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

**(1) QUARTERLY UPDATE ANNOUNCEMENT ON THE RESUMPTION
PROGRESS;**
**(2) DELAY IN DESPATCH OF THE ANNUAL REPORT FOR THE YEAR
ENDED 31 DECEMBER 2018 AND THE INTERIM REPORT FOR THE SIX
MONTHS ENDED 30 JUNE 2019;**
**(3) DELAY IN PUBLICATION OF ANNUAL RESULTS FOR THE YEAR
ENDED 31 DECEMBER 2019 AND DELAY IN DESPATCH OF THE ANNUAL
REPORT FOR THE YEAR ENDED 31 DECEMBER 2019;**
AND
(4) CONTINUED SUSPENSION OF TRADING

This announcement is made by Harmonicare Medical Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.24A of the Listing Rules.

Reference is made to (1) the announcement of the Company dated 28 March 2019 in relation to its delay in the publication of the 2018 Annual Results and despatch of the 2018 Annual Report, (2) the announcement of the Company dated 7 May 2019 in relation to its publication of unaudited management accounts for the year ended 31 December 2018 and the engagement of its Internal Control Consultant, (3) the announcement of the Company dated 12 June 2019 in relation to the guidance received from the Stock Exchange regarding the resumption of trading of the Company’s shares on the Stock Exchange, (4) the quarterly update announcement of the Company dated 28 June 2019 in relation to, among others, its resumption progress, (5) the update announcement of the Company dated 31 July 2019 in relation to the progress of its internal control review, (6) the announcement of the Company dated 30 August 2019 in relation to, among others, further delay in publication of the 2018 Annual Results and the delay in publication of the 2019 Interim Results, (7) the quarterly update announcement of the Company dated 29 September 2019 in relation to, among others, its resumption progress, (8) the quarterly update announcement of the Company dated 24 December 2019 (the “**Quarterly Update Announcement**”), (9) the voluntary announcement of the Company dated 10 March 2020 on the impact of novel coronavirus (COVID-19) epidemic on the Group’s business operations (the “**Voluntary Announcement**”) and (10) the supplemental announcement of the Company dated 25 March 2020 on the results of its internal control review. Capitalised terms used herein shall have the same meanings as those defined in the Quarterly Update Announcement unless otherwise stated herein.

BUSINESS OPERATION

The Group is mainly engaged in providing high-quality healthcare services to women and children. The Group has continued its normal business operations since the suspension of trading in the Company's shares. Since 1 April 2019 and up to the date of this announcement, there has been no major change on the business operations of the Group.

As disclosed in the Voluntary Announcement, it is expected that hospitals operated by the Group will experience delay in resuming their normal operation, subject to the progress of the emergency public health measures as a result of the novel coronavirus (COVID-19) epidemic (the "**Epidemic**"). It is also expected that the decline in performance as a result of the administrative measures arising from the Epidemic is temporary. Under such special circumstances, the Group will use its best endeavors to minimize any negative economic impact on the Group.

The Board will continue to assess the impact of the Epidemic on the operation and financial performance of the Group, while closely monitoring the development of the Epidemic and the risks and uncertainties faced by the Group as a result of the Epidemic. The Company will take appropriate measures as necessary and make further announcements as and when appropriate.

PROGRESS OF INTERNAL CONTROL REVIEW

As disclosed in the Quarterly Update Announcement, during the period from 23 April 2019 to 10 May 2019, the Internal Control Consultant performed reviews on the internal control systems of the Group which involved collecting relevant information, conducting site visits and interviews, conducting walk-through tests and conducting substantive tests. Through this process, a list of issues had been identified and the Internal Control Consultant recommended certain improvements and/or remedial measures to address such issues for the Company's consideration. The Company has considered and implemented such recommended improvements and/or remedial measures and continuously communicated with the Internal Control Consultant and the Audit Committee to enhance the internal control measures. The Company has published the key findings of the Review in its announcement dated 25 March 2020.

UPDATE ON THE TIMELINE IN FULFILLING THE RESUMPTION CONDITIONS

As disclosed in the announcements of the Company dated 14 January 2020 and 17 January 2020, Deloitte tendered their resignation and the Company appointed ZHONGHUI ANDA CPA Limited as the new auditors of the Group with effect from 17 January 2020. The Company is in progress of cooperating with ZHONGHUI ANDA CPA Limited to solve the outstanding matters previously identified by Deloitte. Further, due to travel and work restrictions in connection with the Epidemic, the reporting and audit processes of the Group's outstanding financial statements are significantly affected. As a result, the Company expects further delay in the publication of its outstanding financial results and despatch of its outstanding financial reports.

Further to the above, pursuant to Rules 13.49(1) and 13.46(2)(a) of the Listing Rules, the Company is required to publish its annual results for the year ended 31 December 2019 (the “**2019 Annual Results**”) on or before 31 March 2020, and to despatch its annual report for the year ended 31 December 2019 (the “**2019 Annual Report**”) to the Shareholders on or before 30 April 2020. The delay in publication of the 2019 Annual Results constitutes non-compliance of Rule 13.49(1) of the Listing Rules, and the delay in despatch of the 2019 Annual Report, should it happen, will constitute non-compliance of Rule 13.46(2)(a) of the Listing Rules. Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results, it must announce its results based on the financial results which have yet to be agreed with the auditors (so far as the information is available).

The Board, after due and careful consideration, is of the view that it would not be appropriate for the Company to publish the unaudited management accounts of the Group for the year ended 31 December 2019 at this stage as it may not accurately reflect the financial performance and position of the Group.

The following table sets forth the pending events and update in the expected timetable for resumption of trading in the shares of the Company:

| Key event | Timetable |
|--|--|
| Publication of the 2018 Annual Results | Subject to further assessment by the Board |
| Publication of the 2018 Annual Report | Subject to further assessment by the Board |
| Publication of the 2019 Interim Results | Subject to further assessment by the Board |
| Publication of the 2019 Interim Report | Subject to further assessment by the Board |
| Publication of the 2019 Annual Results | Subject to further assessment by the Board |
| Publication of the 2019 Annual Report | Subject to further assessment by the Board |
| Resumption of trading in the shares of the Company | Subject to further assessment by the Board |

CLERICAL ERROR IN THE PREVIOUS QUARTERLY UPDATE ANNOUNCEMENT

The Company also wishes to clarify an inadvertent clerical error in the Quarterly Update Announcement in which it was mentioned that “*The Sellers further agreed to transfer all its equity interest in Hibaby to HarMoniCare Medical Management without actual payment for equity transfer by HarMoniCare Medical Management. Upon the completion of above transactions, HarMoniCare Medical Management will hold 100% equity interest in Hibaby*”. The Company wishes to clarify that upon the completion of transactions mentioned, HarMoniCare Medical Management will hold 98% (instead of 100%) equity interest in Hibaby.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2019. Trading in the shares of the Company will remain suspended until further notice.

Shareholders and potential investors are advised to 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, 31 March 2020

As at 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.