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SANYUAN GROUP LIMITED
三元集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 140)

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board of directors (the “**Board**”) of Sanyuan Group Limited (the “**Company**”) announces the following:

RESIGNATION OF DIRECTORS

With effect from 15 July 2009, Mr Xu Zhi and Mr Xu Quing Fah resigned as independent non-executive directors of the Company and members of the audit committee due to their business commitments.

Both Mr Xu Zhi and Mr Xu Quing Fah have confirmed that they have no disagreement with the Board and there is no matter that needs to be brought to the attention of the shareholders of the Company.

The Board would like to thank Mr Xu Zhi and Mr Xu Quing Fah for their valuable contributions to the Group.

NON-COMPLIANCE WITH LISTING RULES

Following the resignations of Mr Xu Zhi and Mr Xu Quing Fah, the Company has only one independent non-executive director and the audit committee of the Company has only one member, namely Mr. Wong Ting Kon. The Company therefore does not meet the minimum number of independent non-executive directors requirement under Rule 3.10(1) and audit committee requirements under Rule 3.21 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Board will appoint a sufficient number of independent non-executive directors to meet the minimum number required under Rule 3.10(1) of the Listing Rules, and will appoint appropriate members to the audit committee of the Company to meet the requirements set out in Rule 3.21 of the Listing Rules, as soon as possible and in any event within three months after failing to meeting the aforesaid requirements. The Company will make further announcement regarding such appointments as and when appropriate.

By Order of the Board of
SANYUAN GROUP LIMITED
Tso Hon Sai Bosco
Executive Director

Hong Kong, 16 July 2009

As at the date of this announcement, there are 4 executive Directors, namely Mr. Tso Hon Sai Bosco, Mr. Yim Kai Pung, Mr. Liu Kwok Leung Paul and Mr. Zhao Tie Liu and 1 independent non-executive Director, namely, Mr. Wong Ting Kon.