



SANYUAN GROUP LIMITED 三元集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 140)

APPOINTMENT OF NEW DIRECTOR

The Board would like to inform the shareholders of the Company that Mr. Leung Hon Man has been appointed Executive Director of the Company effective on 21 November 2006.

Trading in the shares of the Company was suspended with effect from 9:30 am on 13 May 2004 and will remain suspended until further notice.

The board of directors (the “Board”) of Sanyuan Group Limited (the “Company”) announces that Mr. Leung Hon Man has been appointed Executive Director of the Company effective on 21 November 2006.

INFORMATION ABOUT THE NEWLY APPOINTED DIRECTOR

Mr. Leung Hon Man (“Mr. Leung”)

Mr. Leung, aged 40, is an associate member of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia. Mr. Leung has over ten years’ experience in financial management. He joined the Company in 2000 and is currently the financial controller and company secretary of the Company. Mr. Leung has not held directorship in any other listed companies in the last three years. Save as disclosed above, Mr. Leung is not connected with any other directors, senior management, substantial shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”)) or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the date of this announcement, save for the 54 shares, being the fraction of the consolidated shares arising from the share consolidation effective on 18 October 2002, held by Mr. Leung in the capacity of nominee, Mr. Leung is not interested in or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

TERMS OF APPOINTMENT

No service contract has been entered into between the Company and Mr. Leung. Mr. Leung will be entitled to a remuneration of HK\$50,000 per month and subject to annual review by the remuneration committee of the Company.

Pursuant to the Articles of Association of the Company, the appointment of Mr. Leung is subject to retirement by rotation. Mr. Leung will hold the office of a director until the next annual general meeting of the Company and will retire at that general meeting, but will become eligible for re-election.

Other than the matters set out in this announcement, the Board is not aware of any other matters relating to the appointment of the above new Director that need to be brought to the attention of the shareholders of the Company.

OTHERS

Trading in the shares of the Company was suspended with effect from 9:30 am on 13 May 2004 and will remain suspended until further notice.

The Company would like to welcome Mr. Leung in joining the Board.

By Order of the Board
Sanyuan Group Limited
Wu Kwai Yung
Chairman

Hong Kong, 21 November 2006

Taking into account the above-mentioned new appointment, as at the date of this announcement, the Executive Directors are Mr. Wu Kwai Yung, Mr. Zhao Tie Liu, Dr. Wan Kwong Kee and Mr. Leung Hon Man; and the Independent Non-executive Directors are Mr. Zhou Haijun, Mr. Ng Wai Hung and Mr. Xu Zhi.

Please also refer to the published version of this announcement in China Daily.