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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1509)

DISCLOSEABLE TRANSACTION SUPPLEMENTAL AGREEMENTS IN RELATION TO FINANCE LEASES ARRANGEMENT

Reference is made to the announcement of Harmonicare Medical Holdings Limited (the “**Company**”) dated 23 July 2018 (the “**Announcement**”) in relation to finance leases arrangement between certain subsidiaries of the Company and IFEL. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated herein.

On 21 November 2019, IFEL entered into (a) a supplemental agreement to the Beijing Finance Lease Agreement with Beijing HarMoniCare Hospital, (b) a supplemental agreement to the Fuzhou Finance Lease Agreement with Fuzhou Modern Woman Hospital, (c) a supplemental agreement to the Heilongjiang Finance Lease Agreement with Heilongjiang HarMoniCare Hospital, (d) a supplemental agreement to the Nantong Finance Lease Agreement with Nantong HarMoniCare Hospital ((a) to (d) above together, the “**Supplemental Agreements**”), (e) a share pledge agreement (the “**Share Pledge Agreement**”) with Beijing He An Da Management Consulting Co., Ltd.* (北京合安達管理諮詢有限公司) (“**Beijing HAD**”), a wholly-owned subsidiary of the Company, and (f) a guarantee agreement (the “**Guarantee Agreement**”) with Guiyang HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd.* (貴陽和美婦產醫院有限公司) (“**Guiyang HarMoniCare Hospital**”), a wholly-owned subsidiary of the Company.

THE SUPPLEMENTAL AGREEMENTS

Pursuant to the Supplemental Agreements, the Finance Lease Agreements are supplemented and modified (the “**Supplemented Finance Lease Arrangements**”) such that the aggregate lease payments and the payment schedules thereunder have been adjusted as set out below:

- (a) Pursuant to the Beijing Finance Lease Agreement as supplemented, the aggregate lease payments under the Beijing Finance Lease Agreement have been adjusted to RMB45,846,075.66 from RMB45,712,045.45, comprising 37 instalments payable, of which the first four instalments have been paid prior to the date of this announcement;
- (b) Pursuant to the Fuzhou Finance Lease Agreement as supplemented, the aggregate lease payments under the Fuzhou Finance Lease Agreement have been adjusted to RMB15,584,614.30 from RMB15,999,215.91, comprising 18 instalments payable, of which the first four instalments have been paid prior to the date of this announcement;

- (c) Pursuant to the Heilongjiang Finance Lease Agreement as supplemented, the aggregate lease payments under the Heilongjiang Finance Lease Agreement have been adjusted to RMB15,584,614.30 from RMB15,999,215.91, comprising 18 instalments payable, of which the first four instalments have been paid prior to the date of this announcement; and
- (d) Pursuant to the Nantong Finance Lease Agreement as supplemented, the aggregate lease payments under the Nantong Finance Lease Agreement have been adjusted to RMB22,885,991.66 from RMB22,856,022.72, comprising 37 instalments payable, of which the first four instalments have been paid prior to the date of this announcement.

Pursuant to the Supplemental Agreements, the lease payments have been fixed and will no longer be subject to the adjustment of the benchmark loan interest rate for the same period to reflect any change in the benchmark loan interest rate promulgated by the People's Republic Bank of China from time to time.

Save as disclosed herein, all other terms and provisions of the Finance Lease Arrangements shall remain in full force and effect. The transactions under the Supplemented Finance Lease Arrangements remain, in aggregate, discloseable transactions of the Company under Chapter 14 of the Listing Rules.

THE SHARE PLEDGE AGREEMENT AND THE GUARANTEE AGREEMENT

Beijing HAD entered into the Share Pledge Agreement with IFEL, pursuant to which Beijing HAD agreed to provide a pledge of its entire equity interest in Guiyang HarMoniCare Hospital to IFEL as security, and Guiyang HarMoniCare Hospital entered into the Guarantee Agreement with IFEL, pursuant to which Guiyang HarMoniCare Hospital has irrevocably agreed to guarantee and to assume joint liabilities for the repayment obligations of each of Beijing HarMoniCare Hospital, Fuzhou Modern Woman Hospital, Heilongjiang HarMoniCare Hospital and Nantong HarMoniCare Hospital, under the Supplemented Finance Lease Arrangements.

INFORMATION ON THE PARTIES

Information on Beijing HarMoniCare Hospital

Beijing HarMoniCare Hospital is a private obstetrics and gynecology specialty hospital in Beijing, the PRC.

Information on Fuzhou Modern Woman Hospital

Fuzhou Modern Woman Hospital is a private obstetrics and gynecology specialty hospital in Fuzhou, the PRC.

Information on Heilongjiang HarMoniCare Hospital

Heilongjiang HarMoniCare Hospital is a private obstetrics and gynecology specialty hospital in Heilongjiang, the PRC.

Information on Nantong HarMoniCare Hospital

Nantong HarMoniCare Hospital is a private obstetrics and gynecology specialty hospital in Nantong, the PRC.

Information on Guiyang HarMoniCare Hospital

Guiyang HarMoniCare Hospital is a limited liability company established in the PRC and is a wholly-owned subsidiary of the Company. It is principally engaged in similar activities as the Group in the Guiyang area of the PRC.

Information on Beijing HAD

Beijing HAD is a limited liability company established in the PRC and is a wholly-owned subsidiary of the Company which directly owns the entire equity interests in Guiyang HarMoniCare Hospital as at the date of this announcement.

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 should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

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

Hong Kong, 21 November 2019

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