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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**

This announcement is made by Mingyuan Medicare Development Company Limited (the “**Company**”) 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 Company notes that in the Exchange Notice published on 23 October 2017, shareholders and investing public were informed of the direction given by the Securities and Futures Commission (“**SFC**”) to the The Stock Exchange of Hong Kong Limited (the “**Exchange**”) under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (“**SMLR**”) to suspend all dealings in the shares of the Company commencing from 9:00 a.m. on 23 October 2017.

Rule 8(1) of SMLR provides the SFC the power to give such direction if it appears to the SFC that—

- (a) any materially false, incomplete or misleading information has been included in any—*
  - (i) document (including but not limited to any prospectus, circular, introduction document and document containing proposals for an arrangement or reconstruction of a corporation) issued in connection with a listing of securities on a recognized stock market; or*
  - (ii) announcement, statement, circular or other document made or issued by or on behalf of an issuer in connection with its affairs;*

*\* For identification purpose only*

- (b) it is necessary or expedient in the interest of maintaining an orderly and fair market in securities traded through the facilities of a recognized exchange company on the recognized stock market it operates;*
- (c) it is in the interest of the investing public or in the public interest, or it is appropriate for the protection of investors generally or for the protection of investors in any securities listed on a recognized stock market; or*
- (d) there has been a failure to comply with any condition imposed by the Commission under section 9(3)(c),*

*the Commission may, by notice to the recognized exchange company, direct the recognized exchange company to suspend all dealings in any securities specified in the notice.*

The Company first received a letter to show cause dated 4 October 2017 (“LSC”) from the SFC setting out what SFC considered to be the relevant issues in relation to its consideration to give such direction under Rule 8(1) of SMLR. The SFC imposed a gag order on its enquiry and consequentially the Company did not make any announcement on such, even though the SFC enquiry constituted an inside information.

Because of the intervening mid-autumn festival, the Company was effectively given only one day to show cause. Application for an adjourned reply was denied and as a result, the Company managed to submit its response to the LSC before the deadline of 9 October 2017. As matter develops, it transpires that the submission by the Company in response to the LSC was not accepted by the SFC.

In summary, the LSC set out the SFC’s concern about the Company’s 2013 Annual Results/Annual Report and 2014 Interim Results/Interim Report and certain bank statements and bank transfer documents provided by the Company that had contained materially false, incomplete or misleading information.

The Company’s 2013 Annual Results/Annual Report was published on 30 April 2014, the 2014 Interim Results/Interim Report on 29 September 2014 and the bank statements and bank transfer documents were provided on or about 20 August 2014.

The SFC suggests that the bank statements and bank transfer documents provided by the Company were forgeries.

The current management wishes to clarify and emphasize that none of its current members was responsible for the provisions of the alleged false, incomplete or misleading information, which was composed, published or provided (as the case may be) by the former members of the management comprising:

- (a) Mr. Yao Yuan, the Chairman and Executive Director;
- (b) Mr. Chien Hoe Yong, Henry, Executive Director (resigned on 23/4/2014);
- (c) Mr. Zhou Li Qun, Executive Director;
- (d) Mr. Zhao Chao, Executive Director;
- (e) Mr. Yu Ti Jun, Non-Executive Director;
- (f) Mr. Lee Sze Ho, Henry, Independent Non-Executive Director (retired on 12/6/2014);
- (g) Mr. Hu Jin Hua, Independent Non-Executive Director (resigned on 24/4/2014);
- (h) Mr. Tang Yan Qin, Independent Non-Executive Director;
- (i) Mr. Chow Wing Kin, Independent Non-Executive Director (appointed on 24/4/2014); and
- (j) Mr. Poon Kwong Wai, Kenny, Chief Financial Officer.

Shareholders will note that trading of the shares of the Company has been suspended on the Company's voluntary motion since 1 April 2015 and the Exchange has imposed at least three resumption conditions.

Since the replacement of the former management on 20 May 2016, members of the current management have been striving hard to meet the resumption conditions.

Although the SFC finds the Company to have published materially false, incomplete or misleading information in relation to the 2013 Annual Results/Annual Report and 2014 Interim Results/Interim Report and provided forged documents of the bank statements and bank transfer documents, the Company is not aware that any of those officers (directors and senior management such as company secretary or chief financial officer) who were responsible for the publications and provisions has been charged with the relevant offences under the SFO and offences of forgery.

The Company still has to assess the impact of SFC's direction under Rule 8(1) the SMLR and will seek legal advice accordingly.

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

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

Hong Kong, 24 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.*