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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 on 27 November 2015 (the “**Announcement**”) with which the former board of directors of the Company (“**Old Board**”) under the stewardship of Mr. Yao Yuan (“**Yao**”) as chairman and executive director of the Old Board announced that the Company had received a binder of documents under Action No. BVI HCM 2015/0140 (the “**Claim**”) served by Mr. Iu Chung (“**Iu**”), Yao’s brother, that included an injunction order of the Eastern Caribbean Supreme Court in the British Virgin Islands (“**BVI Court**”) dated 23 November 2015 (“**Injunction Order**”) obtained on an ex parte application by Yao and Iu against Greater Achieve Limited (“**GAL**”). The Claim which named GAL and other three parties as defendants was for rectification of the alleged beneficial ownership of 815,109,075 shares (“**the Shares**”) representing 18.59% of the total issued capital of the Company against GAL, which was then the beneficial owner and now a registered owner of the Shares. The Injunction Order was made against GAL for disposing of, dealing with, charging, encumbering, or otherwise diminishing the value of the Shares and also to restrain GAL from exercising any voting rights or passing any resolutions in the capacity as holder of the Shares.

The Old Board stated in the Announcement that the Company will disclose in a timely manner any progress of the Claim. Regrettably, the Old Board has failed to keep its promise. The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and the investing public informed of the latest developments of the Claim and the Injunction Order.

Following the filing of the Claim, GAL has sought to discharge the Injunction Order and apply to strike out the Claim (“**Strike-Out Application**”) at the BVI Court.

** For identification purpose only*

The hearing of the discharge of the Injunction Order and the Strike-Out Application was heard by Mr. Justice Farara of the BVI Court on 14 and 15 January 2016. On the eve of the hearing, legal representatives of Yao and Iu informed the BVI Court on 13 January that the Claimants Yao and Iu would discontinue their claims against GAL and other three parties. On the morning of 14 January 2016 hearing, Yao changed his mind and withdrew his application for discontinuance of the Claim whilst Iu applied to discontinue his claim. After hearing leading counsel's argument from both sides, Mr. Justice Farara made an order to discharge the Injunction Order with costs against Yao and Iu and only allowed Iu's discontinuance of his claim on fulfillment of certain terms. In Mr. Justice Farara's judgment, Yao and Iu were ruled "*egregious breaches of their duties of full and frank disclosure*". The judge described these breaches were "*deliberate and designed to ensure that the Claimants Yao and Iu obtained a most distinct advantage against the Defendants GAL and other parties and seemingly to prevent the calling of the AGM of the Company*".

As a result of the last-minute withdrawal of the discontinuance notice, the BVI Court was not prepared and had not had sufficient time to hear the Striking-Out Application, which was then adjourned to a date to be fixed.

The Old Board failed and refused to inform Shareholders of the discharge of the Injunction Order despite notices and requests twice made by GAL.

The Strike-Out Application was heard before Mr. Justice Eder of the BVI Court on 22 June 2016 and after hearing leading counsel for GAL with Yao and Iu being absent (Iu's claim was technically alive as he had failed to fulfill the terms of discontinuance ordered by Mr. Justice Farara) despite due service of notice of the hearing, Mr. Justice Eder made an order to strike out the Claim Form and the Statement of the Claim and dismissed all the claims in the Claim against GAL with costs.

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, 23 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.