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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)

TECHNOLOGY TRANSFER AGREEMENT WITH THE NICPBP FOR THE DEVELOPMENT, PRODUCTION AND COMMERCIALIZATION OF NANOTECHNOLOGY IMMUNOMODULATORY DRUGS

The Board is pleased to announce that HealthDigit Biochips, a wholly-owned subsidiary of the Company, had entered into a milestone TT Agreement with the NICPBP of the SFDA on 5 January 2010 for the development, production and commercialization of a new generation of non-specific nanotechnology immunomodulatory drugs to treat life threatening diseases including influenza A (H1N1), tuberculosis, human immunodeficiency virus (HIV) and certain types of cancer.

The board of directors (the “Board”) of Mingyuan Medicare Development Company Limited (the “Company”) is pleased to announce that SHMY HealthDigit Biochips Company Limited (“HealthDigit Biochips”), a wholly-owned subsidiary of the Company, had entered into a milestone Technology Transfer Agreement (the “TT Agreement”) with the National Institute for the Control of Pharmaceutical and Biological Products (the “NICPBP”) on 5 January 2010 for the development, production and commercialization of a new generation of non-specific nanotechnology immunomodulatory drugs known as non-cell corynebacterium pavum products (the “NCPD Drugs”). While vastly increasing the immunological ability of the corynebacterium pavum products (the “CPP”) at clinical environment, the innovative NCPD drugs will enhance the immunotherapeutic efficacy of the CPP to its fullest potential and to treat patients with life threatening diseases including influenza A (H1N1), tuberculosis, human immunodeficiency virus (HIV) and certain types of cancer more safely and effectively.

Under the TT Agreement, the NICPBP transferred all intellectual property rights together with the production know how of the NCPD Drugs to HealthDigit Biochips. HealthDigit Biochips will be responsible for (i) the registration of the NCPD Drugs with the State Food and Drug Administration in China; and (ii) the production and commercialization of the NCPD Drugs. NICPBP will remain as a technical advisor to the development and production of the NCPD Drugs, and work jointly with HealthDigit Biochips to further develop the clinical applications of NCPD Drugs for various other diseases.

The Board believes that immunotherapy offers an innovative and attractive approach for treating life threatening diseases as the therapy often have fewer side effects, including less potential for creating resistance in microbial diseases and the new generation of non-specific nanotechnology immunomodulatory drugs provides a more effective and dynamic immunotherapeutic solution, than existing drugs. Both the Company and the NICPBP believes the new generation of non-specific nanotechnology immunomodulatory drugs will contribute greatly to the treatment of life threatening diseases to all mankind.

Established in the 1950s as an affiliated agency of the State Food and Drug Administration in China (or more commonly referred to as “SFDA”), NICPBP is the highest level institute for the safety and quality control of pharmaceutical and biological products in China. NICPBP is also the Center for Drug Quality Assurance for World Health Organization, the National Center for Medical Culture Collections and the National Research Center for the Standardization of Pharmaceutical and Biological Drugs in China.

The Company is a leading pioneer in commercializing new diagnostics technologies for early detection of diseases including cancers and is a leading supplier of biomedical and medical solution in China. The Company sold over 2.9 million C-12 Protein Chips in 2008 and since the first launch of its proprietary C-12 Protein Chip Test in 2002, the Company has become a leading supplier of protein chips and, as at the end of June 2009, the Company has cumulatively sold more than 10.4 million C-12 Protein Chips to hospitals in China and abroad including Malaysia, Thailand and Indonesia.

By order of the Board
Mingyuan Medicare Development Company Limited
銘源醫療發展有限公司*
Chien Hoe Yong, Henry
CEO and Executive Director

Hong Kong, 6 January 2010

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*