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This announcement includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this announcement misleading.



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 on Main Board: 3886

Stock code on GEM: 8138

**TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO
THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

Financial adviser to the Company



FIRST SHANGHAI CAPITAL LIMITED

On 9 July 2008, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 17,545,515,724 Shares in issue; (ii) 230,000,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the GEM Share Option Scheme; and (iii) 3,393,583,143 new Shares which may fall to be issued pursuant to the rights attaching to the call option granted by the Company to Rising Step under the Call Option Agreement, on the Main Board by way of transfer of the listing from GEM to the Main Board. The approval-in-principle for the Transfer was granted by the Stock Exchange on 1 August 2008.

The last day of dealings in the Shares on GEM is 11 August 2008. Dealings in the Shares on the Main Board (Stock code: 3886) will commence at 9:30 a.m. on 12 August 2008.

TRANSFER OF THE LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

On 9 July 2008, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 17,545,515,724 Shares in issue; (ii) 230,000,000 Shares which may fall to be issued pursuant to the exercise of the outstanding options which were granted under the GEM Share Option Scheme; and (iii) 3,393,583,143 new Shares which may fall to be issued pursuant to the rights attaching to the call option granted by the Company to Rising Step under the Call Option Agreement, on the Main Board by way of transfer of the listing from GEM to the Main Board. The approval-in-principle for the Transfer was granted by the Stock Exchange on 1 August 2008.

All pre-conditions for the Transfer as set out in Rule 9A.02 of the Listing Rules have been fulfilled in relation to the Company and its Shares.

REASONS FOR THE TRANSFER

The Company has been listed on GEM since 18 October 2000. The Group is a management service provider for private medical and dental practices and an integrated healthcare service provider for the general public in Hong Kong predominantly under its widely known brandname “Town Health Centre 康健醫務中心”. The Group’s business activities can be broadly categorised into (i) provision of healthcare and dental services; and (ii) sale of healthcare and pharmaceutical products.

The Directors believe that the listing of the Shares on the Main Board will help to enhance the profile of the Group and increase the trading liquidity of the Shares and recognitions by attracting larger institutional and retail investors. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financial flexibility and business development of the Company. No change in nature of business of the Group is contemplated by the Directors following the Transfer.

The Transfer will not involve issue of any new Shares by the Company.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 18 October 2000, the date on which the Shares were listed on GEM. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of the CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM is 11 August 2008. Dealings in the Shares on the Main Board (Stock code: 3886) will commence at 9:30 a.m. on 12 August 2008.

The Transfer will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and will not involve any transfer or exchange of the existing share certificates. No change will be made to the board lot size, trading currency of the Shares and the share registrars of the Shares in connection with the Transfer. Shares will be traded under the new stock code 3886 in board lots of 10,000 Shares each following the Transfer.

OUTSTANDING SHARE OPTIONS AND CALL OPTION

GEM Share Option Scheme

The GEM Share Option Scheme was adopted on 24 April 2002, for the primary purpose of providing incentives to directors and eligible employees, which will expire on 23 April 2012. As at the date of this announcement, there were 230,000,000 options already granted to option-holders, of which, 20,000,000 will be exercisable at an exercise price of HK\$0.111 per Share during the period from 9 October 2007 to 8 October 2017; while the remaining 210,000,000 option will be exercisable at an exercise price of HK\$0.104 per Share during the period from 10 July 2008 to 9 July 2009.

No further options will be offered or granted under the GEM Share Option Scheme after the Transfer. The Company proposes to seek the approval of the Shareholders to terminate the GEM Share Option Scheme and adopt a new share option scheme which will comply with the requirements of Chapter 17 of the Listing Rules as soon as practicable after the Transfer. Pursuant to the GEM Share Option Scheme, the outstanding 230,000,000 options previously granted but unexercised under the GEM Share Option Scheme will remain valid and exercisable in accordance with their terms of issue.

Call Option Agreement

In addition, pursuant to the Call Option Agreement, a call option right was granted by the Company to Rising Step to subscribe for up to 3,393,583,143 new Shares at the prescribed exercise price during the call option period pursuant to the Call Option Agreement.

The above outstanding share options and call option granted by the Company are currently unlisted securities. The listing of the Shares underlying these options will be transferred from GEM to the Main Board in the same manner as the issued Shares.

Save as the outstanding options previously granted but unexercised under the GEM Share Option Scheme and the Call Option Agreement, the Company does not issue any other options, warrants or similar rights or convertible equity securities which will be transferred to the Main Board.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 29 July 2008 will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or any applicable laws of the Cayman Islands to be held;
or
- (c) the revocation or variation of such authority by an ordinary resolution of Shareholders in general meeting.

COMPETING INTERESTS

As at the date of this announcement, none of the Directors, management shareholders and controlling shareholders of the Company and their respective associates has an interest in a business which competes or may compete, either directly or indirectly, with the business of the Group pursuant to Rule 9A.09(10) of the Listing Rules.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection on the websites of the Company at <http://www.townhealth.com> and the Stock Exchange at <http://www.hkexnews.hk>:

- (a) the memorandum and articles of association of the Company;
- (b) the interim report of the Group for the six months ended 30 September 2007;
- (c) the Directors' report and the annual report of the Group for the year ended 31 March 2008;
- (d) a circular of the Company dated 2 May 2007 with respect to a discloseable transaction regarding the subscription of convertible bond issued pursuant to Chapter 19 of the GEM Listing Rules;
- (e) a circular of the Company dated 29 May 2007 with respect to placing of new Shares and notice of extraordinary general meeting;
- (f) a circular of the Company dated 29 June 2007 for approving general mandates to issue and repurchase Shares, re-election of Directors and proposed refreshment of the GEM Share Option Scheme mandate limit;

- (g) a circular of the Company dated 10 July 2007 for approving the proposed bonus issue of Shares and change in board lot size;
- (h) a circular of the Company dated 15 August 2007 with respect to a discloseable transaction regarding the acquisition of clinic chain issued pursuant to Chapter 19 of the GEM Listing Rules;
- (i) a circular of the Company dated 15 November 2007 for approving the discloseable and connected transaction regarding the acquisition of Nu/Hart hair clinics and re-election of Director issued pursuant to Chapter 19 and 20 of the GEM Listing Rules;
- (j) a circular of the Company dated 6 December 2007 with respect to a discloseable transaction regarding the formation of a joint venture and loan agreement issued pursuant to Chapter 19 of the GEM Listing Rules;
- (k) a circular of the Company dated 10 March 2008 for approving the proposed refreshment of the GEM Share Option Scheme mandate limit;
- (l) a circular of the Company dated 31 March 2008 with respect to a discloseable transaction regarding the disposal of a non-wholly subsidiary issued pursuant to Chapter 19 of the GEM Listing Rules;
- (m) a circular of the Company dated 22 April 2008 with respect to a discloseable transaction regarding the investment in a joint venture trust in the PRC, the grant of call option for the issue of Shares and the proposed increase in the authorised share capital issued pursuant to the GEM Listing Rules;
- (n) a circular of the Company dated 27 June 2008 for approving the proposed grant of general mandates to issue and repurchase Shares and re-election of Directors and notice of annual general meeting; and
- (o) a copy of each of the announcements and other corporate communications made by the Company as required under the GEM Listing Rules since 31 March 2007.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Board”	the board of the Directors
“Business Day”	a day that is not a Saturday, Sunday or a public holiday in Hong Kong

“Call Option Agreement”	a conditional agreement dated 29 March 2008 entered into between Ping An Trust & Investment Co. Ltd. and the Company for the grant of the right by the Company to Ping An Trust & Investment Co. Ltd. (being a subsidiary of Ping An Insurance (Group) Company of China, Limited whose shares are listed on the Stock Exchange (Stock code: 2318) and the Shanghai Stock Exchange (Stock code: 601318) or any other subsidiary of Ping An Insurance (Group) Company of China, Limited to subscribe for up to 3,393,583,143 new Shares at the prescribed exercise price of HK\$0.12 per Share or the average closing price of the five consecutive trading days immediately preceding to the exercise of the call option (whichever is the lower) during the period from 23 June 2008 to 22 February 2010
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Town Health International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“GEM Share Option Scheme”	the share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders on 24 April 2002
“Group”	the Company and its subsidiaries from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM

“Main Board Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange responsible for the Main Board listing matters
“Rising Step”	Rising Step Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Ping An Insurance (Group) Company of China, Limited
“Transfer”	the transfer of listing of the Shares from GEM to the Main Board pursuant to the Listing Rules
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 1 August 2008

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, Dr. Fung Yiu Tong, Bennet and Dr. Hui Ka Wah, Ronnie JP, the non-executive Director is Dr. 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 the Group. 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 “Latest Company Announcements” page of the GEM website (<http://www.hkgem.com>) for at least 7 days from the date of its publication, on the “Listed Company Information” page on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company’s own website at <http://www.townhealth.com>.

* For identification purposes only