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CHINA TIMBER RESOURCES GROUP LIMITED

(中國木業資源集團有限公司*)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 269)

DELAY IN DESPATCH OF CIRCULAR

FINANCIAL ADVISER TO CHINA TIMBER RESOURCES GROUP LIMITED



Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, the Company is required to despatch the Circular to the Shareholders within 21 days after publication of the Announcement, which is on or before 12 September 2007.

The Acquisition constitutes a very substantial acquisition and a connected transaction for the Company under the Listing Rules. As additional time is required to finalise the valuation report on the Jaling Forest as at 31 August 2007 and certain financial information as required by the Listing Rules for inclusion in the Circular, the Company has applied for a waiver from the Stock Exchange from the strict compliance with Rules 14.38 and 14A.49 of the Listing Rules and for an extension of deadline for the despatch of the Circular to on or before 28 September 2007.

Reference is made to the announcement of the Company in relation to, among others, the proposed acquisition of 44% equity interest in Jaling by the Purchaser for a total consideration of HK\$130 million dated 22 August 2007 (the “Announcement”). Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Announcement.

* *For identification purpose only.*

THE CIRCULAR

The Acquisition constitutes a very substantial acquisition and a connected transaction for the Company under the Listing Rules. Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, the Company is required to despatch a circular containing, among other things, details of the Acquisition (the “Circular”) to the Shareholders within 21 days after publication of the Announcement, which is on or before 12 September 2007. However, it is noted that additional time is required to finalise the information to be incorporated in the Circular, namely, the valuation report on Jaling Forest as at 31 August 2007, the letter from the independent financial adviser and the financial information as required by the Listing Rules (in particular, the management discussion and analysis statement, accountant’s report on Jaling and its subsidiaries, pro forma financial information of the enlarged group, the sufficiency of working capital statement and the indebtedness statement as at 31 July 2007). Given the above and after taking into account the progress so far, the despatch of the Circular will be delayed. Save as aforesaid, there is no other material information which has not been finalised in the Circular.

The Company has applied to the Stock Exchange for a waiver from the strict compliance with Rules 14.38 and 14A.49 of the Listing Rules and for an extension of deadline for the despatch of the Circular to on or before 28 September 2007.

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Fung Tsun Pong, Mr. Lau Sing Hung, Stephen, Mr. Tsang Kam Ching, David and Mr. Chow Ki Shui, Louie; and three independent non-executive Directors, namely Mr. Yip Tak On, Mr. Jing Baoli and Mr. Bao Liang Ming.

By order of the Board
China Timber Resources Group Limited
David Tsang
Executive Director

12 September 2007, Hong Kong