



SANYUAN GROUP LIMITED
三元集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 140)

**RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR,
MEMBER OF AUDIT COMMITTEE AND
MEMBER OF REMUNERATION COMMITTEE**

The board of directors (the “Board”) of Sanyuan Group Limited (the “Company”) announces that Mr. Ng Wai Hung (“Mr. Ng”) has tendered his resignation as independent non-executive director, member of the audit committee and member of the remuneration committee of the Company with effect from 1 October 2007 due to heavy workload and busy travel schedule. Mr. Ng confirmed that he has no disagreement in all aspects with the Company and there is no matter relating to his resignation that will need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its appreciation to Mr. Ng for his valuable contribution to the Company during his tenure.

Upon the resignation of Mr. Ng and at the date of this announcement, the Board includes only two independent non-executive directors. The Board notes that the Company is unable to comply with Rule 3.10 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) which requires at least three independent non-executive directors in the board of directors of a listed issuer and Rule 3.21 of the Listing Rules which governs the composition of audit committees. The Board is now looking for a suitable candidate to fill the vacancies within three months as required by Rules 3.11 and 3.23 of the Listing Rules. A further announcement will be published by the Company upon the relevant appointment is made.

As at the date of this announcement, the Executive Directors are Mr. Wu Kwai Yung, Mr. Zhao Tie Liu and Mr. Leung Hon Man; and the Independent Non-executive Directors are Mr. Zhou Haijun and Mr. Xu Zhi.

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

Hong Kong, 2 October 2007