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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)

UPDATE ON THE FINANCIAL PERFORMANCE FOR THE SIX MONTHS ENDED 30 JUNE 2021

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.

The board (the "**Board**") of directors (the "**Directors**") of the Company would like to inform the shareholders of the Company and potential investors that, based on the information currently available, it is expected that for the six months ended 30 June 2021, the Group will record an unaudited consolidated profit in the range of approximately HK$20 million to HK$25 million, as compared with the unaudited consolidated loss of the Group recorded for the six months ended 30 June 2020 of approximately HK$87.7 million. Such turnaround from unaudited consolidated loss to unaudited consolidated profit was mainly attributable to the combined effects of (i) the increase in the revenue of the Group recorded for the six months ended 30 June 2021 as a result of the increase in demand for (a) medical services; (b) mainland hospital management and related services; and (c) COVID-19 testing services during the six months ended 30 June 2021, as compared with the revenue of the Group recorded for the six months ended 30 June 2020 of approximately HK$437,155,000; (ii) the fair value gain of the Group's investment properties recorded for the six months ended 30 June 2021, as compared with the fair value loss of the Group's investment properties of approximately HK$42.3 million recorded for the six months ended 30 June 2020; (iii) the share of profits of associates recorded for the six months ended 30 June 2021, as compared with the share of losses of associates of approximately HK$9.4 million recorded for the six months ended 30 June 2020; and (iv) the increase in the impairment losses recorded for relevant assets for the six months ended 30 June 2021, as compared with the impairment losses of the relevant assets of approximately HK$9.9 million recorded for the six months ended 30 June 2020.

The Group is performing assessment and valuation against its relevant assets (including investment properties and promissory note). Subject to final results of such assessment and valuation being made available to the Group, the Group may record further adjustments to the amounts of relevant assets for the six months ended 30 June 2021.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2021. The information contained in this announcement is only a preliminary assessment by the management of the Company and the Board based on figures and information available as at the date hereof and is not based on any figures or information which has been reviewed by the Company's auditors. The finalised interim results of the Group and other details will be disclosed in the interim results announcement for the six months ended 30 June 2021 to be published by the Company.

Shareholders of the Company 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
Jin Zhaogen
Executive Director and Chief Executive Officer

9 August 2021

As at the date of this announcement, the executive Directors are Mr. Jin Zhaogen (Chief Executive Officer) and Ms. Zhao Xiangke (Chief Financial Officer); the non-executive Directors are Mr. Kong Dechang (Chairman) and Mr. Hou Jun; and the independent non-executive Directors are Mr. Ho Kwok Wah, George, MH, Mr. Yu Xuezhong and Dr. Xu Weiguo.