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)

UPDATE ON THE FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2018

This announcement is made by Town Health International Medical Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

The board ("**Board**") of directors ("**Directors**") of the Company would like to inform the shareholders and potential investors of the Company that, based on information currently available to the Board, the Group is expected to record consolidated profit for the year ended 31 December 2018 ("**FY2018**") as compared with consolidated loss of approximately HK$75.7 million for the year ended 31 December 2017 ("**FY2017**"), mainly attributable to the substantial decrease in (a) the impairment loss recognised on promissory notes for FY2018 (approximately HK$233.7 million for FY2017); and (b) the fair value loss in respect of the Group's investment in the securities of China Parenting Network Holdings Limited, whose shares are listed on the Main Board of the Stock Exchange (Stock code: 1736), which is classified as financial asset at fair value through profit or loss for FY2018 (classified as held for trading investment for FY2017). Such fair value loss is expected to be approximately HK$8.9 million for FY2018 (approximately HK$53.2 million for FY2017).

The Group is performing impairment assessment and valuation against its investments and it may record impairment losses on its investments for FY2018, subject to final results of such assessment and valuation being made available to the Group.

The Company is still in the process of finalising the annual results of the Group for FY2018. The information contained in this announcement is only a preliminary assessment by the management of the Company based on figures and information made available to the Board as at the date hereof and is not based on any figures or information which has been reviewed by the Company's auditors. Finalised annual results of the Group and other details will be disclosed in the 2018 annual results announcement to be published by the Company.

Trading in the shares of the Company on the Stock Exchange will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 11 January 2019

As at the date of this announcement, the executive Directors are Miss Choi Ka Yee, Crystal (Chairperson), Dr. Hui Ka Wah, Ronnie, JP (Chief Executive Officer), Mr. Lee Chik Yuet, Mr. Wong Seung Ming (Chief Financial Officer) and Dr. Chan Wing Lok, Brian; the non-executive Directors are Dr. Choi Chee Ming, GBS, JP (Deputy Chairman), Ms. Fang Haiyan (Deputy Chairperson) and Mr. Chen Jinhao; and the independent non-executive Directors are Mr. Ho Kwok Wah, George, MH, Mr. Yu Xuezhong, Ms. Li Mingqin, Mr. Wang John Hong-chiun, Mr. Yu Kai Fung Jackie and Mr. Wong Sai Kit.