

**IN THE MATTER OF THE COMPANIES ACT 1981
(the “Act”)**

AND

**IN THE MATTER OF
CHINA GRAND FORESTRY GREEN RESOURCES
GROUP LIMITED
(the “Company”)**

NOTICE OF REDUCTION OF ISSUED SHARE CAPITAL

NOTICE IS HEREBY GIVEN pursuant to Section 46(2)(a) of the Act that subject to the satisfaction of certain conditions, the Company proposes to consolidate every 20 shares of HK\$0.10 each in the share capital of the Company into 1 share of HK\$2.00 each (the “Consolidated Share”) in the share capital of the Company and thereafter to reduce its issued share capital from HK\$974,104,893.30 to HK\$4,870,524.46 by canceling paid-up capital to the extent of HK\$1.99 on each Consolidated Share in the issued share capital of the Company of HK\$2.00 each so that the nominal value of each issued Consolidated Share will become HK\$0.01 (the “Capital Reduction”).

It is intended that the Capital Reduction will take effect on 1 December 2011.

Conyers Dill & Pearman
Attorneys to the Company

Dated this 8th day of November, 2011