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*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1509)**

**DELAY IN PUBLICATION OF 2018 ANNUAL RESULTS AND  
DESPATCH OF 2018 ANNUAL REPORT  
AND  
POSTPONEMENT OF BOARD MEETING**

The Board wishes to inform the Shareholders that, there will be a delay in the release of the 2018 Annual Results and despatch of its 2018 Annual Report. Such a delay is due to the Company requiring time to negotiate on and approve the Proposed Settlement and consider implications, if any, on its financial statements, and to provide the auditors of the Company, Deloitte, with further information in connection with the foregoing when available.

The Equity Transfer agreement was given to Deloitte, for their consideration near to the finalization of the 2018 Annual Results. An audit committee meeting was convened on 26 March 2019 and it was resolved that the Company would be preparing to engage an independent internal control consultant to review the internal control procedures of the Company. There are additional steps that Deloitte would need to take before signing off on the 2018 Annual Results, and it is expected that the Company will not be able to (1) publish the 2018 Annual Results on or before 31 March 2019; and (2) despatch the 2018 Annual Report to the Shareholders on or before 30 April 2019.

**POSTPONEMENT OF BOARD MEETING**

In light of the above, the meeting of the Board to, among other things, consider and approve the 2018 Annual Results originally scheduled to be held on 28 March 2019 will be postponed. The Company will continue to cooperate with Deloitte to complete its audit work as soon as possible.

## **OTHERS**

The delay in publication of the 2018 Annual Results and possible delay in despatch of the 2018 Annual Report, if materialized, will constitute non-compliance of Rules 13.49(1) and 13.46(2)(a) of the Listing Rules, respectively.

The Company wishes to emphasize that the operation of the Company and its subsidiaries remain normal. The Company will publish further announcement(s) in due course to inform the Shareholders of (i) the date of the meeting of the Board to consider and approve the 2018 Annual Results; (ii) the date of the release of the 2018 Annual Results; and (iii) the date of despatch of the 2018 Annual Report.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

This announcement is made by Harmonicare Medical Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) in relation to its delay in publication of annual results and despatch of annual report for the year ended 31 December 2018.

The board (“**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) that, there will be a delay in the release of the annual results for the year ended 31 December 2018 (the “**2018 Annual Results**”) and despatch of its annual report for the year ended 31 December 2018 (the “**2018 Annual Report**”). Such a delay is due to the Company requiring time to negotiate on and approve the Proposed Settlement (as defined below) and consider implications, if any, on its financial statements, and to provide the auditors of the Company, Deloitte Touche Tohmatsu (“**Deloitte**”), with further information in connection with the foregoing when available.

On 8 November 2018, HarMoniCare Medical Management and Consulting Co., Ltd.\* (和美醫療管理諮詢有限公司), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with certain independent third parties of the Company (the “**Sellers**”), pursuant to which the Sellers have agreed to transfer all of their equity interests in Hibaby Healthcare Co., Ltd.\* (凱貝姆健康管理有限公司) (“**Hibaby**”), a joint venture established on 18 September 2016 in the People’s Republic of China (the “**PRC**”) by the Company and certain shareholders who are independent third parties of the Group, to the Group (the “**Equity Transfer**”) and the

Group has agreed to pay the consideration for the Equity Transfer (the “**Consideration**”) to each of the Sellers by 15 January 2019. Upon the completion of the Equity Transfer, the Group’s shareholding in Hibaby will increase from 49.47% (being the shareholding of the Group as one of the founding shareholders of Hibaby as of the date of this announcement) to 98%. As none of the applicable percentage ratio(s) as set out in Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the Equity Transfer exceeded 5%, the Equity Transfer did not constitute a disclosable transaction of the Company.

The Group did not pay the Consideration by 15 January 2019, being the date on which the Consideration shall have been paid pursuant to the Equity transfer agreement. As a result, on 24 January 2019, the relevant Sellers filed an arbitration application to the Beijing Arbitration Commission in accordance with the Equity Transfer agreement. Subsequently, the Group and the Sellers entered into active negotiations for settlements, the proposed plan (the “**Proposed Settlement**”) of which involves a proposed divestment of certain assets of Hibaby to satisfy the Consideration, was put to the Board for approval on 20 March 2019 but was not approved.

The Company is continuing to negotiate with the Sellers on the Proposed Settlement and will update the Shareholders and potential investors by publishing announcement(s) if there is any material development.

As of the date of this announcement, the principal activities of Hibaby are the provision of postpartum maternal and child healthcare services and the participation in the construction and operation of four maternity care centers and the investment in a maternity care center in Xiamen. Upon the completion of the Equity Transfer in accordance with the terms set out in the memorandum of the Proposed Settlement if it is agreed and approved, the Company’s shareholding in Hibaby will be increased from 49.47% to 98%, and Hibaby will become a non-wholly owned subsidiary of the Company, the financial results of which will be consolidated to the consolidated financial statements of the Group.

The Equity Transfer agreement was given to Deloitte, for their consideration near to the finalization of the 2018 Annual Results. An audit committee meeting was convened on 26 March 2019 and it was resolved that the Company would be preparing to engage an independent internal control consultant to review the internal control procedures of the Company. There are additional steps that Deloitte would need to take before signing off on the 2018 Annual Results, it is expected that the Company will not be able to (1) publish the 2018 Annual Results on or before 31 March 2019; and (2) despatch the 2018 Annual Report to the Shareholders on or before 30 April 2019.

## **POSTPONEMENT OF BOARD MEETING**

In light of the above, the meeting of the Board to, among other things, consider and approve the 2018 Annual Results originally scheduled to be held on 28 March 2019 will be postponed. The Company will continue to cooperate with Deloitte to complete its audit work as soon as possible.

## **OTHERS**

Pursuant to Rules 13.49(1) and 13.46(2)(a) of the Listing Rules, the Company is required to publish the 2018 Annual Results on or before 31 March 2019, and to despatch the 2018 Annual Report to the Shareholders on or before 30 April 2019.

The delay in publication of the 2018 Annual Results and possible delay in despatch of the 2018 Annual Report, if materialized, will constitute non-compliance of Rules 13.49(1) and 13.46(2)(a) of the Listing Rules, respectively.

The Company wishes to emphasize that the operation of the Company and its subsidiaries remain normal. The Company will publish further announcement(s) in due course to inform the Shareholders of (i) the date of the meeting of the Board to consider and approve the 2018 Annual Results; (ii) the date of the release of the 2018 Annual Results; and (iii) the date of despatch of the 2018 Annual Report.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Harmonicare Medical Holdings Limited**  
**Lin Yuming**  
*Chairman, Executive Director and President*

Hong Kong, 28 March 2019

*As of the date of this announcement, the executive Directors are Mr. Lin Yuming, Mr. Fang Zhifeng and Mr. Zhao Xingli; the non-executive Directors are Mr. Lin Yuguo, Mr. Qiu Jianwei and Mr. Xu Jun; and the independent non-executive Directors are Mr. Kong Aiguo, Ms. Fang Lan and Mr. Cai Jiangnan.*

*\* For identification purpose only*