the going concern basis is not appropriate, adjustments would have to be made to restate the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

(c) Functional and presentation currency

These financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

4. REVENUE AND OTHER INCOME

Revenue represents income generated from the principal activities of the Group. Revenue and other income recognised during the year are as follows:

	2012	2011
	HK$'000	*HK$'000*
Revenue/Turnover		
Sale of forestry products	**6,360**	2,761
Rental income	**3,122**	—
Property management and related fee income	**14,382**	—
	23,864	2,761
Other income		
Bank interest income	**1,569**	4,062
Government grant income	**1,214**	—
Imputed interest arising from the discounting of the consideration receivable for the disposal of certain forest farms	**—**	1,332
Dividend income from listed investments	**1,738**	369
Income arising from transfer of research and development project to third parties	**—**	3,294
Income arising from granting of patent use rights	**2,273**	2,273
	6,794	11,330
	30,658	14,091

5. SEGMENTAL INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

After completion of the business combination on 15 February 2012, the Group has identified two reportable segments, the business of ecological forestry operation and property investment. In last year, the Group had only identified the business of ecological forestry operation as the single reportable operating segment.

During the year, there is no inter-segment transactions made. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

(a) Business Segments

The following is an analysis of the Group's revenue and results by operating and reportable segments:

	Property Business		**Ecological Forestry Business**		**Total**	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue:						
External sales	**17,504**	—	**6,360**	2,761	**23,864**	2,761
Inter-segment sales	**—**	—	**—**	—	**—**	—
Reportable segment revenue	**17,504**	—	**6,360**	2,761	**23,864**	2,761
Reportable segment profit/(loss)	**6,170**	—	**(1,342,847)**	(1,177,672)	**(1,336,677)**	(1,177,672)
Interest revenue	**—**	—	**1,569**	4,062	**1,569**	4,062
Interest expense	**4,875**	—	**13,297**	9,033	**18,172**	9,033
Depreciation and amortisation	**64**	—	**15,284**	13,139	**15,348**	13,139
Income tax expenses/(credit)	**1,691**	—	**(138,057)**	(171,197)	**(136,366)**	(171,197)
Write-off of biological assets	**—**	—	**89,174**	279,363	**89,174**	279,363
Release of prepaid lease payment	**—**	—	**32,467**	28,469	**32,467**	28,469
Loss arising from changes in fair value less costs to sell of biological assets	**—**	—	**1,149,363**	719,800	**1,149,363**	719,800
Impairment loss on property, plant and equipment	**—**	—	**38,319**	—	**38,319**	—
Write-off prepaid lease payment	**—**	—	**262,482**	57,741	**262,482**	57,741

(b) Reconciliation of reportable segment loss

	2012 *HK$'000*	2011 *HK$'000*
Loss before income tax		
Reportable segment profit	**(1,336,677)**	(1,177,672)
Gain on bargain purchase	**1,222,432**	—
Fair value gain/(loss) on financial assets at fair value through profit and loss	**(113,899)**	7,782
Impairment loss on available-for-sales investment	**(1,270)**	(12,416)
Finance costs	**(3,975)**	(627)
Unallocated corporate expenses	**(153,991)**	(20,719)
Consolidated loss before income tax	**(387,380)**	(1,203,652)

(c) Geographical information

During the year 2012 and 2011, the Group's major operations and assets are situated in the PRC in which all of its revenue was derived.

(d) Major customers

During the year ended 31 March 2012, revenue from a customer contributed to more than 26% of the Group's revenue amounting to approximately HK$6,288,520. During the year ended 31 March 2011, revenues from two customers contributed to more than 10% of the Group's revenue amounting to approximately HK$2,305,000 and HK$4,560,000 respectively.

6. OTHER NET LOSSES

	2012 *HK$'000*	2011 *HK$'000*
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(113,899)**	7,782
Net realised gain on disposal of financial assets at fair value through profit or loss	**1,951**	32
Net (loss)/gain on financial assets at fair value through profit or loss	**(111,948)**	7,814
Gain/(loss) on disposal of forest farms*	**15,229**	(18,159)
Impairment loss on trade receivables	**—**	(985)
Bad debt recovery	**182**	—
Loss on disposal of property, plant and equipment	**(1,963)**	(17,492)
Loss on disposal of a subsidiary	**(920)**	—
Rental income	**—**	3,816
Net exchange gain/(loss)	**3,770**	(1,627)
Others	**1,839**	1,986
	(93,811)	(24,647)

* It represents loss on disposal of biological assets and prepaid lease payment as follows:

	2012		
	Biological assets	**Prepaid lease payments**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Sales proceeds	**—**	**2,574**	**2,574**
Long term liabilities	**32,449**	**82,026**	**114,475**
Carrying amounts	**(32,449)**	**(69,371)**	**(101,820)**
	—	**15,229**	**15,229**

	2011		
	Biological assets	Prepaid lease payments	Total
	HK$'000	*HK$'000*	*HK$'000*
Sales proceeds	4,140	1,207	5,347
Carrying amounts	(22,339)	(1,167)	(23,506)
	(18,199)	40	(18,159)

7. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Imputed interest arising from the discounting of the consideration payables for the acquisitions of certain forest farms	**13,297**	9,033
Imputed interest arising from loan from a related company	**4,875**	—
Imputed interest on convertible notes	**3,975**	627
	22,147	9,660

8. INCOME TAX

	2012	2011
	HK$'000	*HK$'000*
Hong Kong profits tax		
— deferred tax credit	**—**	144
Overseas tax		
— current	**(154)**	(394)
— deferred tax credit	**136,520**	171,447
	136,366	171,197

Hong Kong profits tax has been provided at 16.5% based on the estimated assessable profit for the current and prior year. No provision of Hong Kong profits tax was made as there was no assessable profits derived for both years.

The Group's subsidiaries in the PRC are subject to the PRC income tax.

The State Council released the Implementation Rules to the Corporate Income Tax Law on 6 December 2007 (the "Implementation Rules"). According to the Implementation Rules, an entity engaged in forestry business is entitled to full exemption from the PRC enterprise income tax commencing from 1 January 2008.

Pursuant to the Implementation Rules, Wan Fu Chun Forest Resources Development Company Limited ("WFC"), a wholly-owned subsidiary of the Group should be entitled to full exemption from the PRC enterprise income tax as it is operating in forestry business. In the past two years, WFC had not been granted the exemption approval by the PRC tax authority. No application has been made in the year ended 31 March 2012. Accordingly, WFC is subject to enterprise income tax rate of 25% for the years ended 31 March 2011 and 2012.

Yunnan Shenyu New Energy Company Limited ("Yunnan Shenyu"), a wholly owned subsidiary of the Group, is also operating in forestry business during the year. Pursuant to the approval obtained from the relevant PRC tax authority, Yunnan Shenyu is entitled to a tax concession period whereby it is fully exempted from PRC enterprise income tax for the calendar year ended 31 December 2010. Yunnan Shenyu did not apply for tax exemption at present as it sustained loss for the year. The directors are confident that full exemption will be granted from the PRC tax authority when the application is lodged.

The applicable PRC enterprise income tax is 25% for 2011 and 2012 for other PRC subsidiaries.

9. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging:

	The Group	
	2012	2011
	HK$'000	*HK$'000*
Auditor's remuneration	**1,959**	1,267
Minimum lease payments under operating leases on leasehold properties	**4,314**	8,468
Research and development costs	**4,592**	900
Staff costs (including directors' remuneration):		
Wages and salaries	**9,806**	16,239
Share-based payment	**—**	11,152
Retirement benefits scheme contribution	**989**	890
	10,795	28,281

10. OTHER COMPREHENSIVE INCOME, AFTER TAX

	2012			2011		
	Before-tax-amount	**Tax expense/ (benefits)**	**Net-of-tax amount**	Before-tax-amount	Tax expense/ (benefits)	Net-of-tax amount
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Exchange differences on translating foreign operations	**(91,757)**	**—**	**(91,757)**	168,528	—	168,528
Impairment loss on available-for-sale financial assets	**(1,270)**	**—**	**(1,270)**	(12,416)	—	(12,416)
Reclassification to profit or loss	**1,270**	**—**	**1,270**	12,416	—	12,416
	(91,757)	**—**	**(91,757)**	168,528	—	168,528

11. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

(i) Loss attributable to the owners of the Company

	Group	
	2012	2011
	HK$'000	*HK$'000*
Losses for the year attributable to owners of the Company	**(387,380)**	(1,203,652)
Effect of dilutive potential ordinary shares: Interest on convertible notes	**—**	—
Loss for the year attributable to owners of the Company used in the diluted loss per share calculation	**(387,380)**	(1,203,652)

(ii) Weighted average number of ordinary shares and convertible preference shares

	Number of shares	
	2012	2011
	'000	*'000*
		(restated)
Weighted average number of ordinary shares and convertible preference shares at 31 March for the purpose of basic losses per share	**584,308**	460,306
Effect of dilutive potential ordinary shares:		
Share options	**—**	—
Convertible notes	**—**	—
Weighted average number of ordinary shares and convertible preference shares at 31 March for the purpose of calculation of diluted losses per share	**584,308**	460,306

The weighted average number of ordinary shares for the purpose of basic losses per share at 31 March 2011 has been adjusted to reflect the capital reorganisation effected on 1 December 2011.

The computation of diluted loss per share for the years ended 31 March 2012 and 2011 does not assume the exercise of share options and convertible notes since their exercise would result in a decrease in loss per share.

12. TRADE RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**45,498**	69,589
Less: Impairment loss	**(44,725)**	(69,216)
	773	373

The Group normally allows credit terms to established customers ranging from 90 to 120 days (2011: 90 to 120 days). The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk, with overdue balances regularly reviewed by senior management. Trade receivables are generally non-interest bearing and their carrying amounts approximate their fair values.

(i) The ageing analysis of the trade receivables as at the end of reporting period, based on the date of recognition of the sales, was as follows:

	2012	2011
	HK$'000	*HK$'000*
Over 90 days	**45,498**	69,589
Less: Impairment loss	**(44,725)**	(69,216)
	773	373

(ii) The movement in the impairment loss of trade receivables during the year:

	2012	2011
	HK$'000	*HK$'000*
As at 1 April	**69,216**	65,299
Impairment loss recognised for the year *(Note 6)*	**—**	985
Less: Bad debts written off	**(26,018)**	—
Exchange adjustment	**1,527**	2,932
As at 31 March	**44,725**	69,216

13. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 120 days from its suppliers. An ageing analysis of the trade payables as at the end of reporting date, based on the receipt of goods purchased, was as follows:

	2012	2011
	HK$'000	*HK$'000*
Current or less than 1 month	**211**	—
1 to 3 months	**15,235**	—
More than 3 months but less than 12 months	**7,666**	18,007
More than 12 months	**16,368**	—
	39,480	18,007

14. SHARE CAPITAL

	Number of shares	**Amount**
	'000	*HK$'000*
Authorised:		
As at 1 April 2010 and 2011, ordinary shares of HK$0.10 each	**20,000,000**	2,000,000
Share consolidation	**(19,000,000)**	—
Sub-division of ordinary shares	**199,000,000**	—
As at 31 March 2012, ordinary shares of HK$0.01 each	**200,000,000**	2,000,000
As at 31 March 2012, convertible preference shares of HK$0.01 each	**602,000**	6,020

	Ordinary share	
Issued and fully paid:	**Number of shares**	**Amount**
	'000	*HK$'000*
As at 1 April 2010, ordinary shares of HK$0.1 each	**7,907,715**	790,772
Placement of new shares	**1,000,000**	100,000
Shares issued from conversion of convertible notes	**833,333**	83,333
As at 31 March 2011, ordinary shares of HK$0.1 each	**9,741,048**	974,105
Share consolidation	**(9,253,995)**	—
Capital reduction	**—**	(969,234)
Ordinary shares of HK$0.01 each after capital reorganisation	**487,053**	4,871
Share issued from conversion of convertible preference shares	**200,000**	2,000
As at 31 March 2012, ordinary shares of HK$0.01 each	**687,053**	6,871

Issued and fully paid:	Convertible preference share Number of shares	Amount
	'000	*HK$'000*
As at 1 April 2010 and 31 March 2011, convertible preference shares of HK$0.01 each	**—**	—
Issue of convertible preference shares	**601,667**	425,198
Conversion of convertible preference shares	**(200,000)**	(141,332)
As at 31 March 2012, convertible preference share of HK$0.01 each	**401,667**	283,866

15. BUSINESS COMBINATION

(a) Financial effect of business combination

On 15 February 2012, the Group, through Grand Supreme Limited, a wholly owned subsidiary, completed the acquisition of the entire shareholdings of Great Peace Global Group Limited, a company incorporated in the British Virgin Islands and the entire shareholdings of Grandbiz Holdings Limited, a company incorporated in the British Virgin Islands, who hold in aggregate 100% equity interest in Fujian Sinco Industrial Co., Ltd. ("Fujian Sinco") (the "Acquisition"). Fujian Sinco holds a shopping mall in Fuzhou.

The primary reason for the business combination of the Group is to broadening its revenue source because the revenue from the Group's forestry business has been declining.

Fair value of assets and liabilities recognised at the date of Acquisition:

	Acquiree's fair value
	HK$'000
Net assets acquired:	
Investment property	3,569,030
Property, plant and equipment	3,015
Deposits and prepayments	968
Other receivable	45,137
Amounts due from related companies/parties	6,527
Cash and cash equivalents	2,496
Trade payables	(27,046)
Amounts due to related companies/parties	(6,033)
Loan from a related company	(366,899)
Other tax receivables	1,171
Received in advance	(20,498)
Tax payable	(3,631)
Deferred taxation	(633,688)
	2,570,549

Gain on bargain purchase on Acquisition

	HK$'000
Consideration transferred *(note (c))*	1,348,117
Less: fair value of identified net assets acquired	(2,570,549)
Gain on bargain purchase	(1,222,432)

Post-acqusition contribution to revenue and net profit of Fujian Sinco as included in the Group's consolidated statement of comprehensive income for the year ended 31 March 2012 is HK$17,504,000 and HK$6,170,000 respectively. If the Acquisition had incurred on 1 April 2011, the revenue and net profit of the Group for the year ended 31 March 2012 would have been HK$17,596,000 and HK$8,674,000 respectively.

(b) Analysis of the net outflow of cash and cash equivalents as a result of the acquisition is as follows:

	HK$'000
Cash paid	635,000
Cash and cash equivalents acquired	(2,496)
	632,504

(c) Analysis of the components of purchase consideration as at the date of acquisition

	HK$'000
Cash paid	635,000
Fair value of convertible preference shares issued	425,198
Fair value of convertible notes to be issued	
— Liability component	258,280
— Early Redemption Option	(40,103)
— Conversion option reserve	69,742
	1,348,117

The aggregate consideration of the Acquisition has been settled in the following manner:

— HK$635,000,000 of the consideration in cash;

— Issuance of 601,666,666 convertible preference shares; and

— Issuance of convertible notes with principal amount of HK$461,676,000

According to the acquisition agreements, the consideration is subject to the adjustment based on the aggregated net assets value of Fujian Sinco as at the completion date ("Net Assets Value"). The Net Assets Value is defined as the net asset value of Fujian Sinco plus deferred tax liability. The vendors and a guarantor have jointly and severally undertaken to the Company and guarantee that the Net Assets Value of Fujian Sinco as shown in the completion accounts will not be less than HK$3,140,000,000 (the "Guaranteed Amount"). As at the completion date, the Net Assets Value of Fujian Sinco was HK$2,902,000,000. The above consideration has reflected the shortfall between the Net Assets Value of Fujian Sinco at the completion date and the Guaranteed Amount.

16. DISPOSAL OF SUBSIDIARY

On 30 August 2011, the Group disposed of its 100% equity interest in a subsidiary, Fancy Spirit Limited for a consideration of approximately HK$1,199,000.

The net assets of the subsidiary disposed of at the date of disposal were as follows:

	HK$'000
Bank balances and cash	209
Property, plant and equipment	1,920
Other payables and accruals	(10)
Net assets disposed of	2,119
Loss on disposal of a subsidiary	(920)
Total consideration	1,199
Net cash inflow arising on disposal:	
Cash consideration received	1,199
Bank balances and cash disposed of	(209)
	990

17. CONTINGENT LIABILITIES

At 31 March 2012 and 2011, the Company and the Group did not have contingent liabilities.

18. CAPITAL COMMITMENTS

At 31 March 2012 and 2011, the Group had the following commitments:

	2012	2011
	HK$'000	*HK$'000*
Capital commitments contracted but not provided for:		
Construction in progress	**25,058**	33,479

19. CONTINGENCIES

The Group has been informed that there were several forest land use rights have uncertainty due to dispute arisen between forest land vendors and the Group. Legal advice received supports the directors' belief that the forest land use rights were still retained at year end. The directors will continue to seek legal advice and negotiate with forest land vendors to find a way to peace down the argument. The carrying amount of related prepaid lease payment on the forest land use rights and the biological assets held at year end were HK$3,301,000 and HK$12,574,000 respectively.

20. RELATED PARTY TRANSACTIONS

Key management personnel compensation

The remuneration of directors and other members of key management personnel during the year was as follows:

	2012	2011
	HK$'000	*HK$'000*
Salaries and other short-term employee benefits	**1,036**	3,732
Post-employment benefits	**7**	21
Share based payments	**—**	395
	1,043	4,148

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

For the year, the Group recorded a turnover of approximately HK$24 million (2011: HK$3 million), representing an increase of 700% compared with the year ended 31 March 2011. The increase in turnover was mainly attributable to the post-acquisition revenue generated from the newly acquired property business. The Group's loss attributable to shareholders was approximately HK$387 million, representing a basic loss per share of HK$0.66 (2011: loss of HK$1,204 million, representing a basic loss per share of HK$2.61).

During the year under review, the Group completed the acquisition of the property business, a gain on bargain purchase of HK$1,222 million was attributed from the acquisition, and the post-acquisition turnover from the newly acquired business was first-time consolidated into the Group's accounts. The Group's property and ecological forestry business accounted for approximately 73.35 per cent and 26.65 per cent, respectively, of the Group's total turnover.

The loss was mainly attributable to the operating loss arising from limited activities in harvesting and trading of biological assets, change in fair value of biological assets of HK$1,149 million and change in fair value of financial assets through profit or loss of HK$114 million.

DIVIDEND

The Board does not recommend any final dividend for the year (2011: HK$Nil).

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT

The Company's independent auditor's report for the year ended 31 March 2012 has been modified but without qualification, an extract of which is follow:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2012 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 3(b) to the financial statements which indicate that the Group incurred a loss of approximately HK$387,380,000 for the year ended 31 March 2012 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$376,955,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

BUSINESS REVIEW

During the year, The Group completed the acquisition of property business. The Directors had identified the property business which provides an invaluable opportunity for the Group to diversify its business and participate in the properties related business in the PRC, and also to broaden its asset and earning base. The directors are pleased to report that the property business has already contributed profit to the Group for the financial year under review.

On the other side regarding the Group's traditional ecological forestry business, the running costs of traditional resources business kept rising. The granting of harvesting permit was very limited, and therefore the revenue from the Group's ecological forestry business has been declining.

The Property Business

The Group is optimistic to the commercial property market of mainland China in the long term. The Group has completed a transaction to acquire a shopping mall in Fuzhou City during the year at a fair value of consideration of approximately HK$1,348,117,000 as at 15 February 2012. The Group recorded the rental income of approximately HK$3,122,000 and property management and related fee income of approximately HK$14,382,000 in the financial year. The shopping mall was fully leased out at year end. The Board considers the shopping mall in Fuzhou City will bring a positive return and steady rental income to the Company.

The Ecological Forestry Business

(i) Forest land and timber business

As at 31 March 2012, the total area of traditional forest land use right owned by the Group amounted to approximately 5 million Chinese Mu. Such forest land is mainly located in Hunan, Chongqing, Yunnan and Guizhou.

It would be difficult to yield a reasonable return from the production and sales of traditional timber products under the current market conditions where production cost increases greatly and capital expenditure of road construction in forest farms is high. In addition, due to the environmental issues in the PRC, the grant of harvesting permit was very limited and difficult to obtain. Therefore, the traditional logging business has been slowing down and turnover dropped during the Year.

The Group did not carry out any harvesting activities during the 2nd half of the year. As mentioned above, the grant of harvesting permit was very limited, therefore the expected future wood flow was adjusted downward, and hence the fair value of biological assets was reduced accordingly during the year.

(ii) Biomass energy

Biomass energy project which was a clean burning alternative fuel produced from renewable and sustainable resources, which was still under development, it was a potential business opportunity for the forestry industry in China. As at 31 March 2012, the Group owned Jatropha estate of approximately 160,000 Chinese Mu in Yunnan Province. The value of Jatropha dropped significantly during the year due to the continued drought in Yunnan, As a result of the approximately 44% mortality rate of Jatropha estate occurred.

Due to insufficient supply of raw materials and high fluctuation of energy price, the biomass energy project was not progressing smoothly. The Group is evaluating the business opportunities and the relevant business risk in order to determine the appropriate development strategy.

PROSPECTS

Looking forward, the Directors expect that the property business will increase the income stream of the Group, bring additional stable earnings to the Group, increase the return on equity of the Group and bring a long term benefit to the Group.

On the other side, to proactively address the environmental issues and climate change, there will be more measures, such as additional afforestation for boosting ‘greening’ efforts so as to improve forest carbon sequestration. The Group expects that domestic harvesting in the plantations would be tightened, thus we have to seek other appropriate business opportunities.

The Group is rather conservative about the resources business growth in the coming years even though there was surging demand on resources in PRC. The Group is aimed to strengthen its competitive edge by optimizing its forest portfolios, and by seeking appropriate business partners and associates to assist the Group to obtain harvesting permits so as to increase revenue. When opportunities arises the Group may also consider realizing certain forest portfolio to improve its financial positions.

FINANCIAL REVIEW

Revenue

The increase in sales for the year is mainly attributable from rental income of newly acquired of property business and sales forestry products.

Loss arising from changes in fair value less costs to sell of biological assets and write-off of biological assets

The details of the losses of each biological assets are as follow:

	Loss arising from changes in fair value	**Write-off**
	HK$'000	*HK$'000*
Other trees	916,137	89,174
Jatropha	233,226	—
	1,149,363	89,174

For other trees, the revaluation loss mainly arising from the limitation of grant of harvesting permit by PRC government, decrease in future projected woodflow and adjust upward in direct costs such as silvicultural cost, transportation cost, harvesting cost, roading cost and overhead.

For Jatropha, the value diminution is primarily the result of mortality of about 44% of the area, largely due to severe drought in Yunnan province, which led to a significant reduction in the estimated mature crop seed yield.

In addition, in the past few years in certain areas the instable climates led to serious harm to newly planted biological assets and caused the survival rate to drop significantly, which in turn caused the economic commercial value of those injured biological assets decrease very significantly and almost approach zero, and hence a loss in fair value incurred accordingly.

Gain on bargain purchase

During the year ended 31 March 2012, the Company entered into the Share Transfer Agreement with the Purchaser to acquire the effective interest in a property business in Fujian.

The transaction was completed on 15 February 2012 and a gain of HK$1,222 million was recorded.

Impairment loss on other receivables and available-for sale investments

During the year, the Group had made appropriate amount of impairment loss on long aged other receivables and impaired the available-for-sale investment to reflect its market value.

Impairment loss on property, plant and equipment

Turnpike was originally constructed for operating and harvesting the forest from 2007. In view of the minimal harvesting activities carried out by the Group during recent years, management assessed that there will not be positive cash flows generated by timber logging and selling in the near future. Therefore the carrying amount approximately HK$38 million of turnpike constructed in forests was fully impaired.

Write-off of biological assets and prepaid lease

Management assessed that the granting of harvesting permit by the local authorities of some forests located in Yunnan Province are remote and they will hardly recover the cost for such forests, full written-off of biological assets and prepaid lease approximately HK$89 million and approximately HK$262 million was made respectively.

Cost of inventories and forestry products sold

The cost was mainly the timber cost incurred during the year.

Staff costs

The Group adopted a tighter cost control and no new share option was granted during the year, thus staff costs decreased accordingly.

Other operating expenses

The Group's other operating expenses represent various administrative expenses, such as rental, maintenance cost on various biological assets and professional fees.

During the year, the Group adopted a tighter cost control in order to reduce the operating loss.

Finance costs

Financial costs, included approximately HK$22 million of non-cash imputed interest expenses on payables for acquisitions of certain forest farms and convertible notes.

Biological assets

The biological assets of the Group included Jatropha and other forest assets.

During the year, the valuation of Group's forest assets and Jatropha in PRC was independently valued by Poyry (Beijing) Consulting Co., Ltd. Shanghai Branch ("Poyry").

The net decrease in value was mainly due to the loss arising from changes in fair value of HK$1,149 million. The movements of biological assets were as follows:

	Jatropha	**Other forest assets**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
As at 1 April 2011	362,920	2,124,506	2,487,426
Disposal	—	(32,449)	(32,449)
Plantation expenditure incurred	9,485	629	10,114
Harvest as agricultural produce	—	(1,164)	(1,164)
Exchange adjustment	8,480	53,112	61,592
Loss arising from changes in fair value less costs to sell	(233,226)	(916,137)	(1,149,363)
Write-off	—	(89,174)	(89,174)
As at 31 March 2012	147,659	1,139,323	1,286,982

Prepaid lease payments

Prepaid lease payments are the prepayments of land use rights located in the PRC. The amount decreased was mainly due to the amortization amounted to HK$32 million written off of HK$262 million and disposal of HK$69 million respectively.

Movements of prepaid lease payments during the year were as follows:

	2012
	HK$'000
As at 1 April 2011	**1,247,495**
Exchange adjustment	**32,197**
Disposals	**(69,371)**
Write-off	**(262,482)**
Amount released to profit or loss	**(32,467)**
As at 31 March 2012	**915,372**
Classified as current assets	**(18,211)**
Classified as non-current assets	**897,161**

Other payables, accruals and long term payables

The balances mainly included payables of forest farms and plantation expenditures.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2012, the Group's cash and bank balances amounted to approximately HK$24 million (2011: HK$581 million), which were principally denominated in Renminbi and Hong Kong dollar. The Group was not exposed to any substantial risk in foreign exchange fluctuations. In general, the Group mainly used its Renminbi income receipt for operating expenses in the PRC and did not use any financial instruments for hedging purpose.

As at 31 March 2012, the Group had no borrowings.

The Group generally finances its operation using internally generated resources and the proceed raised from issue of new shares in previous years. As at 31 March 2012, the Group's net current liabilities amounted to approximately HK$377 million (net current assets 2011: HK$588 million). The Group's current ratio, being its current assets as a percentage of its current liabilities, amounted to 29% (2011: 268%).

As at 31 March 2012, the share capital of the Company consisted of 687,052,446 ordinary shares of HK$0.01 each. Apart from the ordinary shares in issue, the Company will issue convertible notes as alternative financing instruments.

As at 31 March 2012, the Group's gearing ratio was zero, measured on the basis of total borrowings as a percentage of total shareholders' funds (2011: Nil).

SIGNIFICANT EVENT

(a) During the year, the Company completed the acquisition of Grandbiz Holdings Limited, a company incorporated in the British Virgin Island and hold an entire equity interest in Mazy International Limited, which in turn holds 40% equity interest in Fujian Sinco Industrial Co., Ltd ("Fujian Sinco") and Great Peace Global Group Limited holds 50% equity interest in a jointly controlled entity, Grand International Development Limited, which in turn holds 60% equity interest in Fujian Sinco. Fujian Sinco is principally engaged in the business of property investment in Fujian. The acquisition consideration of HK$1,348 million is satisfied by cash consideration and the issuance by the Company of convertible preference shares and convertible notes. The details of the acquisition, which constitutes a Very Substantial Acquisition under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd., were disclosed in the Company's circular to its shareholders of 10 January 2012.

(b) The Capital Reorganisation became effective on 1 December 2011. Capital Reorganisation involving consolidation of every twenty (20) shares of HK$0.10 each into one (1) consolidated share of HK$2.00 each; a reduction in the nominal value of the then issued consolidated shares from HK$2.00 to HK$0.01 each by cancelling the paid-up capital to the extent of HK$1.99 on each of the issued consolidated shares and subdivision of each authorised but unissued consolidated shares into two hundred (200) adjusted shares of HK$0.01 each. Details of which are set out in the circular dated 7 November 2011.

CHARGE ON THE GROUP'S ASSETS

The Group did not have any pledged assets as at 31 March 2012 and 2011 to secure general banking facilities.

CONTINGENT LIABILITIES

As at 31 March 2012, the Group did not have contingent liabilities of material amounts.

CAPITAL COMMITMENTS

As at 31 March 2012, capital commitments in respect of construction costs which had been contracted but not provided for by the Group amounted to approximately HK$25 million.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATE

The majority of the Group's transactions and borrowings are denominated in Hong Kong dollars and Renminbi. Therefore, the Group's exposure to exchange rate fluctuation is relatively insignificant. In general, the Group mainly uses its Renminbi income receipt for operating expenditure in the PRC and does not use any financial instruments for hedging purpose.

EMPLOYEES

As at 31 March 2012, the Group employed a total of approximately 160 employees, of which 9 employees are employed in Hong Kong. In addition to competitive packages offered to the employees, other benefits provided to eligible candidates include contributions to mandatory provident fund as well as group medical and accident insurance. On-going training sessions were also conducted to enhance the competitiveness of the Group's human assets. The Company also maintains a share option scheme, pursuant to which share options may be granted to directors, executives and employees of the Company as incentives for their contribution to the growth of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance. The Board of the Company believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests. During the Year, Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Audit Committee has reviewed with management and the external auditors, the Group's annual results for the year ended 31 March 2012, the accounting principles and practices adopted and discussed auditing, internal controls, and financial reporting matters.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as a code of conduct regarding directors' securities transactions in 2004. All the members of the Board have confirmed, following specific enquiry by the Company that they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2012. The Model Code also applies to other specified senior management of the Group.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The final results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited (**www.hkexnews.hk**) and on the website of the Company (**www.chinagrandforest.com**). The annual report of the Company for the year ended 31 March 2012 will be despatched to shareholders of the Company and will be published on the same websites in due course.

By order of the Board
China Grand Forestry Green Resources Group Limited
Chi Chi Hung Kenneth
Company Secretary and Executive Director

Hong Kong, 28 June 2012

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Lau Man Tak, Mr. Chi Chi Hung Kenneth and Ms. Zhang Jianchan being the Executive Directors and Dr. Wong Yun Kuen, Mr. Chan Chi Yuen, Mr. Yu Pak Yan, Peter, Mr. Zheng Jinyun and Mr.Zheng Yurui being the Independent Non-Executive Directors.