

**HARMONICARE MEDICAL HOLDINGS LTD:  
THIS COMPANY COULD WELL BE  
A MONEYMAKER FOR YEARS TO COME**

It is extremely rare, these days, to find a company, seeking a listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), having Shareholders' Funds, being firmly in negative territory.

But that was the case in respect of the Harmonicare Medical Holdings Ltd () (Code: 1509, Main Board, The Stock Exchange of Hongkong Ltd) on the day that it published and disseminated its Global Offering Prospectus.

Harmonicare issued its Global Offering Prospectus on June 25, 2015, in which it was stated that a total of 210.81 million, \$HK0.001 Shares were being Offered to the Investing Public.

Of that number of Shares, 191.81 million Shares were New Shares and 19 million Shares were those, being Offered by the three Selling Shareholders, to wit:

Harmony Care International Investment Ltd	2 million Shares
Honeycare International Investment Ltd	16.50 million Shares
Classic Symbol Ltd	500,000 Shares

Management had determined, prior to the publication of the Global Offering Prospectus, that the Indicative Offer Price Per Share would be a minimum of not less than \$HK6.80 and a maximum of not more than \$HK7.55.

HKSAR Investors were Offered 21,081,000 Shares and International Investors were Offered 189,729,000 Shares (170,729,000 Shares, being New Shares, and 19 million Shares, being those Shares, Offered by the three Selling Shareholders).

On July 6, 2015, Management announced that the Offer Price Per Share had been struck at \$HK7.55, being the highest acceptable level.

This Initial Public Offering (IPO) netted Harmonicare about \$HK1,359.10 million, with the Selling Shareholders, grossing \$HK143.45 million.

The Net Proceeds, as far as Harmonicare was concerned, shall be utilised as follows:

1. Approximately, 60 percent, that is about \$HK815.50 million, '*for opening new hospitals in Beijing, Xiamen, Nanjing, Hangzhou and Chongqing*';
2. Approximately, 10 percent, that is about \$HK135.90 million, '*for upgrading facilities and adding new equipment in our existing hospitals*';
3. Approximately, five percent, that is about \$HK68.00 million, '*for upgrading and improving our information technology systems*';

4. Approximately, 15 percent, that is about \$HK203.90 million, '*for acquiring new hospitals*'; and,
5. Approximately, 10 percent, that is about \$HK135.90 million, '*for working capital and other general corporate purposes*'.

### **The Business**

Harmonicare is only 12 years old, the predecessor entity, having been founded by three individuals and one, PRC-domiciled company.

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