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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)

INSIDE INFORMATION ANNOUNCEMENT

This announcement is made by Mingyuan Medicare Development Company Limited (the “Company”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Future Ordinance.

Reference is made to the announcement of the Company dated 20 October 2015 in relation to an originating summons, 2015: No. 411, (the “Summons”) issued by the Supreme Court of Bermuda (the “Court”) between Uprise Corporation Limited, Wise Spirit International Limited and Taishan Capital Management Limited (the “First Applicants”) and the Company. The First Applicants applied to the Court for orders and directions, among other things, (i) to compel the Company to convene an Annual General Meeting of the Company (the “AGM”); and (ii) appointment of new directors to the Company and removal of all existing directors of the Company.

On 22 February 2016, Greater Achieve Limited (“GAL”) (collectively with the First Applicants, the “Applicants”), a wholly-owned subsidiary of Equity Reward Limited 100% owned by Mr. Lam Ping Cheung, applied to the Court to join with the First Applicants in the Summons for an order to include resolutions proposed by GAL in the AGM.

The Summons was heard on 29 February 2016 and 1 March 2016. After hearing submissions made by legal representatives of the First Applicants, GAL and the Company, the Court made the following order on 1 March 2016 (the “First Order”):

- (1) the Annual General Meeting of the Company shall be convened on such date, to be agreed by the parties or by the Court if necessary, that will enable GAL to exercise its rights under section 79 of the Companies Act 1981 (the “Act”);
- (2) the Company shall convene the AGM of the Company for a date between Monday 16 May 2016 and Friday 20 May 2016 (inclusive);

* *For identification purposes only*

- (3) for this purpose, the Company shall circulate a notice of the AGM and agenda to the Company's shareholders on a date between Monday 4 April 2016 and Friday 8 April 2016;
- (4) the Company shall include on the agenda any resolutions proposed by GAL which may be properly moved in the AGM in accordance with section 79 of the Act and shall circulate to the members any statement provided by GAL in accordance with section 79;
- (5) liberty to apply on short notice generally and specifically in relation to the convening, conduct and outcome of the AGM and the agenda; and
- (6) the Company shall pay the First Applicants' costs of the applications, except that the costs to GAL in its application for joinder are reserved until the Court's ruling is handed down, such costs to be taxed if not agreed.

The Company received a copy of the sealed First Order on 22 March 2016. On the same date, GAL served its proposed resolutions for inclusion on the agenda of the AGM together with a statement (the "Statement") to be circulated to the shareholders of the Company to the Company.

After due and careful consideration and after consultation with its legal consultants, the board of directors of the Company (the "Board") circulated a notice of AGM, circular and proxy for the AGM to be held on 20 May 2016 in Shanghai to shareholders of the Company on 8 April 2016. All resolutions proposed by GAL have been included into the agenda to be voted at the AGM. The Board did not circulate the Statement to the shareholders of the Company as the Board believes that some of the information included in the Statement is false and inaccurate.

Despite the Board's effort to accommodate all the resolutions proposed by GAL into the agenda of the AGM, on 12 April 2016, GAL applied to the Court and claimed that: (i) the Company failed to include all its proposed resolutions on the agenda of the AGM; (ii) the Company failed to circulate the Statement to the shareholders of the Company; and (iii) that the AGM should be held in Hong Kong instead of Shanghai. The Court made an order on 14 April 2016 (the "Second Order") that:

- (a) the Company shall circulate an amended notice of the AGM which includes all of the resolutions requisitioned by GAL;
- (b) the Company shall circulate to the Company's shareholders a copy of the Statement of GAL which had been served on the Company on 22 March 2016;
- (c) the Company shall convene the AGM in Hong Kong;
- (d) the Company shall forthwith circulate a copy of this order to its shareholders; and
- (e) costs of application to the Applicants.

The Company received a copy of the sealed Second Order on 26 April 2016. The Board would like to explain that with regard to the First Order, the Company had obtained legal advice and believes that, other than compliance on the circulation of the Statement, the Company has complied with the First Order. However, GAL claimed that the resolutions included on the agenda of the AGM were not in the exact wordings proposed by GAL and hence the Company had failed to include all resolutions proposed by GAL on the agenda of the AGM.

The Board is of the view that certain proposed resolutions by GAL may not comply with the Bye-laws of the Company. This has presented the Board with a dilemma. Therefore, the Company has been seeking legal advice on how to comply with the First Order and the Second Order.

The Board, after discussion with its legal consultants, decided to hold the AGM on 20 May 2016 in Hong Kong to comply with the Second Order. As such, the Company announced on 29 April 2016 that the Company would hold the AGM on 20 May 2016 in Hong Kong and that further arrangements and details of the AGM and the Second Order will be announced by the Company in the coming week.

To the total surprise of the Board, on 29 April 2016 GAL sent a letter to the Company enclosing (i) a copy of an order from the Court dated 28 April 2016 (the “Third Order”); (ii) a copy of draft supplementary circular to be circulated to the shareholders of the Company; (iii) a draft copy of amended notice of the AGM; and (iv) a copy of draft revised form of proxy for use at the AGM of the Company on 20 May 2016. The Board noticed that GAL applied to the Court on 28 April 2016 to seek further orders and directions to convene the AGM on its own by claiming that the Company had failed to comply with the First Order and the Second Order. The Third Order says:

- (i) If the Company purports to hold the AGM in Shanghai, that meeting will not be a valid meeting of the Company, and no resolution passed at the meeting will be binding on the Company.
- (ii) GAL is authorised to convene an annual general meeting of the Company on 20 May 2016. For that purpose, it shall be entitled to give instructions in the name of the Company to (a) the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor’s Services Limited (“Computershare”) and (b) Hong Kong Securities and Clearing Limited (“HKSE”) and The Hong Kong Stock Exchange Limited (“Hong Kong Exchange”) to circulate the amended circular and notice to shareholders (in each case in substantially the form at appendix A to this order) and to upload the same on to Hong Kong Exchange website www.hkexnews.hk in relation to the Company.
- (iii) Computershare, HKSE and the Hong Kong Stock Exchange shall be entitled to act upon the basis of any instruction given by GAL pursuant to this order without first making any enquiry to the Company.
- (iv) GAL shall be entitled to recover all of its expenses incurred in convening the meeting from the Company;

- (v) The costs incurred by Computershare and the Hong Kong Exchange, in circulating the amended circular and notice to shareholders, be recovered from the Company.
- (vi) Notwithstanding any provision in the Company's Bye-law, Lam Ping Cheung shall be entitled to act as chairman of the AGM.
- (vii) Any meeting convened by GAL pursuant to this order will be a valid meeting of the Company, and any resolutions passed at the meeting will be binding on the Company and its board.
- (viii) The Company shall pay the Applicants' costs of and occasioned by this application in any event.
- (ix) The Company shall pay GAL's costs of its summons dated 19 February 2016.

Computershare also informed the Company that it had received request from GAL to circulate amended circular and notice to the shareholders of the Company on 3 May 2016.

The Board is of the view that when the Company is to convene the AGM in Hong Kong on 20 May 2016, item (i) of the Third Order should not be applicable as the AGM is not held in Shanghai. It follows that the AGM to be held by the Company in Hong Kong on 20 May 2016 will be valid and binding to the Company. The Board would take the view that item (ii) of the Third Order will be inoperative as the true spirit of the Third Order will not envisage two general meetings being held by the Company and by GAL on which resolutions validly passed might contradict each other.

The Company received the sealed Third Order this morning from its registered office in Bermuda.

Trading in the shares of the Company will remain suspended pending release of the audited annual results of the Company for the year ended 31 December 2014.

By order of the Board
Mingyuan Medicare Development Company Limited
銘源醫療發展有限公司*
Yao Yuan
Chairman & CEO

Hong Kong, 3 May 2016

As at the date of this announcement, the executive directors are Mr. Yao Yuan (Chairman & CEO) and Mr. Kot Wang; non-executive director is Mr. Yu Ti Jun; the independent non-executive directors are Mr. Chui Man Lung, Everett, Mr. Zhang Xiao Ming, Mr. Yao Liang and Mr. Yang Chun Bao.

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