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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)

STRATEGIC CO-OPERATION AGREEMENT

WITH

上海醫藥分銷控股有限公司

(Shanghai Pharmaceuticals Co., Ltd.)

The Directors of the Company is pleased to announce that the Company entered into a strategic co-operation agreement with SPC earlier today in relation to the engagement of SPC as a principal distributor for the Company's bio-medical products in China.

The board of directors (the "Director") of Mingyuan Medicare Development Company Limited (the "Company") is pleased to announce that the Company entered into a strategic co-operation agreement with Shanghai Pharmaceuticals Co., Ltd. ("SPC") earlier today.

Under the strategic co-operation agreement, SPC becomes a principal distributor for the Company's bio-medical products in China. The existing and future medical products of the Company will be distributed through the nationwide distribution network of SPC. SPC is a wholly-owned subsidiary of Shanghai Pharmaceuticals Holding Co., Ltd., which is a Top 500 Enterprises in China and a A-Share listed company on the Shanghai Stock Exchange. SPC has one of the most prominent nation-wide distribution and retail network for a wide range of medical products. SPC has a sales network across 31 provinces, municipalities and autonomous regions in the PRC and established more than 5,000 hospital distribution points in East China with full coverage of third-level grade-A hospitals. From January to September 2010, its distribution and retail business of medical products achieved a turnover of RMB21.7 billion, up 21.4% as compared with the same period of last year, ranking top 3 in the country and No.1 in East China in terms of market share.

Founded in 1998 as a bio-medical company to advance the use of protein chip technology to provide early detection of diseases such as cancers, the Company is one of the leading bio-medical companies in China that provides diagnostics and bio-pharmaceutical drugs for life threatening diseases including cancers, tuberculosis, etc. Presently, the Company engages in the research, manufacture and distribution of bio-medical products for diagnostics and bio-pharmaceutical drugs for life threatening diseases in China and internationally. The strategic co-operation with SPC is expected to boost the sales of the Company's medical products in China.

On behalf of the Board
Chien Hoe Yong, Henry
CEO and Executive Director

Hong Kong, 2 November 2010

As at the date of this announcement, the executive directors are Mr. Yao Yuan (Chairman), Mr. Chien Hoe Yong, Henry (CEO), Mr. Iu Chung, Mr. Hu Jun, and Mr. Yu Ti Jun; the 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*