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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 INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2019;
AND
(3) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Harmonicare Medical Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (1) the announcement of the Company dated 28 March 2019 in relation to its delay in the publication of annual results (the “**2018 Annual Results**”) and despatch of annual report for the year ended 31 December 2018 (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 (the “**Quarterly Update Announcement**”), (5) the update announcement of the Company dated 31 July 2019 in relation to the progress of its internal control review, and (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 interim results of the Company for the six months ended 30 June 2019 (the “**Delay Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Quarterly Update Announcement unless otherwise stated herein.

BUSINESS OPERATIONS

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.

PROGRESS OF INTERNAL CONTROL REVIEW

As set out in the Quarterly Update Announcement, one of the resumption guidance is to demonstrate to the satisfaction of the Stock Exchange that the Company has put in place adequate internal control systems and procedures to meet its obligations under the Listing Rules. To assist the Company in fulfilling this condition and as part of the additional steps that Deloitte would need to take before signing off on the 2018 Annual Results, the Audit Committee has independently engaged the Internal Control Consultant to review the internal control procedures of the Company (the “**Review**”).

The Board would like to inform the Shareholders and potential investors of the Company that further to what was disclosed in the Delay Announcement, the Internal Control Consultant is expected to formally issue the Report by the end of October 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 its consideration on 29 July 2019. On 11 September 2019, the Board approved the following internal policies and measures at its meeting: the Board Meeting Rules (董事會議事規則), the Manual of Personnel’s Rights and Responsibilities (工作權責手冊), the Policy on Investment Management (投資管理制度), the Policy on Contract Management (合同管理制度), the Policy on Anti-fraud Management (反舞弊管理制度), the Policy on Seals Management (印信管理制度) and the Compilation of Financial Management Systems (財務管理制度彙編).

The Internal Control Consultant is expected to conduct onsite investigation on the measures to rectify the identified internal control deficiencies in early October 2019, in order to ensure the measures are put in place. 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.

UPDATE ON THE TIMELINE IN FULFILLING THE RESUMPTION CONDITIONS

Further to what was disclosed in the Delay Announcement, as the publication of the 2018 Annual Results and the despatch of the 2018 Annual Report and the publication of the 2019 Interim Results are still pending, accordingly, the despatch of the Company’s interim report for the six months ended 30 June 2019 (the “**2019 Interim Report**”) would not be ready by 30 September 2019 as required under the Listing Rules.

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

Key event	Timetable
Announcement of the findings of the Review	In or around the end of October 2019
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
Resumption of trading in the shares of the Company	Subject to further assessment by the Board

As disclosed in the Delay Announcement, since (1) there has been no material progress on the Proposed Settlement, and (2) Deloitte would still need to take additional steps before signing off on the 2018 Annual Results, the publication thereof is delayed accordingly. The Company will (1) endeavour to continue negotiations on the Proposed Settlement with the Sellers; (2) continue to cooperate with Deloitte to complete its audit work as soon as possible, publish the 2018 Annual Results and despatch the 2018 Annual Report; and (3) publish the 2019 Interim Results and despatch the 2019 Interim Report as soon as possible.

The Company will publish further announcement(s) to inform its shareholders relating to the publication of the 2018 Annual Results and the 2019 Interim Results and the despatch of the 2018 Annual Report and the 2019 Interim Report 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
Harmonicare Medical Holdings Limited
Lin Yuming
Chairman, Executive Director and President

Hong Kong, 29 September 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 Jiangan.