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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)

EXTENSION OF MATURITY DATE OF THE NOTE

On 7th April, 2006, the Company received a notice from Hong Jin by which Hong Jin exercised its discretion to extend the maturity date of the Note to 7th December, 2007. Accordingly, 7th December, 2007 will be deemed as the maturity date of the Note.

Reference is made to the announcement of the Company dated 3rd June, 2005 (the "Announcement") and the circular of the Company dated 19th August, 2005 in relation to, *inter alia*, the issue of a zero coupon convertible note in the principal amount of HK\$30 million which is convertible into shares of the Company at an initial conversion price of HK\$0.17 per share (the "Note") to Hong Jin Holdings Limited ("Hong Jin"), the controlling shareholder of the Company. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context herein requires otherwise.

The Note was issued by the Company to Hong Jin on 28th September, 2005 with an initial maturity date on 7th December, 2006. Pursuant to the terms of the Note, the initial maturity date may be extended for a further 12 months by Hong Jin at its sole discretion.

On 7th April, 2006, the Company received a notice from Hong Jin by which Hong Jin exercised its discretion to extend the maturity date of the Note to 7th December, 2007. Accordingly, 7th December, 2007 will be deemed as the maturity date of the Note.

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

Hong Kong, 10th April, 2006

As at the date of this announcement, the Board comprises six Directors: Mr. Wu Kwai Yung, Mr. Zhao Tie Liu and Dr. Wan Kwong Kee are the executive Directors; Mr. Zhou Haijun, Mr. Ng Wai Hung and Mr. Xu Zhi are the independent non-executive Directors.

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