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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)

UPDATE ON RESUMPTION OF TRADING

Trading of the Shares of the Company (the “Shares”) has been suspended since 13 May 2004. The Company has appointed financial adviser to submit letters of resumption to the Stock Exchange on 25 and 29 May 2009 respectively. On 9 July 2009, the Court of Appeal has overturned the decision of the Court of First Instance and allowed the appeal by The Stock Exchange of Hong Kong Limited (“Stock Exchange”). Despite the decision from the Court of Appeal, the Company has submitted a detailed resumption proposal to the Listing Division of the Stock Exchange to demonstrate that the Company has the opportunity of complying Rule 13.24 of the Listing Rules on 24 July 2009. However, the Listing Division confirmed on 28 July 2009 that they will not consider the resumption proposal of the Company. As such the Company has no alternative but to file the Notice of Application for Leave to Appeal to Hong Kong Court of Final Appeal on 6 August 2009.

Cancellation of the listing of the Shares will be pending on the application for leave to appeal by the Court of Appeal and Court of Final Appeal. Further announcements will be made on the status of the application for leave to appeal if and when there are material developments in relation to the Company.

Trading of the Shares of the Company (the “Shares”) has been suspended since 13 May 2004. The Company has appointed financial adviser to submit letters of resumption to the Stock Exchange on 25 and 29 May 2009 respectively. On 9 July 2009, the Court of Appeal overturned the decision of the Court of First Instance made on 4 June 2008, in which the judgment stated that the question of delisting of the Company should be remitted back to the Listing Appeals Committee for reconsideration. Despite the decision from the Court of Appeal, the Company has submitted a detailed resumption proposal to the Listing Division of the Stock Exchange to demonstrate that the Company has the opportunity of complying Rule 13.24 of the Listing Rules on 24 July 2009. However, the Listing Division confirmed on 28 July 2009 that they will not consider the resumption proposal of the Company. As such the Company has no alternative but to file the Notice of Application for Leave to Appeal to the Hong Kong Court of Final Appeal on 6 August 2009.

The board of directors of the Company is determined to retain the listing status of the Shares. As stated in the Notice of Application for Leave to Appeal filed on 6 August 2009, the delisting of the Company will diminish its value, business and assets and it is of great importance that the Company should have the right to be informed that in what respect and to what extent that its performance and/or resumption proposal is considered insufficient in accordance with Rule 13.24 of the Listing Rules.

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By the Order of the Board
Tso Hon Sai Bosco
Executive Director

Hong Kong, 10 August 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.