



SANYUAN GROUP LIMITED 三元集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 140)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Botticelli, 2/F, Langham Hotel, Hong Kong, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong, on Friday, 9 June 2006 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and reports of the directors and auditors for the year ended 31 December 2005;
2. To re-elect directors and to fix their remuneration;
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration;
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** a general mandate be and is hereby unconditionally given to the directors of the Company to issue, allot and dispose of and to make or grant offers, agreements or options which might require the allotment, issue or disposal of shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of this Resolution during the Relevant Period.

For the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (a) the conclusion of the next annual general meeting of the Company;
 - (b) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; or
 - (c) the expiration of the period within which the next annual general meeting of the Company is required by law or the Company’s Articles of Association to be held.”; and
5. To transact any other ordinary business of the Company.

By order of the Board
Leung Hon Man
Company Secretary

Hong Kong, 28 April 2006

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy needs not be a member of the Company.
2. To be valid, the form of proxy must be deposited at the Company's Share Registrars in Hong Kong, Secretaries Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong together with any power of attorney or other authority, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before that time for holding the meeting or adjourned meeting.
3. Concerning Resolution 2, Messrs. Zhou Haijun and Xu Zhi retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election in accordance with article 103 of the Company's Articles of Association. The following are the particulars of Mr. Zhou and Mr. Xu.

Mr. Zhou Haijin, aged 73, is an Independent Non-executive Director of the Company. He graduated from Suzhou Tung Wu University. He was formerly the Director of the National Institute for the Control of Pharmaceutical and Biological Products, the PRC from 1983 to 1999. At Present, Professor Zhou is a member of the Expert Committee on Biological Standardisation of the World Health Organisation, the Honorary President of National Institute for the Control of Pharmaceutical and Biological Products, the PRC and the Honorary President of Chinese Pharmaceutical Association. Professor Zhou, an acknowledged authority and source of information on pharmaceuticals and biopharmaceuticals in the PRC. He has made great contribution to the Company in the past and the Company believes that his particular skills and experience will allow him to continue to do so in the future. Mr. Zhou joined the Company in 2001.

Mr. Xu Zhi, aged 33, is an Independent Non-executive Director of the Company. Mr. Xu graduated from Hangzhou Institute of Electronic Engineering with a Bachelor degree in Economics in 1993. Mr. Xu is a certified public accountant and a certified public tax agent in the PRC as well as an international certified internal auditor. Mr. Xu has extensive experience in auditing PRC companies, both listed and unlisted. He is at present a department manager of a PRC consulting firm which provides quantitative surveying services for building materials. Mr. Xu joined the Company in 2004.

4. Concerning the matters set out in Resolution 4, a general mandate is being sought from members to authorise the allotment and issue of shares under the Listing Rules of the Stock Exchange of Hong Kong Limited in order to provide flexibility to the directors should it become desirable for the Company to exercise such powers.

As at the date of this notice, 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.