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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)

CANCELLATION OF LISTING

The Company announces that with effect from 9:30 a.m. on 24 December 2009, the listing of the Company's shares will be cancelled under the Delisting Procedures.

The Board of directors (the "**Board**") of Sanyuan Group Limited (the "**Company**") announces that the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Exchange**") will be cancelled with effect from 9:30 a.m. on 24 December 2009 under the delisting procedures set out in Practice Note 17 to the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (the "**Delisting Procedures**"). Practice Note 17 to the Listing Rules formalises the procedures adopted to delist long-suspended companies.

Dealings in the Company's shares have been suspended since 13 May 2004. Accordingly, dealings in the Company's shares have effectively been suspended for over five years and seven months.

The Company was put into the third stage of the Delisting Procedures on 3 June 2005. Under the Delisting Procedures, at the end of the third stage where no viable proposals have been received for resumption, the listing of the Company's shares will be cancelled. In the Company's case, the third stage expired on 2 December 2005 (the "**Deadline**"). Following the suspension in trading in the Company's shares and before the Deadline, the Company submitted a resumption proposal (the "**Proposal**") on 18 November 2005. After reviewing the Proposal, the Listing Committee, Listing (Review) Committee and the Listing Appeals Committee of the Exchange determined that the Proposal was not viable and the listing of the Company's shares on the Exchange would be cancelled (the "**Decisions**").

The Company applied for judicial review of the Decisions (the “**JR Application**”). On 28 May 2008, the Court of First Instance allowed the JR Application and ordered that the Listing Appeals Committee’s decision be quashed and that the question of the Company’s relisting be remitted to a differently constituted Listing Appeals Committee for consideration. The Exchange filed an appeal against the decision of the Court of First Instance. On 9 July 2009, the Court of Appeal allowed the Exchange’s appeal and set aside the judgment in the court below. The Company applied for leave to appeal to the Court of Final Appeal from the judgment of the Court of Appeal (the “**Leave Application**”). Both the Court of Appeal and the Court of Final Appeal rejected the Leave Application on 18 September 2009 and 3 December 2009 respectively.

This announcement is made pursuant to paragraph 3.1 of Practice Note 17 to the Listing Rules.

Shareholders of the Company who have any queries about the implications of the delisting should obtain appropriate professional advice.

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

Hong Kong, 23 December 2009

As at the date of this announcement, there are 3 executive Directors, namely Mr. Tso Hon Sai Bosco, Mr. Liu Kwok Leung Paul and Mr. Zhao Tie Liu.