



China Forest Industry

China Plans to Cancel the Woods-raising Fee and Forest Maintenance Fee Gradually

New Policy Will Give Strong Push to Development of Business for China Forest Industry in Terms of Profitability

The China Government net, together with net of State Forestry Bureau had a combined exclusive interview with Mr. Jia Zhibang, the director of State Forestry Administration and Mr. Zhang Jianlong, the vice director of State Forestry Administration on July 15th, 2009. It's known that China is on the progress of planning to cancel the woods-raising fee and forest maintenance fee.

It is said that Taining county in Fujian province, where China Forestry Industry Holdings limited (Code: MLCFI)locates,will be one of the districts to carry out this policy on January 1st, 2010. The policy will give strong push to the profitability of China Forest Industry in Logs Harvesting Industry, which then, will allow China Forest Industry to enjoy preferential policy of exempt of the woods-raising fee and forest maintenance fee.

From the policy, the unit profit for logs harvesting will rise directly by 110 CNY per cubic meter, which means the average gross profit margin will reach at least 50% from 43%. China Forest Industry will therefore adapt the business plan of logs harvesting for this and next year so as to maximize the profit for the company.

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