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**Town Health International Medical Group Limited**  
**康健國際醫療集團有限公司**

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

**(Stock Code: 3886)**

**CONNECTED TRANSACTION:  
LOAN EXTENSION**

**LOAN EXTENSION**

On 23 December 2016, Bonjour Beauty as lender and Bonjour Group as borrower entered into the Supplemental Loan Agreement, pursuant to which the parties have agreed to extend the maturity date of the Loan to the Extended Maturity Date at the Renewed Interest Rate.

**IMPLICATIONS UNDER THE LISTING RULES**

As Bonjour Group is a subsidiary of Bonjour Holdings, which is indirectly and beneficially owned as to 37.79% by Dr. Ip, a connected person of the Company under the Listing Rules by reason of him being a Director, Bonjour Group is an associate of Dr. Ip and thus a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Supplemental Loan Agreement constitutes a connected transaction for the Company under the Listing Rules. As all relevant percentage ratios under the Listing Rules in respect of the Loan Extension are less than 5%, the Loan Extension is subject to announcement but is exempt from independent Shareholders' approval requirements of Chapter 14A of the Listing Rules.

Dr. Ip has abstained from voting on the relevant Board resolutions for approving the Loan Extension since he has a material interest in the Loan Extension. Save as disclosed above, none of the other Directors has a material interest in the Supplemental Loan Agreement and the transactions contemplated thereunder.

## **LOAN EXTENSION**

On 1 January 2015, Bonjour Beauty, an indirect wholly-owned subsidiary of the Company, as lender, and Bonjour Group as borrower, entered into the Loan Agreement in relation to the Loan of HK\$138,000,000 then owing by Bonjour Group to Bonjour Beauty, based on the following major terms:

- (i) the maturity date of the Loan shall be two years from the date of the Loan Agreement (“**Original Maturity Date**”);
- (ii) the Loan shall carry interest (“**Original Interest**”) at the rate of 3% per annum, calculated on the basis of the actual number of days elapsed and a 365-day year;
- (iii) interest will be paid semi-annually in arrears since the date of the Loan Agreement; and
- (iv) Bonjour Group may at any time during the term of the Loan early repay the Loan in full together with the accrued interest up to and including the early repayment date by giving not less than ten Business Days’ prior written notice to Bonjour Beauty before the repayment date.

As the term of the Loan will soon expire on the Original Maturity Date, on 23 December 2016, Bonjour Beauty and Bonjour Group entered into the Supplemental Loan Agreement, pursuant to which the parties have agreed to extend the maturity date of the Loan to the Extended Maturity Date at the Renewed Interest Rate.

Major terms of the Supplemental Loan Agreement are set out below.

### **Date**

23 December 2016

## **Parties**

- (1) Bonjour Beauty, an indirect wholly-owned subsidiary of the Company, as lender; and
- (2) Bonjour Group, a company incorporated in the British Virgin Islands and principally engaged in investment holding and a wholly-owned subsidiary of Bonjour Holdings, as borrower.

## **Subject matter**

Pursuant to the Supplemental Loan Agreement, Bonjour Beauty and Bonjour Group have agreed that, among others:

- (i) the maturity date of the Loan shall be extended to one year from the Original Maturity Date (“**Extended Maturity Date**”);
- (ii) the Original Interest accruing on the Loan up to the Original Maturity Date shall remain to be repayable by Bonjour Group to Bonjour Beauty on the Original Maturity Date;
- (iii) interest shall be charged on the Loan or any outstanding amount thereof from the next day of the Original Maturity Date up to the due date for payment of such interest or, as appropriate, the date of early repayment at the interest rate of 5% per annum (“**Renewed Interest Rate**”); and
- (iv) interest shall accrue daily and be calculated on the basis of the actual number of days elapsed and a 365-day year and shall be payable semi-annually in arrears since the next day of the Original Maturity Date and if such date is not a Business Day in Hong Kong, the immediately following Business Day.

Save for the extension of the maturity date of the Loan at the Renewed Interest Rate, no other amendment has been made to the terms of the Loan pursuant to the Supplemental Loan Agreement.

The Renewed Interest Rate was determined after arm’s length negotiations between Bonjour Beauty and Bonjour Group with reference to the prevailing market interest rates and with regard to the nature of the transaction.

## **REASONS FOR AND BENEFITS OF THE LOAN EXTENSION**

Taking into account the additional interest which would enure to the Group pursuant to the Loan Extension, the Directors (including the independent non-executive Directors) are of the view that while the Loan Extension is not in the ordinary and usual course of business of the Group, the terms of the Supplemental Loan Agreement are fair and reasonable and on normal commercial terms and the Loan Extension is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As Bonjour Group is a subsidiary of Bonjour Holdings, which is indirectly and beneficially owned as to 37.79% by Dr. Ip, a connected person of the Company under the Listing Rules by reason of him being a Director, Bonjour Group is an associate of Dr. Ip and thus a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Supplemental Loan Agreement constitutes a connected transaction for the Company under the Listing Rules. As all relevant percentage ratios under the Listing Rules in respect of the Loan Extension are less than 5%, the Loan Extension is subject to announcement but is exempt from independent Shareholders' approval requirements of Chapter 14A of the Listing Rules.

Dr. Ip has abstained from voting on the relevant Board resolutions for approving the Loan Extension since he has a material interest in the Loan Extension. Save as disclosed above, none of the other Directors has a material interest in the Supplemental Loan Agreement and the transactions contemplated thereunder.

## **GENERAL**

The Group is principally engaged in healthcare businesses in Hong Kong, which comprise managed care, medical and dental clinics operation and provision of beauty and cosmetic medical services. The other major business segment of the Group is PRC healthcare businesses, which include provision of hospital and dental clinic management services. The Group is also involved in investment businesses including direct investment in the healthcare sector and investment in securities and properties.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bonjour Beauty”	Bonjour Beauty Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Bonjour Group”	Bonjour Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Bonjour Holdings
“Bonjour Holdings”	Bonjour Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the ordinary shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 653)
“Business Day”	any day (other than Saturdays and Sundays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Town Health International Medical Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the ordinary shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Dr. Ip”	Dr. Ip Chun Heng, Wilson, an executive Director
“Extended Maturity Date”	has the meaning as defined in the sub-section headed “Loan Extension – Subject matter” in this announcement
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loans in the aggregate principal amount of HK\$138,000,000 extended to Bonjour Group by Bonjour Beauty pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 1 January 2015 and entered into between Bonjour Beauty as lender and Bonjour Group as borrower in relation to the extension of the Loan by Bonjour Beauty to Bonjour Group
“Loan Extension”	the extension of the maturity date of the Loan from the Original Maturity Date to the Extended Maturity Date pursuant to the Supplemental Loan Agreement
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Renewed Interest Rate”	has the meaning as defined in the sub-section headed “Loan Extension – Subject Matter” in this announcement

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Loan Agreement”	the supplemental agreement dated 23 December 2016 and entered into between Bonjour Beauty as lender and Bonjour Group as borrower to supplement the Loan Agreement

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

Hong Kong, 23 December 2016

*As at the date of this announcement, the executive Directors are Miss Choi Ka Yee, Crystal (Chairperson), Dr. Cho Kwai Chee (Executive Deputy Chairman), Dr. Hui Ka Wah, Ronnie, JP (Chief Executive Officer), Dr. Ip Chun Heng, Wilson, Mr. Lee Chik Yuet and Mr. Wong Seung Ming (Chief Financial Officer); the non-executive Directors are Dr. Choi Chee Ming, GBS, JP (Deputy Chairman), Ms. Fang Haiyan (Deputy Chairperson), Mr. Tsai Ming-hsing (Deputy Chairman) and Mr. Chen Jinhao; and the independent non-executive Directors are Mr. Ho Kwok Wah, George, MH, Mr. Wong Tat Tung, MH, JP, Mr. Yu Xuezhong, Ms. Li Mingqin and Mr. Wang John Hong-chiun.*