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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  
PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that despite the Company's announcements respectively on 30 April 2014 and 29 September 2014 in relation to the unqualified audited consolidated financial statements for the year 2013 and the unaudited interim report for the 6 months ended 30 June 2014 reporting the financial position of the Group and profits or loss of the Group and for reasons given below, the Group is expected to record a drastic loss for the year ended 31 December 2014, 2015, 2016 and interim result for the 6 months ended 30 June 2017. The information contained in this announcement is only based on preliminary review by the current management of the Company with reference to the information currently available to it, which has not been audited by the Company's auditors .

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Mingyuan Medicare Development Company Limited (the "**Company**") and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**").

*\* For identification purpose only*

Reference is made to the following announcements by the Company:

- (1) Dated 30 April 2014 (on annual result for 2013);
- (2) Dated 29 September 2014 (on interim results 2014);
- (3) Dated 15 July 2015 (on resumption conditions);
- (4) Dated 22 December 2015 (on resignation of the then Company's auditor Deloitte);
- (5) Dated 3 June 2016 (on appointment of Independent Forensic Accountant (“**IFA**”));
- (6) Dated 29 August 2016 (on findings of IFA);
- (7) Dated 30 September 2016 (on, inter alia, loss of the Company's interest in Shanghai Yuanqi Bio-Pharmaceutical Company Limited); and
- (8) Dated 10 October 2017 (on updates of the lawsuits in Shanghai in respect of the control of the two subsidiaries of the Company).

The Group comprises of two major indirectly wholly owned subsidiaries namely 上海銘源數康生物芯片有限公司SHMY HealthDigit Biochips Company Limited (“**SHMY Biochips**”) and 上海數康生物科技有限公司Shanghai HealthDigit Company Limited (“**Shanghai HealthDigit**”) which form a significant part of the Group's asset and source of profits. Owing to the resistance by the former chairman and executive director of the Company Mr. Yao Yuan and his brother Mr. Iu Chung, who are respectively legal representatives of SHMY Biochips and Shanghai HealthDigit, the Company has commenced legal proceedings in Shanghai, the People's Republic of China. The Company lost the lawsuit in respect of gaining the control of SHMY Biochips, which is now subject of an appeal. The outcome of the gaining the control of Shanghai HealthDigit, is subject to the judgment to be handed down after today's hearing. As a result, the current management of the Company is of the view that the financial position and the performance of the two subsidiaries for the years ended 31 December 2014, 2015 and 2016 and for the interim period ended 30 June 2017 shall not be consolidated with the Group's financial statements. This view is still subject to review and opinions by the Company's auditor.

Further, due to the findings of the IFA that the Group has lost a cash sum of RMB 420 million which was recorded in the unaudited interim report for the interim period ended 30 June 2014, the current management of the Company anticipates that such amount of RMB 420 million have to be impaired in the financial year 2014. This view is still subject to review and opinions by the Company's auditor.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Trading in the 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, 20 October 2017

*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. Chan Mee Sze, Mr. Lam Suk Ping, Mr. Cheung Chi Ming and Ms. Fan Stephanie Winnie as independent non-executive Directors.*