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SHANGHAI MING YUAN HOLDINGS LIMITED

上海銘源控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0233)

MING YUAN INVESTMENTS GROUP LIMITED

(Incorporated in British Virgin Islands with limited liability)

PLACING OF EXISTING SHARES

As at the date of this announcement, the Vendor is the controlling shareholder of the Company and holds approximately 51.88% of the issued share capital of the Company.

The Vendor will sell to the Purchaser and the Purchaser will purchase from the Vendor on 5th July, 2005 a total of 121,500,000 Placing Shares held by the Vendor at a price of HK\$0.75 per Share. The 121,500,000 Shares represent approximately 4.52 % of the existing issued share capital of the Company.

PLACEMENT

Parties

Vendor: Ming Yuan Investments Group Limited. As at the date of this announcement, the Vendor is the controlling shareholder of the Company and holds approximately 51.88% of the issued share capital of the Company.

Purchaser: China Life Trustees Limited, a wholly-owned subsidiary of China Life Insurance (Overseas) Co., Ltd. To the best of the Directors' knowledge, information and belief, the Purchaser is independent third party not connected with the Directors, chief executive officer or substantial shareholders of the Company or any of its subsidiaries, or an associate of any of them (as defined in the Listing Rules)

Number of Placing Shares

121,500,000 Placing Shares held by the Vendor, representing approximately 4.52% of the existing issued share capital of the Company.

Completion

Completion of the Placing will take place on 5th July, 2005.

EFFECT OF THE PLACING ON THE COMPANY'S SHAREHOLDING

The shareholding of the Vendor and the Purchaser in the Company immediately before completion of the Placing, and immediately after completion of the Placing are and will be as follows:

Name of Shareholder	Immediately before the Placing		Immediately after the Placing	
	No. of Shares	% of issued share capital of the Company	No. of Shares	% of issued share capital of the Company
Ming Yuan Investments Group Limited	1,394,469,075	51.88%	1,272,969,075	47.36%
China Life Trustees Limited	12,930,000	0.48%	134,430,000	5.00%
Other Shareholders	1,280,697,155	47.64%	1,280,697,155	47.64%
Total	<u>2,688,096,230</u>	<u>100%</u>	<u>2,688,096,230</u>	<u>100%</u>

REASONS FOR AND BENEFITS OF THE PLACING

The Directors consider that the Placing will enlarge the shareholdings of strategic investors of the Company and would benefit the Company's development in the health care business, especially in the overseas markets.

DEFINITIONS

As used in this announcement, the following words and phrases have the meanings assigned:

“Company”	Shanghai Ming Yuan Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placing”	the sales of the 121,500,000 Placing Shares by the Vendor to the Purchaser
“Placing Shares”	121,500,000 Placing Shares held by the Vendor to be placed under the Placing
“Purchaser”	China Life Trustees Limited
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Vendor”	Ming Yuan Investments Group Limited
“HK\$”	Hong Kong dollars

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. Hu Jin Hua, *Independent Non-Executive Director*

Mr. Lee Sze Ho, Henry, *Independent Non-Executive Director*

By order of the Board
Shanghai Ming Yuan Holdings Limited
Kenny Poon
Company Secretary

Hong Kong, 29th June, 2005

* *for identification purposes only*

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