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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 Insider Information Provisions under Part XIVA of the Securities and Futures Ordinance.

On 8 July 2016, the Company received a statutory demand under S 178(1)(a) of the Companies Ordinance, Cap 32 of the Laws of Hong Kong dated 5 July 2016 issued by Baker & McKenzie for alleged outstanding legal fees in the sum of HK\$ 163,381.00 (the “**Statutory Demand**”) demanding the payment of the same within 3 weeks from the date of issuance. The effect of non-compliance with the Statutory Demand is that a winding-up petition may be presented against the Company.

The Company cannot locate a properly authorized retainer given to Baker & McKenzie on the alleged legal services. There is no board resolution of the Company for the alleged engagement of Baker & McKenzie to provide legal services to the Company, save that in the correspondences available, it is suggested that all along it was Mr. Kenny Poon who gave instructions to Baker & McKenzie. At the material times, Mr. Kenny Poon held the position as financial controller of the Company and he had no actual or ostensible authority to represent the Company to give instructions to Baker & McKenzie without authority from the board of directors, which is absent. The Company considers the alleged legal services that were rendered by Baker & McKenzie were not for the benefit of the Company and without proper authorization and/or alternatively the fees charged are excessive.

** For identification purpose only*

The Company will seek legal advice to set aside the Statutory Demand and in the meantime has asked Baker & McKenzie to show cause about the proper authorization.

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

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, 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.