

SHANGHAI MING YUAN HOLDINGS LIMITED

上海銘源控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0233)

CLARIFICATION ANNOUNCEMENT IN RELATION TO VARIOUS ARTICLES PUBLISHED ON 21ST SEPTEMBER, 2004

This announcement is made in relation to various articles published on 21st September, 2004 which reported that the Company may consider disposing about 40% of the shareholding interests of the Company to various strategic investors and raising new capital by way of placement of shares.

The Board wishes to state that the report is inaccurate regarding the Disposal and that there is no concrete plan for fund raising by way of placement of shares at this stage. All discussions held with potential investors are at a very preliminary stage and the Board regards these discussions as part of the normal business conduct of reviewing funding alternatives and costs.

Shareholders and investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

The Board of Directors (the “Board”) of Shanghai Ming Yuan Holdings Limited (the “Company”) has noted that various articles published on 21st September, 2004 which reported among other matters, that the Company may consider disposing about 40% of the shareholding interests of the Company (the “Disposal”) to various strategic investors and raising new capital by way of placement of shares.

The Board wishes to state that the report is inaccurate regarding the Disposal. The Board wishes to confirm that the Company does not have any intention to dispose any of its shareholding interests of the Company at the present moment, and that there is no concrete plan for fund raising by way of placement of shares at this stage. While discussions are held with potential investors, these discussions are at a very preliminary stage and are conducted as part of the normal business conduct of reviewing funding alternatives and costs on an ongoing basis. The Board will make appropriate announcements when the circumstances warrants.

The Board wishes to state that following the announcement of the interim results, the Company was contacted by a number of newspapers who expressed interests to do a write up of the Company to cover its business activities particularly the protein chip applications, its market potential and its future expansion plan. The Company provided these details during the interview that resulted in the publication of the various articles on 21st September, 2004. The Board confirms that it had not released any information during the interview that may be considered to be of a price sensitive nature.

Shareholders and investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

The Directors of the Company as at the date of this announcement are as follows:

Mr. Yao Yuan, *Executive Chairman*

Mr. Chien Hoe Yong, Henry, *Executive Director*

Mr. Hu Jun, *Executive Director*

Dr. Hu Geng Xi, *Executive Director*

Mr. Yu Ti Jun, *Executive Director*

Dr. Lam Lee G., *Independent Non-Executive Director*

Mr. Xiao Chuan Guo, *Independent Non-Executive Director*

By Order of the Board
Shanghai Ming Yuan Holdings Limited
上海銘源控股有限公司*
Kenny Poon
Company Secretary

Hong Kong, 23rd September, 2004

* *For identification purposes only*

“Please also refer to the published version of this announcement in The Standard”