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MINGYUAN MEDICARE DEVELOPMENT COMPANY LIMITED

銘源醫療發展有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0233)

COOPERATION AGREEMENT WITH

中國人壽股份有限公司上海市分公司

(CHINA LIFE INSURANCE COMPANY LIMITED, SHANGHAI BRANCH)

ON

腫瘤預防健康險(CANCER CARE INSURANCE POLICY)

AND

RESUMPTION OF TRADING

The Directors is pleased to announce that HD Biochip, a wholly-owned subsidiary of the Company, entered into a cooperation agreement with the CLS on 19th December, 2006 whereby CLS agreed to engage HD Biochip for the use of its proprietary multi-tumor marker detection systems on a new insurance policy known as the “Cancer Care Insurance Policy” which will be launched shortly in Shanghai, the PRC.

At the request of the Company, the shares of the Company were suspended from trading on the Stock Exchange from 9:30a.m. on 20th December, 2006, pending the publication of this announcement. The Company has made an application to the Stock Exchange to resume trading of the shares of the Company on the Stock Exchange from 9:30a.m. on 21st December, 2006.

The board of directors (the “Directors”) of Mingyuan Medicare Development Company Limited (the “Company”) is pleased to announce that SHMY HealthDigit Biochip Company Limited (“HD Biochip”), a wholly-owned subsidiary of the Company, entered into a cooperation agreement with China Life Insurance Company Limited, Shanghai Branch (“CLS”) on 19th December, 2006 whereby CLS agreed to engage HD Biochip for the use of its proprietary multi-tumor marker detection systems on a new insurance policy known as the “Cancer Care Insurance Policy” which will be launched shortly in Shanghai, the PRC. The cooperation agreement with CLS represents a major milestone for the corporate development of the Company and will significantly increase the sale of its proprietary protein chips and systems in coming years.

The “Cancer Care Insurance Policy” is a new health insurance policy developed by China Life Insurance Company Limited (“CL”), the largest life insurance provider in the PRC. Being a major branch of CL, CLS has over 4,000 exclusive agents and over seven million customers. CLS is principally engaged in the provision of insurance products for four main categories, namely life, retirement, health and accident insurance.

The Cancer Care Insurance Policy seeks to provide protection for people against cancer for one year after a successful cancer screening test. Within the insured period, the policy holder will receive the appropriate compensation for medical care whether the cancer tumor is benign or malignant. Under the cooperation agreement, the Company will use its proprietary multi-tumor protein chips and systems to provide cancer screening testing and risk evaluation procedures for every customer who purchases Cancer Care Insurance Policy from CLS. The cancer screening testing and risk evaluation procedures will include a protein chip testing together with other medical tests. Under the cooperation agreement, CLS will pay to HD Biochip RMB192 for each successful policy applicant who receives the cancer screening testing and risk evaluation procedures. The cooperation agreement will last for a period of three years starting from the date of signing.

The Company is the leading supplier of protein chips used for the screening, early detection and prevention of cancer in the PRC. With “Care for Health, Passion for Life” as our motto, the Company dedicates to the development and application of advanced biotech screening and diagnostic solutions for the early detection and prevention of diseases including cancer. The Company is also a pioneer on raising the awareness of screening and prevention of life threatening diseases such as cancer. The Directors believes that the launch of the Cancer Care Insurance Policy in a metropolitan city like Shanghai is the first step and that the cancer care programs will gradually be made available to other branches of CL in the PRC. The Directors believes that the cooperation agreement with CLS provides the potential of accessing the CL’s extensive insurance distribution network in the PRC and further strengthening the Company’s position as a leading supplier of biomedical chips and could significantly increase the Company’s sales of its proprietary protein chips and systems in coming years. As such, the Directors believes the signing of cooperation agreement with CLS would be price sensitive.

At the request of the Company, the shares of the Company were suspended from trading on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) from 9:30a.m. on 20th December, 2006, pending the publication of this announcement. The Company has made an application to the Stock Exchange to resume trading of the shares of the Company on the Stock Exchange from 9:30a.m. on 21st December, 2006.

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 & CEO*
Mr. Hu Jun, *Executive Director*
Mr. Iu Chung, *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, 20th December, 2006

* *For identification purposes only*

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