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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 of the Company dated 18 May 2016 (“the **Announcement**”) in which the Company announced, among other things, that the various court orders (collectively “**the Orders**”) issued by the Supreme Court of Bermuda (“**Bermudian Court**”) were not binding on the Company as the Orders were not registered with the Hong Kong court.

Shareholders of the Company (“**Shareholders**”) are reminded that the Orders were granted by the Bermudian Court pursuant to an application made by three registered Shareholders of the Company and later joined by another non-registered Shareholder Greater Achieve Limited (“**Greater Achieve**”), which was and still is the major Shareholder of the Company holding 815,109,075 shares (“**the Shares**”) representing 18.59% of the total issued share capital, to seek a direction from the Bermudian Court under certain provisions of the Bermuda Companies Act 1983 (“**the Act**”) that the Company to hold its annual general meeting. Greater Achieve has since the Orders become a registered Shareholder of the Company holding the Shares.

By the time when the Announcement was made, the board of directors of the Company was still under the stewardship of Mr. Yao Yuan (“**Mr. Yao**”), the then chairman and executive director. Mr. Yao and his brother Mr. Iu Chung had made an abortive attempt to claim against Greater Achieve for the alleged proprietary interest in the Shares, which claim was struck out by the Supreme Court of the British Virgin Islands on 22 June 2016. The strike out was announced by the Company on 23 June 2016.

** For identification purpose only*

The Board of Directors of the Company consider that the Announcement made by the then management was misleading and a design to pay no regards to the Orders which were duly granted by the Bermudian Court.

On 1 March 2016, the Bermudian Court made its first order (the “**1 March 2016 Order**”) under the Act directing the Company to hold the annual general meeting on a day between 16 May 2016 and 20 May 2016 to transact the businesses proposed by Greater Achieve. The then management refused to comply with the 1 March 2016 Order and the subsequent orders of the Bermudian Court respectively on 14 April and 28 April 2016. In the last attempt by the then management of the Company to confuse Shareholders by holding another annual general meeting at different location but at the same time and day to the one to be held by Greater Achieve on behalf of the Company pursuant to the orders of the Bermudian Court, Greater Achieve had to seek further direction from the Bermudian Court on 13 May 2016. The order made by the Bermudian Court on 13 May 2016 declared that the proposed annual general meeting by the then management to be invalid and, among other things, imposed a penal notice to all directors and officers of the Company to be in contempt of the Bermudian Court if their proposed annual general meeting was to be held. The Announcement contained information to Shareholders that the then management would adjourn their proposed annual general meeting.

The Company is incorporated in Bermuda and the laws of Bermuda, including the Acts, shall prevail and bind the Company. Director of the Company will have to give an undertaking to the Hong Kong Stock Exchange at the time of his/her appointment that he/she will comply with the laws where the Company is incorporated, as well as those in Hong Kong.

The current management cannot accept the argument presented by the previous management in the Announcement that the Orders issued by the Bermudian Court are not binding on the Company because they were not registered with the Hong Kong court.

The Company is informed by Greater Achieve that it had applied to the Hong Kong court to register the two Bermudian Court orders of 1 March and 14 April 2016 pursuant to the provisions under the Foreign Judgments (Reciprocal Enforcement) Ordinance Cap. 319, but the application was rejected on the ground that under the Hong Kong present law, the Hong Kong court will only register foreign judgments on monetary sum.

It is a matter of common sense, as is confirmed by legal opinion, that a foreign judgment, albeit not registered with the Hong Kong court, is binding on the Company and in particular that foreign judgment is granted by the court in the jurisdiction where the Company is incorporated. Enforcement of the foreign judgment in Hong Kong is not possible until and when it is registered with the Hong Kong court, but it does not affect the validity of such foreign judgment.

This announcement is made in order to clarify the confusion the Announcement has caused to Shareholders and to reiterate that the Company is committed to observe and comply with all future court order(s) the Bermudian Court will have to make in respect of the Company.

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, 25 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.