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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 Futures Ordinance.

The Company received an Originating Summons issued in Hong Kong under HCMP 1480 of 2016 on 14 June 2016 naming the Company and all the directors of the board as defendants. The plaintiff is a British Virgin Islands company called Guangwei Worldwide Limited (“**Guangwei**”), which purports to be member of the Company holding 30,149,576 shares (representing approximately 0.69% of the total issued capital of the Company).

In the Originating Summons, Guangwei is applying for a declaration that the annual general meeting of the Company that was held on 20 May 2016 (“**AGM**”) is invalid and not binding on the Company, that all the directors of the current board be restrained to act and exercise the power as director of the Company and the Company be restrained from acting upon the resolutions that were passed at the AGM (“**the Application**”).

According to the latest list of shareholders maintained at, and supplied by the Computershare Hong Kong Investor Services Limited, the Company’s branch registrar in Hong Kong, on 17 May 2016 (the first day of closure of register of members of the Company since then no transfer of shares shall be effected prior to the AGM), which was provided to Tricor Investor Services Limited, the Scrutineer appointed by the Company to oversee and scrutinize the result of the polls in respect of the resolutions passed at the AGM, Guangwei was not a registered member of the Company.

*\* For identification purpose only*

The Company is incorporated in Bermuda. The Company's New Bye-Laws and its affairs are subject to the Bermuda Companies Act 1981 (“**the Act**”).

According to section 19 of the Act, only those persons whose names are entered in the Company's register of members are members of the Company. In this regard, Guangwei was not a member of the Company for the purpose of the AGM.

**Mr. Yao Liang (“Yao L”)**

Yao L has filed an affirmation dated 14 June 2016 on behalf of Guangwei in support of the Application.

Yao L claims himself to be the director of Guangwei. In Yao L's affirmation, he claims he was approached by a Mr. Suen Ling Kwok, the sole shareholder of Guangwei, in early April 2016 and later became a director of Guangwei on 12 May 2016.

Yao L was an independent non-executive director (“**INED**”) of the Company during the period from 28 November 2014 until his retirement on 20 May 2016 at the AGM. During Yao L's office as an INED, he was a member of the audit committee of the Company.

Yao L had not declared his interest in Guangwei as its director to the Company. If Yao L had done so, given the alleged membership of Guangwei, the Company would have questioned Yao L's independence.

Shareholders are reminded that the Company has failed to publish its annual report for the year ended 31 December 2014 and its shares are being suspended for trading due to the failure of obtaining an audited statement of accounts. The refusal by the Company's auditor to give its opinions, and its subsequent resignation, is caused by the missing funds of approximately RMB 420 million from the bank account of one of the Company's wholly owned subsidiaries. Yao L was a director and a member of the audit committee of the Company during the occurrence of this disturbing event.

The Company has sought legal counsel's advice on the Application and an application will be taken out to strike out the Application.

The Company will publish further announcement in a timely manner to disclose the progress of the Application if and when appropriate.

By Order of the Board  
**Mingyuan Medicare Development Company Limited**  
**LAM Ping Cheung**  
*Chairman*

Hong Kong, 15 June 2016

*As at the date of this announcement, the Board comprises (i) Mr. Lam Ping Cheung and Mr. Hui Yip Wing as executive Directors; (ii) Ms. Lam Yan Fong Flora as non-executive Director; and (iii) Ms. Chan Mee Sze, Ms. Hui Wai Man Shirley, Mr. Lam Suk Ping and Mr. Wong Anthony Chi-ho as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement.*