



SANYUAN GROUP LIMITED 三元集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 140)

CHANGE OF AUDITORS

The board of directors (the “Board”) of Sanyuan Group Limited (the “Company”) announces that Messrs. RSM Nelson Wheeler (“RSM”) have resigned as auditors of the Company and its subsidiaries (the “Group”) with effect from 24 November 2006 as the Company and RSM could not reach an agreement on the audit fee for the financial year ending 31 December 2006. CCIF CPA Limited have been appointed as auditors with effect from 24 November 2006 to fill the causal vacancy following RSM’s resignation until the conclusion of the next annual general meeting of the Company.

RSM have not commenced any audit work on the Group’s financial statements for the year ending 31 December 2006 and confirmed in their letter of resignation that there were no circumstances connected with their resignation which they consider should be brought to the attention of the shareholders or creditors of the Company. It is anticipated that the change of auditors would not have any significant impact on the annual audit for the financial year ending 31 December 2006. The Board and the Audit Committee of the Company confirm that there are no matters in respect of the change of auditors which should be brought to the attention of the shareholders of the Company.

The Board would like to express its appreciation for the professional services of RSM provided to the Group during their appointment as auditors of the Company.

By Order of the Board of
Sanyuan Group Limited
Zhao Tie Liu
Managing Director

Hong Kong, 27 November 2006

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.