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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1509)

UPDATE ANNOUNCEMENT ON THE PROGRESS OF INTERNAL CONTROL REVIEW

Reference is made to (1) the announcement of Harmonicare Medical Holdings Limited (the “**Company**”) dated 28 March 2019 in relation to its delay in the publication of annual results and despatch of annual report for the year ended 31 December 2018, (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 BDO Financial Services Limited as its independent internal control consultant (“**Internal Control Consultant**”), (3) the announcement of the Company dated 12 June 2019 in relation to the guidance received from The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) regarding the resumption of trading of the Company’s shares on the Stock Exchange, and (4) the announcement of the Company dated 28 June 2019 in relation to, among others, the quarterly update on its resumption process (the “**Quarterly Update Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Quarterly Update Announcement unless otherwise stated herein.

The Board would like to inform the Shareholders and potential investors of the Company that further to what was disclosed in the Quarterly Update Announcement, the Internal Control Consultant is expected to formally issue the Report in or around late-August 2019.

A draft of the Report and the preliminary plan for measures to rectify the internal control deficiencies identified in the draft Report (the “**Plan**”) were submitted to the Directors for their consideration on 25 June 2019. A revised Plan with recommendations from the Directors taken into account was submitted to the Audit Committee for their consideration on 29 July 2019. The Audit Committee and the Board are currently still in the process of continuous discussion with the Internal Control Consultant on the Plan with a view of further improving and finalizing it, which will be included in the Report. As such, there is a delay in the expected time of the Internal Control Consultant formally issuing the Report.

The Company will make announcement(s) on further updates on the progress, if applicable, and the findings of the Review in compliance with the Listing Rules as and when appropriate.

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
Harm onicare Medical Holdings Limited
Lin Yuming
Chairman, Executive Director and President

Hong Kong, 31 July 2019

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.