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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF 95% EQUITY INTEREST IN GENETEL BVI

The Board is pleased to announce that the Purchaser, a wholly-owned subsidiary of the Company, had entered into the Acquisition Agreement with the Vendor on 16 April 2009 in relation to the acquisition of 95% equity interest in Genetel BVI at the consideration of HK\$280,000,000 which will be settled by cash.

The Acquisition constitutes a discloseable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules as consideration ratio of the Acquisition exceed 5% or more, but less than 25%.

The Board is pleased to announce that on 16 April 2009, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor in respect of acquisition of 95% equity interest in Genetel BVI. The Board wishes to announce details of the Acquisition as follows:

THE ACQUISITION

Date of the Acquisition Agreement:

16 April 2009

Parties:

- (i) The Vendor : Ample Excel Limited, a company incorporated in the British Virgin Islands with limited liability and is 100% subsidiary of the Guarantor. The Guarantor is 100% owned by Mr. Liu. To the best of the Directors' knowledge, information and belief and after making all reasonable enquiries, the Vendor, the Guarantor and Mr. Liu are independent third parties 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).

According to the Director's understanding, Mr. Liu is an individual private investor.

- (ii) The Purchaser : HD Global Limited, a wholly-owned subsidiary of the Company.

- (iii) The Guarantor : Billion Ally Investments Limited, a limited liability company incorporated in the British Virgin Islands and is 100% owned by Mr. Liu.

Assets to be acquired:

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell 95% equity interest in Genetel BVI owned by the Vendor.

Consideration:

The Consideration for the Acquisition is HK\$280,000,000 was determined on arm's length negotiation between the parties to the Acquisition Agreement with reference to, among other things, (i) the business prospects of Genetel BVI and (ii) acquisition of similar business for the last two years by other players in the industry. Based on current market situation, the Board is of the opinion the Consideration for Acquisition is fair and reasonable and comparable to other players in the industry. The Consideration will be satisfied in cash by internal resources of the Group as follows:

- (a) A refundable deposit of HK\$84,000,000 to be paid within three (3) business days upon signing of the Acquisition Agreement. The deposit of HK\$84,000,000 will be refunded back to the Purchaser within three (3) business days upon serving of notice by the Purchaser to the Vendor advising that the Acquisition will not further proceed. Should the Vendor fail to refund the deposit of HK\$84,000,000 to the Purchaser within the three (3) business days limit, the Purchaser will have the right to take over 95% equity interest in Genetel BVI without making the balance payment of HK\$196,000,000 to the Vendor; and
- (b) The balance of HK\$196,000,000 payable on Completion of the Acquisition or within twenty business days after the signing of the Acquisition Agreement, whichever the earlier.

Conditions:

The Acquisition is conditional upon the following Conditions having been fulfilled:

- (i) The Purchaser to be satisfied with the due diligence exercise to be conducted on the latest operating and financial performance of Genetel BVI and Genetel Shenzhen;
- (ii) A legal opinion issued by a qualified PRC lawyer confirming the validity of all the patents, intellectual properties relating to the SNIPER™ HPV DNA product series for cervical cancer owned by Genetel Shenzhen;
- (iii) All authorizations, consents and approvals which shall be necessary for the Acquisition and to the other matters contemplated by the Acquisition Agreement being obtained from appropriate governmental and regulatory bodies and all such authorizations, consents and approvals remain in full force and effective on completion of the Acquisition.

Completion:

Completion of the Acquisition will take place on the date falling three (3) business days from the date of fulfillment of all the Conditions. It is expected that Completion will take place on or before 16 May 2009.

INFORMATION OF THE VENDOR, THE GUARANTOR, GENETEL BVI AND GENETEL SHENZHEN

The Vendor is a limited liability company incorporated in the British Virgin Islands. The Vendor is an investment holding company which holds 95% equity in Genetel BVI.

The Guarantor is a limited liability company incorporated in the British Virgin Islands. The Guarantor is an investment holding company which holds 100% equity in the Vendor. The Guarantor provided guarantee to the Purchaser to guarantee the due performance of the Vendor under the Acquisition.

Genetel BVI is a limited liability company incorporated in the British Virgin Islands on 12 May 2006. As at the date of the Acquisition Agreement, Genetel BVI is owned 95% by the Vendor and 5% by the Purchaser. Genetel BVI owns 100% equity of Genetel Shenzhen, a limited liability company incorporated in the PRC on 3 November 2004 for the research and development of DNA technology and products.

SNIPER™ technology is a patented technology developed and owned by Genetel Shenzhen. SNIPER™ HPV DNA product series, a specialized product for screening of cervical cancer, developed by Genetel Shenzhen have received approval from the State Food and Drug Administration (“SFDA”) in the PRC for certification on medical device in vitro diagnosis. Cervical cancer is a fully preventable disease if pre-cancerous cell changes are detected and treated early. Women above the age of 18 or sexually active are strongly recommended by the World Health Organisation to take annual examination to screen cervical disease or cancer.

Set out below is a summary of financial information on Genetel BVI based on the unaudited consolidated financial statements of Genetel BVI for the years ended 31 December 2007 and 31 December 2008 prepared in accordance with the Hong Kong Financial Reporting Standards:

	Year ended 31 December 2008 HK\$	Year ended 31 December 2007 HK\$
Revenue	9,103,700	1,056,500
Profit (Loss) before taxation	5,296,600	(3,101,600)
Profit (Loss) after taxation	5,296,600	(3,101,600)

As at 31 December 2008, the unaudited total assets and net assets of Genetel BVI amounted to HK\$6,179,700 and HK\$1,047,000 respectively.

INFORMATION OF THE PURCHASER

The Purchaser is a wholly-owned subsidiary of the Company and its principal business activities are in the areas of research, manufacture and sale of biochips, including the supply of protein chips for cancer screening, and related equipment for early screening, detection and prevention of diseases.

The Purchaser has entered into an exclusive distribution agreement with Genetel Shenzhen in 2006 when Genetel Shenzhen obtained the SFDA approval for SNIPER™ HPV DNA product series. Under the distribution agreement, the Purchaser obtained the distribution right for the SNIPER™ HPV DNA product series in the PRC and the Asia-Pacific region for twenty (20) years.

REASONS AND BENEFIT OF THE ACQUISITION

The Acquisition will provide the Group with the ability to combine innovative and emerging technologies with its established sales and marketing resources. The recent launch of HPV vaccines by two of the largest pharmaceutical companies in the world (Merck and GSK) and the award of 2008 Nobel Prize in Medicine to the discoverer of HPV will significantly enhance the awareness of HPV screening as the primary tool for prevention of cervical cancer. The Group has been participating in the HPV testing market for the past three (3) years and understands perfectly the trend where HPV testing is moving into the main stream as the primary tool for cervical cancer screening. In addition, Genetel Shenzhen has demonstrated its capability in bringing a technology from conceptual stage to regulatory approval and manufacturing.

The Acquisition will give the Group access to a patented molecular diagnostic platform which will expand the Group's product and services offered to customers in the PRC. With Genetel Shenzhen, the Group will be able to compete effectively in all segments of the molecular diagnostics market.

The Board considers that the terms of the Acquisition Agreement are determined at arm's length and the terms are normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL

The Acquisition constitutes a discloseable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules as the consideration ratio of the Acquisition exceed 5% or more, but less than 25%.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of 95% equity interest in Genetel BVI by the Purchaser under the Acquisition Agreement
“Acquisition Agreement”	the equity interest transfer agreement date 16 April 2009 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Asset”	95% of the equity interest in Genetel BVI
“The Guarantor”	Billion Ally Investments Limited, a limited liability company incorporated in the British Virgin Islands and is 100% owned by Mr. Liu
“Board”	the board of directors of the Company
“Completion”	completion of the Acquisition
“Company”	Mingyuan Medicare Development Company Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange

“Conditions”	the condition precedent to Completion, as more particularly set out under the Section headed “Conditions” of this announcement
“Consideration”	the consideration payable by the Purchaser to the Vendor under the Acquisition Agreement in the amount of HK\$280,000,000
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	劉雷先生 (Mr. Liu Lei)
“PRC”	The People’s Republic of China, for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	HD Global Limited, a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Genetel BVI”	Genetel Biotech (BVI) Limited, a limited liability company incorporated in the British Virgin Islands on 12 May 2006
“Genetel Shenzhen”	港龍生物科技(深圳)有限公司 (Genetel Pharmaceuticals (Shenzhen) Company Limited), a company incorporated in the PRC with limited liability on 3 November 2004 and is 100% owned by Genetel BVI
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Ample Excel Limited, a company incorporated in the British Virgin Islands with limited liability and is 100% subsidiary of Billion Ally Investments Limited

By order of the Board
Mingyuan Medicare Development Company Limited
 銘源醫療發展有限公司*
Kenny Poon
 CFO/Company Secretary

Hong Kong, 16 April 2009

As at the date of this announcement, the executive directors are Mr. Yao Yuan (Executive Chairman), Mr. Chien Hoe Yong, Henry (CEO), Mr. Iu Chung, Mr. Hu Jun, and Mr. Yu Ti Jun; non-executive directors are Mr. Yang Zhen Hua and Mr. Ma Yong Wei; the independent non-executive directors are Dr. Lam Lee G., Mr. Hu Jin Hua and Mr. Lee Sze Ho, Henry.

* For identification purposes only