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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the annual report 2011 (the “2011 Annual Report”) of Mingyuan Medicare Development Company Limited (the “Company”) dated 30 April 2012.

The first paragraph of Note 19(iii) to the consolidated financial statements included in the 2011 Annual Report disclosed that “Included in the balance of technical know-how as at 31st December, 2011 is technical know-how of HK\$250,370,000 (2010: HK\$255,766,000) acquired through acquisition of subsidiaries during the year ended 31st December, 2009. The technical know-how represents design, development, production, sale and distributions of certain HPV detection products registered for use in various countries. The technical know-how has a legal life of 2 years. The directors are of the opinion that the Group would be able to renew the technical know-how continuously at minimal costs. In the opinion of the directors, the technical know-how has a useful life of 15 years and they are being amortised on a straight-line basis over 15 years.” The board of directors of the Company is concerned that readers might be confused about the fact that if the technical know-how has a legal life of 2 years, the technical know-how should have been expired and how can it has a useful life of 15 years.

The board of directors of the Company would like to rewrite the first paragraph of Note 19(iii) to the consolidated financial statements included in the 2011 Annual Report as follows:

“Included in the balance of technical know-how as at 31st December, 2011 is technical know-how of HK\$250,370,000 (2010: HK\$255,766,000) acquired through acquisition of subsidiaries during the year ended 31st December, 2009. The technical know-how represents design, development, production, sale and distributions of certain HPV detection products registered for use in various countries. The Group has registered various technologies developed under the technical know-how with the State Intellectual Property Office of the PRC for patents. Each technology so registered would be protected for a period of 20 years starting from the day of registration. During the year, two medical device licenses had been obtained from the State Food and Drug Administration for products developed by the technical know-how. Both medical device licenses have a legal life of 4 years and will be expired in the year 2015. The directors are of the opinion that the Group would be able to renew the medical device licenses continuously at minimal costs and hence extending

the legal life of the medical device licenses. As such, the directors are of the opinion that the technical know-how should have a useful life of 15 years from the date of acquisition and hence the technical know-how should be amortised on a straight-line basis over 15 years.”

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, 14 June 2012

As at the date of this announcement, the executive directors are Mr. Yao Yuan (Executive Chairman), Mr. Chien Hoe Yong, Henry (CEO), Mr. Hu Jun, and Mr. Yu Ti Jun; non-executive director is Mr. Ma Yong Wei; the independent non-executive directors are Mr. Hu Jin Hua, Mr. Lee Sze Ho, Henry, and Mr. Tang Yan Qin.

* For identification purposes only