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TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED

康健國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8138)

ANNOUNCEMENT

AND

RESUMPTION OF TRADING

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board has noted the increase in the price and trading volume of the shares of the Company this morning and wishes to state that, save as disclosed herein, it is not aware of any reasons for such increase.

At the request of the Company, trading in the shares of the Company was suspended with effect from 2:30 p.m. on 19 July 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 20 July 2007.

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “**GEM Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Town Health International Holdings Company Limited (the “**Company**”) has noted the increase in the price and trading volume of the shares of the Company this morning and wishes to state that, save as disclosed herein, it is not aware of any reasons for such increase.

The Company has entered into negotiation with an independent third party, who is not connected with any of the Directors, chief executive, or substantial shareholders of the Company, or its subsidiaries or any of their respective associates, in relation to a possible acquisition of equity interests in a medical chain. The Board wishes to emphasize that as at the date hereof, no binding agreement has yet been entered into between the Company and such independent third party and that such acquisition may or may not proceed. Further announcement will be made on such acquisition, as and when appropriate, in accordance with the GEM Listing Rules.

Save as disclosed above, the Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

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Made by order of the Board, the Directors collectively and individually accept responsibility for the accuracy of this announcement.

By order of the Board
Town Health International Holdings Company Limited
Choi Ka Yee, Crystal
Chairman

Hong Kong, 19 July 2007

As at the date of this announcement, the executive Directors are: Miss Choi Ka Yee, Crystal, Dr. Cho Kwai Chee, Mr. Cho Kwai Yee, Kevin and Dr. Fung Yiu Tong, Bennet; the non-executive Director is Dr. Francis Choi Chee Ming JP; and the independent non-executive Directors are Mr. Chan Kam Chiu, Mr. Wai Kwok Hung JP and Mr. Ho Kwok Wah, George.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to Town Health International Holdings Company Limited. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at <http://www.townhealth.com>