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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 (the “**Stock Exchange**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

Reference is made to the announcement by the Company on 8 July 2016 (the “**Announcement**”) in which the Company informed the shareholders that a Civil Complaint was received in respect of an alleged Draft issued by SHMY HealthDigit in favour of Hong Zong Ma. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Announcement. Shareholders should read this announcement in conjunction with the Announcement.

Further enquiry by the Company reveals that Hong Zong Ma was first established on 15 March 2007. Apart from being a legal representative and a director of Hong Zong Ma, Mr. Zhao Chao, who was the executive director of the Company at the material times, was the indirect owner of its interest through different entities.

The Company cannot be satisfied that there was any genuine underlying commercial transaction that had warranted the issuance of the Draft (in the sum of RMB30,000,000) by SHMY HealthDigit to Hong Zong Ma, which was controlled and owned by Mr. Zhao Chao.

It is not revealed in the Civil Complaint the day of the Draft, nor is the purpose of the issuance of the Draft and its endorsement to the Plaintiff. The Company therefore suspects a fraudulent scheme in place whereby the Company’s indirectly owned assets in SHMY HealthDigit would have been dissipated.

** For identification purpose only*

Upon further revelation of materials and if the situation justifies, the Company will instruct the PRC lawyer to make a report to the police in the People's Republic of China (the "PRC").

The Company will make further announcement to inform shareholders of the Company the development if and when appropriate.

Trading in shares of the Company will remain suspended pending satisfaction of the resumption conditions imposed by the Stock Exchange.

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

Hong Kong, 11 July 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.