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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of China Timber Resources Group Limited (the “Company”) will be held at 11:00 a.m. on Monday, 19 September 2011, at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong (the “Meeting”), for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company, and unless otherwise defined herein, the terms used herein shall have the same meanings as defined in the circular to the shareholders of the Company dated 31 August 2011 (the “Circular”):

ORDINARY RESOLUTIONS

1. **“THAT**

- (a) the Second Capital Increase Agreement (a copy of which has been produced to the Meeting and marked “A” and initialed by the Chairman of the Meeting for the purpose of identification) and all actions taken or to be taken by the Company pursuant to it as described in the Circular (a copy of which has been produced to the Meeting and marked “B” and initialed by the Chairman of the Meeting for the purpose of identification) be and are hereby generally and unconditionally approved, ratified and confirmed; and
- (b) any one of the directors of the Company (the “Director(s)”) be and is hereby authorized for and on behalf of the Company to do all such acts and things, to sign and execute any agreements pursuant to and/or supplemental to the Second Capital Increase Agreement; and all such other documents, deeds, instruments and agreements and to take such steps as he may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the said agreements or any of the transactions contemplated thereunder or incidental to any of them and all other matters incidental thereto.”

* *For identification purpose only*

2. “**THAT**

- (a) the subscription agreement dated 2 August 2011 (the “First Subscription Agreement”) entered into between the Company and Li Ka Shing (Canada) Foundation (the “First Subscriber”), a copy of which is tabled at the Meeting and marked “C” and initialed by the Chairman of the Meeting for identification purpose, pursuant to which the First Subscriber agreed to subscribe for 9% coupon convertible bonds due 2014 in the principal amount of HK\$1,300 million (the “First Convertible Bonds”), which entitled the holders to convert the principal amount outstanding into shares of the Company at the initial conversion price of HK\$0.40 per Share, be and is hereby approved, confirmed and ratified;
- (b) the subscription agreement dated 2 August 2011 (the “Second Subscription Agreement”) entered into between the Company and China Life Insurance (Overseas) Company Limited (the “Second Subscriber”), a copy of which is tabled at the Meeting and marked “D” and initialed by the Chairman of the Meeting for identification purpose, pursuant to which the Second Subscriber agreed to subscribe for 9% coupon convertible bonds due 2014 in the principal amount of HK\$600 million (the “Second Convertible Bonds”), which entitled the holders to convert the principal amount outstanding into shares of the Company at the initial conversion price of HK\$0.40 per Share, be and is hereby approved, confirmed and ratified;
- (c) the subscription agreement dated 2 August 2011 (the “Third Subscription Agreement”, which together with the First Subscription Agreement and the Second Subscription Agreement shall be collectively referred to as the “Subscription Agreements”) entered into between the Company and Dr. Lo Ka Shui (the “Third Subscriber”), a copy of which is tabled at the Meeting and marked “E” and initialed by the Chairman of the Meeting for identification purpose, pursuant to which the Third Subscriber agreed to subscribe for 9% coupon convertible bonds due 2014 in the principal amount of HK\$100 million (the “Third Convertible Bonds”, which together with the First Convertible Bonds and the Second Convertible Bonds shall be collectively referred to as the “Convertible Bonds”), which entitled the holders to convert the principal amount outstanding into shares of the Company at the initial conversion price of HK\$0.40 per Share, be and is hereby approved, confirmed and ratified;
- (d) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of the Company to be issued pursuant to the conversion of the Convertible Bonds (the “Conversion Shares”), any Director be and are hereby generally and specifically authorized to issue the Convertible Bonds and to allot and issue the Conversion Shares credited as fully paid at an initial conversion price of HK\$0.40 per Share, subject to adjustment in accordance with the terms and conditions of the Convertible Bonds (the “Special Mandate”), and that the Conversion Shares shall, when allotted and issued, rank pari passu in all respects with

all other shares of the Company in issue on the date of such allotments and issue, and that the Special Mandate is in addition to, and shall not prejudice nor revoke the existing general mandate granted to the Directors by the shareholders of the Company in the annual general meeting of the Company held on 11 August 2011 or such other general or special mandate(s) which may from time to time be granted to the Directors prior to the passing of this Resolution; and

- (e) any Director be and is hereby authorized to execute all such documents and/or to do all such acts on behalf of the Company as he may consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation and completion of the Subscription Agreements and the transactions contemplated thereunder.”

By Order of the Board
China Timber Resources Group Limited
Cao Zhong
Chairman

Hong Kong, 31 August 2011

Registered office:

The Office of Caledonian Trust (Cayman) Limited
Caledonian House, 69 Dr. Roy's Drive,
Grand Cayman, KY1-1102
Cayman Islands

Principal office of business:

Room 1801-07
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

Notes:

- (a) A member entitled to attend and vote at the above meeting is entitled to appoint one or more than one proxies to attend and vote on his behalf. A proxy need not be a member of the Company but must be present in person to represent the member.
- (b) If the appointer is a corporation, the form of proxy must be under its common seal, or under the hand of an officer or attorney duly authorized on its behalf.
- (c) In order to be valid, a form of proxy must be deposited at the Company's Hong Kong branch share registrar, Tricor Progressive Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish. In the event that you attend the meeting after having lodged the form of proxy, the form of proxy will be deemed to have been revoked.

- (d) Where there are joint registered holders of any share, anyone of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if he was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote and will be accepted to the exclusion of other joint registered holders in respect hereof.
- (e) The EGM is expected not to exceed half an hour, and all member and proxies shall be responsible for their own traveling expenses.

As at the date of this notice, the Board comprises three executive Directors, namely Mr. Cao Zhong, Mr. Fung Tsun Pong and Mr. Tsang Kam Ching, David; a non-executive Director namely Mr. Neil Bush; and three independent non-executive Directors, namely Mr. Yip Tak On, Mr. Jing Baoli and Mr. Bao Liang Ming.