



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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Company expects that the financial results of the Group for the year ended 31 March 2009 is likely to incur a loss as compared to a profit for the year ended 31 March 2008. The information in this announcement is only based on the preliminary assessment of the management accounts of the Group and such information has not been audited or reviewed by the Company's auditors.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Timber Resources Group Limited (the "Company" together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and the potential investors that based on preliminary assessment of the management accounts of the Group and information currently available to the Company, it is expected that the Group is likely to incur a loss for the year ended 31 March 2009 as compared to a profit for the year ended 31 March 2008. Such loss was mainly attributable to the realized loss in listed equity securities held for trading by the Group as a result of current downturn in the financial market (Please refer to the announcement of the Company dated 14 November 2008 for further information), changes in fair value in investment properties in Australia and decrease in the sale of saplings. However, the Board considers that the overall operations of the Group remain sound and intact, and the financial position of the Group remains solid.

* *For identification only*

The Company is in the process of preparing the annual results of the Group for the year ended 31 March 2009. The information contained in this announcement is only based on information currently available to the Company and such information has not been audited or reviewed by the Company's auditors. Details of the Group's performance will be disclosed as and when the final results for the year ended 31 March 2009 are announced.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Timber Resources Group Limited
Tsang Kam Ching, David
Director

Hong Kong, 1 April 2009

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.