

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 SIX MONTHS ENDED 30 JUNE 2019

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 (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available, it is expected that for the six months ended 30 June 2019, the unaudited consolidated profit of the Group will decrease significantly as compared with the unaudited consolidated profit of the Group for the six months ended 30 June 2018 of approximately HK\$61.5 million. Such decrease was mainly attributable to (a) the absence of reversal of impairment loss in respect of promissory note for the six months ended 30 June 2019 (while reversal of impairment loss of approximately HK\$30 million and other receivables of approximately HK\$2.3 million was recorded for the six months ended 30 June 2018); (b) a fair value loss of the Group’s investment properties for the six months ended 30 June 2019 (while a fair value gain of approximately HK\$29.8 million of the Group’s investment properties was recorded for the six months ended 30 June 2018); and (c) the loss arising from the disposal of a centre providing healthcare related services in June 2019, as well as property, plant and equipment of another centre providing healthcare related services being written off during the six months ended 30 June 2019, notwithstanding that the Group recorded a significant increase in the profit from the business segment in the provision of medical and dental practices, as well as the provision of hospital management and related services in mainland China during the six months ended 30 June 2019 due to the development of different businesses under 南陽祥瑞醫院管理諮詢有限公司 (in English for identification purpose only, Nanyang Xiangrui Hospital Management Advisory Co., Ltd.), the Group’s hospital management subsidiary providing comprehensive and professional management services to hospitals managed by the Group, as compared with the segment loss of approximately HK\$4.8 million for the six months ended 30 June 2018.

The Group is performing assessment and valuation against its investment properties and the fair value assessment of the Group's investment properties are 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 interim results of the Group for the six months ended 30 June 2019. 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 interim results of the Group and other details will be disclosed in the 2019 interim 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 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 July 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. Yu Kai Fung Jackie and Mr. Wong Sai Kit.