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Town Health International Investments Limited
康健國際投資有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 3886)

**DISCLOSEABLE TRANSACTION:
ACQUISITION OF 100% INTEREST IN THE TARGET**

ACQUISITION

The Board is pleased to announce that on 4 February 2013, after trading hours, the Purchaser (a non-wholly-owned subsidiary of the Company) and the Vendor entered into the SP Agreement pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Shares free from all Encumbrances, and together with all rights and benefits attaching thereto at the Consideration of HK\$43,000,000.

IMPLICATIONS UNDER THE LISTING RULES

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

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THE SP AGREEMENT

Major terms of the SP Agreement are set out below.

Date:

4 February 2013

Parties:

- (1) the Purchaser, Town Health Asset Management Limited, a non-wholly-owned subsidiary of the Company as at the date of this announcement; and
- (2) the Vendor, Plenty Cash Investment Limited, a company incorporated in the BVI with limited liability, principally engaged in the business of investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Assets to be acquired

The Purchaser has agreed to acquire, and the Vendor has agreed to sell the Sale Shares, representing 100% equity interest in the Target, free from all Encumbrances, and together with all rights and benefits attaching thereto.

Consideration

The Consideration is HK\$43,000,000 which shall be payable in cash on the Completion Date.

The consideration will be funded by the Group's internal resources.

Basis of consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the market value of properties of similar size and location.

Completion

Completion of the SP Agreement shall take place on 6 February 2013 (or such other date agreed by the Purchaser and the Vendor in writing).

Immediately after Completion, the Company will own 100% equity interest in the Target through the Purchaser, and the financial results of the Target will be consolidated with the results of the Group.

Undertakings by the Vendor

Under the SP Agreement, the Vendor undertakes with the Purchaser that the Existing Securities will be released in full within three months after the Completion Date.

INFORMATION ABOUT THE TARGET GROUP

The Target is a company incorporated in the BVI with limited liability and is principally engaged in the business of investment holding. The principal asset of the Target is the Property, which is currently leased to, and occupied as a clinic by, a member of the Group at a monthly rental (exclusive of rates, management fees, air-conditioning charges and other outgoings and expenses) of HK\$75,000. The Property is currently subject to the Existing Securities.

Set out below is a summary of certain unaudited financial information of the Target for the two years ended 31 December 2011 and 31 December 2012:

	For the year ended 31 December 2011 HK\$'000	For the year ended 31 December 2012 HK\$'000
Net profit (before taxation and extraordinary items)	2,606	137
Net profit (after taxation and extraordinary items)	2,572	137

The unaudited total asset value and net asset value of the Target Company as at 31 December 2012 were approximately HK\$23,900,000 and HK\$23,824,000 respectively.

INFORMATION ABOUT THE GROUP

The Group is an investment company with core businesses in both the medical and non-medical sectors. The Group's business activities can be broadly categorised into the (i) provision of medical and dental services, health check and pharmaceutical businesses; and (ii) securities and property investment business. The Group also holds investment in companies which are principally engaged in sale of healthcare and pharmaceutical products businesses in the PRC.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE SP AGREEMENT

As mentioned above, the Property is currently occupied by the Group for its business operation and the Directors believe that it will be beneficial to the Group to operate its business on owned properties.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares
“BVI”	British Virgin Islands
“Board”	the board of Directors
“Company”	Town Health International Investments Limited, a company incorporated in the Cayman Island and continued in Bermuda with limited liability and the ordinary shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares

“Completion Date”	6 February 2013 or such other date agreed by the Vendor and the Purchaser in writing, being the date on which Completion takes place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the sum of HK\$43,000,000, being the consideration for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Encumbrances”	(i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person or entity, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable laws, (ii) any proxy, power of attorney, voting trust agreement, trust interest, option, right of first offer, negotiation or refusal or transfer restriction in favour of any person and (iii) any adverse claim or third party rights as to title, votes, dividends, ownership, possession or use
“Existing Securities”	(i) the mortgage and (ii) the rental assignment in respect of rental income, licence fees, management fees payable by any leasee to the Target and all other income receivable by the Target under the terms of any lease of the Property, both executed by the Target in favour of Dah Sing Bank Limited to secure all sums in respect of the general banking facilities granted by Dah Sing Bank Limited to China Gogreen Assets Investment Limited and interest thereon
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Parties”	third parties independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	the property located at Shop F, Ground Floor, Yenfu Mansion, Nos. 121-125, 129-135, 139 and 141, Hip Wo Street and 92-112 Shui Wo Street, Kowloon, Hong Kong
“Purchaser”	Town Health Asset Management Limited, a company incorporated in the BVI with limited liability and a non-wholly-owned subsidiary of the Company
“Sale Shares”	two ordinary shares of the Target of US\$1.00 each, representing the entire issued share capital of the Target
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“SP Agreement”	the agreement dated 4 February 2013 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Dragon Oriental Investment Limited, a company incorporated in the BVI with limited liability
“Vendor”	Plenty Cash Investment Limited, a company incorporated in the BVI with limited liability and is principally engaged in the business of investment holding

By order of the Board
Town Health International Investments Limited
Cho Kwai Chee
Executive Director

Hong Kong, 4 February 2013

As at the date of this announcement, the executive Directors are Miss Choi Ka Yee, Crystal (Chairperson), Dr. Cho Kwai Chee (Chief Executive Officer), Mr. Lee Chik Yuet and Dr. Chan Wing Lok, Brian; the non-executive Director is Dr. Choi Chee Ming, GBS, JP (Vice-Chairman); and the independent non-executive Directors are Mr. Chan Kam Chiu, Mr. Ho Kwok Wah, George and Mr. Wai Kwok Hung, SBS, JP.