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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)

PROFIT WARNING

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**”).

Reference is made to the announcement made by the Company dated 20 October 2017 on profit warning (the “**Announcement**”).

Insofar as applicable, the same abbreviation and descriptions used in the Announcement are adopted in this announcement.

The board of directors of the Company wishes to inform the shareholders of the Company and potential investors that, based on the unaudited consolidated management accounts of the Group for the years ended 31 December 2014, 2015, 2016 and 2017 respectively and the information currently available, it is expected that the Group should have recorded a drastic loss for the year ended 31 December 2014 as compared to the latest audited financial results for the year ended 31 December 2013. The loss was mainly attributable to the followings:

- (1) the Group is still in the process of re-gaining the control of SHMY Biochips and Shanghai HealthDigit (the “**Shanghai subsidiaries**”) and cannot access to the books and records of the Shanghai subsidiaries. As such, the current management of the Company is of the view that the financial position and the performance of the Shanghai subsidiaries, shall be derecognised in the Group’s financial statements for the year ended 31 December 2014 and remains unrecognised for the years ended 2015, 2016 and 2017 respectively and for interim periods ended 30 June 2015, 2016 and 2017 respectively;

** For identification purpose only*

- (2) the Group is still striving to trace and recover the loss of cash sum of RMB 420 million which was recorded in the unaudited interim report for the interim period ended 30 June 2014 as per the findings of the IFA. The current management of the Company is of the view that such cash sum of RMB 420 million have to be impaired in the financial year ended 31 December 2014.

As the Company is in the process of finalising the annual results of the Group for the years ended 31 December 2014, 2015, 2016 and 2017 respectively, the information contained in this announcement is only based on the information currently available to the Group and the unaudited consolidated management accounts of the Group for the years ended 31 December 2014, 2015, 2016 and 2017 respectively prepared by the management of the Company, which have not been audited by the Company's auditors nor reviewed by the audit committee of the Company.

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

Trading in the shares of the Company will remain suspended.

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

Hong Kong, 10 May 2019

As at the date of this announcement, the Board comprises (i) Mr. Lam Ping Cheung and Mr. Hui Yip Wing as executive Directors and (ii) Ms. Chan Mee Sze, Mr. Lam Suk Ping, Ms. Fan Stephanie Winnie and Mr. Cheung Chi Ming as independent non-executive Directors.