

MINGYUAN MEDICARE DEVELOPMENT COMPANY LIMITED

銘源醫療發展有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0233)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO VARIOUS ARTICLES
PUBLISHED ON 22ND JUNE, 2006**

This announcement is made in relation to various articles published on 22nd June, 2006 which reported that the Company has announced its acquisition of 5% interests in Genetel. It is further reported that the Company owns share options of Genetel, which enables the Company to increase its shareholdings in Genetel to 15%.

The Board wishes to state that following the assignment of the Agency Agreement, Genetel will transfer 5% of its equity interest in Genetel Pharmaceuticals (Shenzhen) Ltd (“Shehzhgen Genetel”) at zero cost to Shanghai HealthDigit or its assignee. In addition, Shanghai HealthDigit or its assignee has the option to increase its shareholding in Shenzhen Genetel to a maximum of 15% at a total cost of HK\$6,000,000.

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

Reference is made to the announcement dated 19th June, 2006 (the “Announcement”) of the Company in relation to the acquisition of 51% equity interest in Weiyi. Unless the context otherwise requires, terms and expressions defined in the Announcement shall have the same meaning when used in this announcement.

The Board of Directors (the “Board”) of Mingyuan Medicare Development Company Limited (the “Company”) has noted that various articles published on 22nd June, 2006 which reported that the Company has announced its acquisition of 5% interests in Genetel. It is further reported that the Company owns share options of Genetel, which enables the Company to increase its shareholdings in Genetel.

The Board wishes to state that a conference was arranged at 4:00 p.m. on 21st June, 2006 whereby the assignment of the Agency Agreement from Weiyi to Shanghai HealthDigit was formally executed. Following the execution of the assignment of the Agency Agreement, Genetel will transfer 5% of its equity interest in Genetel Pharmaceuticals (Shenzhen) Ltd (“Shehzhgen Genetel”) at zero cost to Shanghai HealthDigit or its assignee. In addition, Shanghai HealthDigit or its assignee has the option to increase its shareholding in Shenzhen Genetel to a maximum of 15% at a total cost of HK\$6,000,000 within 5 years after the execution of the assignment of the Agency Agreement (the “Investment in Genetel”). At the present moment, neither the Company nor Shanghai HealthDigit has the intention to exercise the option. Shenzhen Genetel is the production base of HPV Detection Products in the PRC.

The Investment in Genetel is a new arrangement and hence was not included in the Announcement or the announcement made by the Company in the morning of 21st June, 2006 in relation to unusual price movement. The Directors do not consider the Investment in Genetel is price sensitive or does it constitutes a discloseable transaction under the Listing Rules as the shareholding in Shenzhen Genetel is immaterial and either the Company or Shanghai HealthDigit is required to pay for the investment and hence no public disclosure is made prior to this announcement.

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*

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
Mingyuan Medicare Development Company Limited
銘源醫療發展有限公司*
Kenny Poon
Company Secretary

Hong Kong, 22nd June, 2006

* *For identification purposes only*

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