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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)**

**DISCLOSABLE TRANSACTION:  
ACQUISITION OF 70% INTEREST IN THE TARGET**

**ACQUISITION**

The Board is pleased to announce that after trading hours on 27 August 2013, the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Warrantor entered into the SP Agreement pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Shares and the Sale Debt at the Consideration of HK\$21,000,000.

The Sale Shares represent 70% of the issued share capital of the Target.

The Target is an investment holding company and its wholly-owned subsidiary incorporated in Hong Kong is principally engaged in the production and sale of PET Radiopharmaceuticals for medical use.

**IMPLICATIONS UNDER THE LISTING RULES**

The Acquisition constitutes a disclosable transaction for the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

The Board is pleased to announce that after trading hours on 27 August 2013, the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Warrantor entered into the SP Agreement pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Shares and the Sale Debt at the Consideration of HK\$21,000,000.

## THE SP AGREEMENT

The principal terms of the SP Agreement are set out below.

*Date:*

27 August 2013

*Parties:*

**Vendor:** Rainbow Bright Enterprises Limited, a company incorporated in BVI with limited liability and is an investment holding company. As at the date of this announcement, the Vendor is the legal and beneficial owner of the Sale Shares, representing 70% of the issued share capital of Target, and the Sale Debt.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the Vendor and its ultimate beneficial owner, being the Warrantor, are Independent Third Parties.

**Warrantor:** Mr. Yuen Siu Wah, who holds the entire issued share capital of the Vendor as at the date of the SP Agreement. The Warrantor was joined as a party to the SP Agreement to guarantee the performance and observance by the Vendor of all of its obligations and undertakings under the SP Agreement.

**Purchaser:** Town Health Healthcare Services Limited, a company incorporated in BVI with limited liability and principally engaged in the business of investment holding and an indirect wholly-owned subsidiary of the Company as at the date of this announcement.

*Assets to be acquired:*

The Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares free from all encumbrances. The Sale Shares represent 70% of the issued share capital of the Target.

The Vendor has agreed to assign, and the Purchaser has agreed to accept the assignment of all the Vendor's title, right, benefit and interest to, of and in the Sale Debt absolutely free from all encumbrances with effect from the Completion Date. As at the date of the SP Agreement, the Sale Debt amounted to HK\$10,400,000.

*Consideration:*

The Consideration for the Sale Shares and the Sale Debt payable by the Company to the Vendor is HK\$21,000,000. The Consideration shall be settled by the Company in cash on Completion.

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

*Basis of consideration:*

The Consideration was determined by the Vendor and the Purchaser after arm's length negotiations on normal commercial terms with reference to (i) the face value of the Sale Debt of HK\$10,400,000 and (ii) the business potential of the Target Group, taking into account the historical financial performance of HKCL.

*Completion:*

Completion took place immediately after the signing of the SP Agreement.

Immediately after Completion, the Company will own 70% equity interests in the Target Group and the financial results of the Target Group will be consolidated with the results of the Group.

## **INFORMATION ON THE TARGET GROUP**

The Target is a company incorporated in BVI with limited liability on 1 November 2011. The Target is principally engaged in investment holding and as at the date of the SP Agreement, the Target holds 100% equity interests of HKCL. Other than the holding of the entire issued share capital of HKCL, the Target does not have any other material asset.

HKCL is a company incorporated in Hong Kong with limited liability. HKCL is principally engaged in the production and sale of PET Radiopharmaceuticals for medical use.

Set out below is certain financial information of HKCL for the year ended 31 March 2012 and 31 March 2013 and the three months ended 30 June 2013 respectively:

	<b>For the year ended 31 March 2012 (audited) HK\$'000</b>	<b>For the year ended 31 March 2013 (unaudited) HK\$'000</b>	<b>For the three months ended 30 June 2013 (unaudited) HK\$'000</b>
Net profit/(loss) before taxation	5,527	(157)	1,035
Net profit/(loss) after taxation	4,626	(132)	864

The unaudited consolidated total assets value and net assets value of the Target Group as at 30 June 2013 were approximately HK\$18,313,000 and HK\$137,000 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; and (ii) securities and property investment business. The Group also holds investment in companies which are principally engaged in health check business in Hong Kong and pharmaceutical business and sale of healthcare and pharmaceutical products businesses in the Peoples's Republic of China.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Directors consider that the Acquisition (which in substance involves the acquisition of 70% equity interests in HKCL which is principally engaged in the production and sale of PET Radiopharmaceuticals for medical use) is to diversify Group's business activity in the medical area.

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

## **IMPLICATIONS UNDER THE LISTING RULES**

The Acquisition constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Shares and the Sale Debt
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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”	the completion of the Acquisition pursuant to the SP Agreement
“Completion Date”	27 August 2013, being the date on which Completion took place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$21,000,000, being the total consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKCL”	Hong Kong Cyclotron Laboratories Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Target

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third parties independent of the Company and connected persons of the Company and “Independent Third Party” shall be construed accordingly
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PET”	the acronym of Positron Emission Tomography
“Purchaser”	Town Health Healthcare Services Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Debt”	HK\$10,400,000, being the entire sum owing by the Target Group to the Vendor as at the Completion
“Sale Shares”	7 ordinary shares of US\$1.00 each in the issued share capital of the Target, representing 70% of the issued share capital of the Target
“SP Agreement”	the agreement dated 27 August 2013 entered into Agreement between the Purchaser, the Vendor and the Warrantor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Ever Full Harvest Limited, a company incorporated in BVI with limited liability, being the target of the Acquisition
“Target Group”	the group of companies comprising the Target and HKCL
“US\$”	the United States dollars, being the lawful currency of the United States

“Vendor” Rainbow Bright Enterprises Limited, a company incorporated in BVI with limited liability which is wholly owned by the Warrantor

“Warrantor” Mr. Yuen Siu Wah, being the warrantor of the SP Agreement

By order of the Board  
**Town Health International Investments Limited**  
**Lee Chik Yuet**  
*Executive Director*

Hong Kong, 27 August 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.*