



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. Moores Rowland Mazars (“MRM”) have resigned as auditors of the Company and its subsidiaries (the “Group”) with effect from 9th February, 2006 and Messrs. RSM Nelson Wheeler have been appointed as auditors with effect from 10th February, 2006 to fill the causal vacancy following MRM’s resignation until the conclusion of the next annual general meeting of the Company.

The Group had formed a Sino-foreign joint-venture in Tianjin, the PRC in the later half of 2005 which is principally engaged in wholesale of pharmaceutical products and medical equipment. As such, the scope of audit work for the financial year ended 31st December, 2005 is expected to be greater than that of 2004. Since the Company and MRM could not agree on a mutually acceptable completion date of the audit, MRM resigned as auditors and the Company accepted their resignation.

MRM have not commenced any audit work on the Group’s financial statements for the year ended 31st December, 2005 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. Save for the reason stated above, 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 MRM 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, 13th February, 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.