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LIFE HEALTHCARE GROUP LIMITED

蓮和醫療健康集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

CHANGE OF AUDITOR DELAY IN PUBLICATION OF THE ANNUAL RESULTS OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2019 AND POSSIBLE DELAY IN DESPATCH OF THE ANNUAL REPORT AND SUSPENSION OF TRADING

CHANGE OF AUDITOR

The board of directors (the “**Board**”) of Life Healthcare Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that during the course of auditing of the annual results of the Company for the year ended 31 March 2019 (the “**Annual Results**”), the Company and its auditor, Crowe (HK) CPA Limited (“**Crowe**”), were not able to reach consensus and agreement of certain issues. As a result, Crowe has tendered its resignation as the auditor of the Company from 30 June 2019.

The following paragraph setting out the unresolved issues and outstanding matters in respect of the audit for the Annual Results which the Company and Crowe could not reach a consensus and led to the resignation of Crowe is extracted from the letter of resignation issued by Crowe to the Board and the audit committee of the Company (the “**Audit Committee**”) dated 30 June 2019.

Crowe’s normal procedures include consideration of whether Crowe wishes to continue to act for its audit clients. In reaching a conclusion on this, Crowe takes into account many factors including the professional requirement associated with the audit, the level of audit fees and its available internal resources in the light of current work flows. In the case of the Group Crowe has also taken into account the progress on provision of information in relation to overdue loan receivables and loan from a non-executive director as set out in various correspondence and those matters as set out in the latest outstanding list and additional time and costs to be incurred in its audit. After careful consideration, Crowe wishes to inform the Company that Crowe has decided to tender its resignation as auditor of the Group.

Save for the matters stated above, Crowe has confirmed that there are no other matters that need to be brought to the attention of the shareholders or creditors of the Company. The Board and the Audit Committee confirm that, save for the foregoing, there is no disagreement between the Company and Crowe, and are not aware of any matters in respect of the resignation of the auditor that need to be brought to the attention of the shareholders of the Company.

The Board further announces that, with the recommendation of the Audit Committee, the Board has resolved to appoint ZHONGHUI ANDA CPA Limited as the auditor of the Group with effect from 2 July 2019 to fill the casual vacancy following the resignation of Crowe and to hold office until the conclusion of the next annual general meeting of the Company.

DELAY IN PUBLICATION OF THE ANNUAL RESULTS AND POSSIBLE DELAY IN DESPATCH OF THE ANNUAL REPORT

The Board wishes to inform the Shareholders that owing to the resignation of the Company's auditor, the Company is unable to publish the Annual Results by 30 June 2019 and the despatch of the annual report for the year ended 31 March 2019 (the "**Annual Report**") may also be delayed.

Given the foregoing, the Company have also postponed the meeting of the Board to approve, among other things, the Annual Results.

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

The Company will publish further announcement(s) to inform the Shareholders of the date of the meeting of the Board to approve the Annual Results, the date of the release of the Annual Results and the Annual Report.

The Company is operating as usual and its operations are not affected.

Non-publication of Management Accounts

Rule 13.49(3) of the Listing Rules provides that when 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 auditor (so far as the information is available).

The Board has, after due and careful consideration, decided that it would not be appropriate for the Company to publish the unaudited management accounts of the Group for the year ended 31 March 2019 (the "**Management Accounts**") at this stage having considered that the finalisation of the Management Accounts and the completion of the audit work are being carried out at the same time, there may be significant adjustments on the Management Accounts. Accordingly, the Management Accounts, if published, will not be a true and fair reflection of the financial performance and position of the Group which may be misleading and confusing to the Shareholders and potential investors.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 2 July 2019 and will remain suspended until further notice.

By order of the Board
Life Healthcare Group Limited
Man Wai Lun
Executive Director

2 July 2019

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Hua Yunbo (*Chairman and President*)

Ms. Shan Hua (*Chief Executive Officer*)

Mr. Man Wai Lun

Independent Non-executive Directors:

Mr. Liu Xinghua

Mr. Zheng Chunlei

Mr. Cheng Chun Man

Non-executive Director:

Dr. Feng Xiaogang