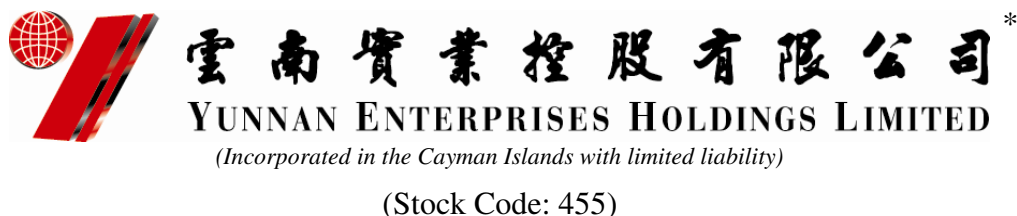


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**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR,
RESIGNATION OF EXECUTIVE DIRECTOR
AND CHANGE OF COMPANY SECRETARY**

The board of directors (the “Board”) of Yunnan Enterprises Holdings Limited (“the Company”) announces that, with effect from 31st March 2009; (1) Mr. Chiu Fan Wa (“Mr. Chiu”) has been appointed as an independent non-executive director, a member of the remuneration committee and a member of the audit committee of the Company; (2) Mr. Li Guanglin resigned as an executive director of the Company due to his change of business engagements after many years of service to the Company; (3) Mr. Carmelo Lee Ka Sze resigned as company secretary of the Company; and (4) Mr. Lo Tai On was appointed as company secretary of the Company.

Mr. Chiu, FCCA, FCPA (Practising), ACA, ACIS, ACS, aged 45. Mr. Chiu is a founder and the managing director of Chiu, Choy & Chung C.P.A. Limited, a local audit firm and a partner of F. S. Li & Co, a local audit firm. He graduated from City University of Hong Kong and obtained a Bachelor of Arts (Honours) degree with major in accountancy in 1992 and was awarded a Master of Professional Accounting from The Hong Kong Polytechnic University in 2002. He is a Certified Public Accountant (Practising) in Hong Kong, a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants, a member of The Society of Chinese Accountants & Auditors, the Associate Member of the Institute of the Chartered Accountants in England and Wales, an associate of The Hong Kong Institute of Chartered Secretaries and an associate of The Institute of Chartered Secretaries and Administrators, United Kingdom. Mr. Chiu is also an Independent Non-Executive Director of Kenford Group Holdings Limited which is listed on The Stock Exchange of Hong Kong Limited.

Mr. Chiu does not hold any positions with the Company or any subsidiary of the Company other than acting as an independent non-executive director and a member of the audit committee and the remuneration committee of the Company. Save as disclosed above, Mr. Chiu did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years.

As at the date of this announcement, Mr. Chiu does not have any relationship with any director, senior management or substantial and controlling shareholder of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Pursuant to a letter of appointment with the Company, Mr. Chiu has been appointed for a term of two years commencing from 31st March 2009 to 30th March 2011.

Mr. Chiu is also subject to retirement and re-election at the first general meeting following his appointment and thereafter is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. His director's fee which will be determined by the Board by reference to the prevailing market conditions and subject to the approval of shareholders at the annual general meeting.

Save as disclosed above, there are no matters which are required to be brought to the attention of the shareholders of the Company, or to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Li Guangli confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that will need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to welcome Mr. Chiu to the Board and to thank Mr. Li Guangli and Mr. Carmelo Lee Ka Sze for their contribution to the Company during their tenure of office.

By Order of the Board
Yunnan Enterprises Holdings Limited
Fang Wen Quan
Managing Director

Hong Kong, 31st March 2009

As at the date of this announcement, the Board comprises Mr. Li Suiming, Mr. Fang Wen Quan and Mr. Liu Huijiang as executive directors, and Mr. Chiu Sung Hong, Mr. Lam Yat Fai and Mr. Chiu Fan Wa as independent non-executive directors.

**For identification purpose only*