

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Town Health International Holdings Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



### 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)**

### PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT

---

A notice convening an extraordinary general meeting of Town Health International Holdings Company Limited to be held at Shop No. 1A-1C, Level 1, Hilton Plaza Commercial Centre, 3-9 Shatin Centre Street, Shatin, New Territories, Hong Kong at 9:00 a.m. on Thursday, 27 March 2008 is set out on pages 7 to 8 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)).

Whether or not you intend to attend and vote at the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

*This circular will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for seven days from the date of its publication and on the website of Town Health International Holdings Company Limited at <http://www.townhealth.com>.*

---

## CHARACTERISTICS OF GEM

---

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

---

# CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>Notice of EGM</b> .....	7

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Town Health International Holdings Company Limited, a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the GEM
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve the Proposed Refreshment
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	5 March 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Option(s)”	the option(s) granted or to be granted under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme at the EGM
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all Options to be granted by the Board under the Share Option Scheme to subscribe up to 10% of the Shares in issue as at the date of passing the relevant ordinary resolution. If the Scheme Mandate Limit is refreshed, the total number of Shares which may be issued upon exercise of all options to be granted must not in aggregate exceed 10% of the Shares in issue as at the date of passing the relevant ordinary resolution

---

## DEFINITIONS

---

“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 24 April 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“%”	per cent.



**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)**

*Executive Directors:*

Dr. Cho Kwai Chee  
Miss Choi Ka Yee, Crystal  
Mr. Cho Kwai Yee, Kevin  
Dr. Fung Yiu Tong, Bennet  
Dr. Hui Ka Wah, Ronnie *JP*

*Registered office:*

Ugland House  
P.O. Box 309  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Non-executive Director:*

Dr. Choi Chee Ming Francis *JP*

*Head office and principal place  
of business in Hong Kong:*

Shop No. 37, Level 3  
Hilton Plaza Commercial Centre  
3-9 Shatin Centre Street, Shatin  
New Territories  
Hong Kong

*Independent non-executive Directors:*

Mr. Chan Kam Chiu  
Mr. Wai Kwok Hung *JP*  
Mr. Ho Kwok Wah, George

10 March 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT**

**INTRODUCTION**

The purpose of this circular is to provide you with the information relating to (i) the Proposed Refreshment; and (ii) the notice of EGM, at which resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the Proposed Refreshment.

---

## LETTER FROM THE BOARD

---

### REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 24 April 2002 by written resolution of the Company. At the annual general meeting of the Company held on 27 July 2007, the Scheme Mandate Limit was refreshed so that the total number of Shares which may fall to be issued upon the exercise of all Options to be granted under the Share Option Scheme or other schemes shall not exceed 526,698,190 Shares, representing 10% of the issued share capital of the Company as at the date of the annual general meeting held on 27 July 2007.

As at the Latest Practicable Date, the number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit was 526,600,000 Shares, representing 99.98% of the current Scheme Mandate Limit.

As at the Latest Practicable Date, the Company has 16,748,915,724 Shares in issue. The maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed will be 1,674,891,572. Shares on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, representing 10% of the issued share capital of the Company as at the date of approval of the Proposed Refreshment by the Shareholders at the EGM.

Pursuant to the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. The Board undertakes that no Option shall be granted under the Share Option Scheme and any scheme(s) of the Company if this will result in the 30% limit being exceeded. As at the Latest Practicable Date, the total number of Shares which may fall to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme is 526,600,000 Shares.

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit to permit the granting of Options so as to provide incentives to, and recognise the contributions of, the eligible participants under the Share Option Scheme. A resolution will be proposed at the EGM for the approval of the Shareholders to refresh the Scheme Mandate Limit.

### CONDITIONS OF THE PROPOSED REFRESHMENT

The Proposed Refreshment is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the EGM to approve the Proposed Refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

---

## LETTER FROM THE BOARD

---

### RESPONSIBILITY STATEMENT

This circular, 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 the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable

### PROCEDURES FOR DEMANDING A POLL

According to Article 80, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the designated stock exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote or who represent in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (c) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (d) if required by the rules of the designated stock exchange, the chairman of the meeting and/or any director holding the proxies shall demand a poll, if such aggregate proxies held individually or collectively by (i) the chairman of the particular meeting, and/or (ii) the directors, account for five (5) per cent or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposition manner to that instructed in those proxies.

Unless a poll is so demanded and not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.



---

## LETTER FROM THE BOARD

---

### EGM

A notice of EGM convening the EGM at which resolutions will be proposed to the Shareholders to consider and, if thought fit, to approve the Proposed Refreshment is set out on pages 7 to 8 of this circular.

To the best knowledge of the Directors, no Shareholders have a material interest in the Proposed Refreshment and accordingly, no Shareholders will have to abstain from voting at the EGM.

Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy accompanying with this circular in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

### RECOMMENDATION

The Directors consider that the Proposed Refreshment is fair and reasonable and is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully  
For and on behalf of the Board of  
**Town Health International Holdings Company Limited**  
**Cho Kwai Chee**  
*Executive Director*



**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)**

**NOTICE IS HEREBY GIVEN** that a extraordinary general meeting (the “**Meeting**”) of Town Health International Holdings Company Limited (the “**Company**”) will be held at Shop No. 1A-1C, Level 1, Hilton Plaza Commercial Centre, 3-9 Shatin Centre Street, Shatin, New Territories, Hong Kong at 9:00 a.m. on Thursday, 27 March 2008 for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as ordinary resolution:

**ORDINARY RESOLUTION**

“**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of option to be granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme adopted on 24 April 2002, which entitles the Directors to grant options after the listing of Shares on the Stock Exchange, in the manner as set out in paragraph (a) of this resolution,

- (a) the refreshment of the Scheme Mandate Limit of up to 10 per cent. of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and
- (b) the Directors be and are hereby authorised do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By order of the board of directors of  
**Town Health International Holdings Company Limited**  
**Cho Kwai Chee**  
*Executive Director*

Hong Kong, 10 March 2008

---

## NOTICE OF EGM

---

*Registered office:*

Ugland House  
P.O. Box 309  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Head office and principal place of  
business in Hong Kong:*

Shop No. 37, Level 3  
Hilton Plaza Commercial Centre  
3-9 Shatin Centre Street, Shatin  
New Territories  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Articles, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.