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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)

**REQUISITION FOR A SPECIAL GENERAL MEETING
TO REMOVE DIRECTORS AND APPOINT NEW DIRECTORS**

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of Town Health International Medical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to inform shareholders and potential investors of the Company that on 13 November 2023, the Company received a requisition notice (the “**Requisition Notice**”) from 中國人壽保險(集團)公司 (in English, for identification purpose only, China Life Insurance (Group) Company) (the “**Requisitioning Shareholder**”). Pursuant to the Requisition Notice, the Requisitioning Shareholder requisitioned for a special general meeting of the Company to be convened pursuant to bye-law 62 of the bye-laws of the Company, at which resolutions shall be proposed to: (i) remove (a) Dr. Wong Chi Kit Nelson (“**Dr. Nelson Wong**”), Dr. Wong Chun Wa (“**Dr. Edmund Wong**”), Mr. Ng Ting Chi (“**Mr. Ng**”), Ms. Yao Yuan (“**Ms. Yao**”), Ms. Lau Wai Yee, Susanna (“**Ms. Susanna Lau**”) as executive Directors; and (b) Mr. Ho Kwok Wah, George, *MH*, Mr. Chui Tsan Kit, Mr. Hung Hing Man and Mr. Tang Chi Kong as independent non-executive Directors; (ii) remove Dr. Nelson Wong as the chief executive officer of the Company; and (iii) appoint (a) Mr. Liu Yang as a non-executive Director, (b) Ms. Zhang Xiaoxue as an executive Director; and (c) Mr. Liu Shiyin as an executive Director.

As at the date of deposit of the Requisition Notice, the Requisitioning Shareholder was the registered holder of 1,785,098,644 shares of the Company, representing approximately 26.35% of the total issued share capital of the Company and had the right to vote at a general meeting of the Company.

Pursuant to bye-law 62 of the bye-laws of the Company, shareholders holding as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held in the form of a physical meeting only and within two months after the deposit of such requisition.

The Board is seeking professional advice as to the appropriate course of action. Further announcement(s) in respect of this matter will be made as and when appropriate.

In response to the above drastic proposed wholesale removal of Hong Kong based Directors in the absence of wrongdoing, the five incumbent executive Directors would like to bring to the attention of shareholders and potential investors of the Company of their opinion in this matter as follows: –

Dear shareholders,

We, the incumbent executive Directors, express deep concerns regarding the Requisition Notice requesting a special general meeting to remove all executive Directors and all independent non-executive Directors other than those residing in Mainland China. Such an overt power struggle by way of a formal requisition would be damaging to any listed company, create substantial disruptions to its development and business operations, undermine shareholder value and might even attract unnecessary scrutiny. It has to be stressed that all five executive Directors have important business management functions.

Shareholders should value the successes and contributions of the incumbent executive Directors. In the first half of 2023, our Hong Kong based healthcare businesses accounted for over two thirds of the Group's overall revenue and operating profit.

Under the leadership of our group CEO, Dr. Nelson Wong, the Vio network has become one of the largest corporate medical scheme operators in Hong Kong and it is the most consistently profitable unit of the Group in Hong Kong. Vio is also the only medical network with ISO 9001:2015 Quality Management System certification. Dr. Nelson Wong has worked in this field for 40 years and is the only doctor who has personal experience of managing all the large medical networks in Hong Kong either directly or indirectly under corporate clients' instruction as a third-party administrator. He was formerly a part-time medical consultant to several major insurers. He subsequently embarked on a self-study course in insurance operations and was awarded the Fellowship Diploma of the Life Management Institute (FLMI) with Distinction in 1987. He is a serial entrepreneur, having built and sold 3 successful medical firms to 3 listed companies. In 1982, he co-founded Allied Medical Practices Guild with an innovative structure and a disruptive business model. He pioneered a unique intranet Point-of-Sale system to facilitate front-line eligibility checking and back-office electronic data interchange in 1998, before e-commerce became fashionable. He has also developed an effective pharmacy benefit management system.

Widely recognised as an expert in corporate medical schemes, he had served on relevant professional committees and written an Editorial in the Hong Kong Medical Association Newsletter. He was also the invited author of a book chapter on Managed Care in The University of Hong Kong position book on Hong Kong's Health System in 2006. He served on the Working Group on Primary Care under the HKSAR Government's Health and Medical Development Advisory Committee from 2008-2016. He is a Vice-Chairman of the Business and Professionals Federation of Hong Kong. Above all, he is a respected and well-liked leader with colleagues loyally following him for decades.

Our Chairman, Dr. Edmund Wong, leads one of the largest orthopaedic teams in Hong Kong, which has also produced outstanding financial performance for shareholders. He has the clear strategic vision to expand orthopaedic service from urban centres to populous towns like Tsuen Wan and Shatin and is tirelessly implementing expansion plan to establish new sports trauma physical therapy sub-brand “Elite Physiotherapy and Sports Rehabilitation” for professional athletes and those suffering from sports injuries through the provision of one-stop centre for trauma treatment, rehabilitation training and sports performance improvement in Hong Kong.

Please take note that despite their many good qualities, neither the Chairman nor the CEO receives any additional remuneration for these roles!

Ms. Yao, who has served the Company in different capacities for over 13 years, leads the medical and dental subsidiary. She has efficiently and patiently dealt with some independent-minded professionals, stabilized and expanded the medical team and spearheaded the remarkable return to profitability from multimillion dollars’ loss of yesteryears to many millions of profits in the first half of 2023! She also has extensive knowledge of the Company’s operations, and her mainland background has helped the Company established communication channels and collaborations with provincial and municipal governments and large institutions in Mainland China, opening up new opportunities for cross-border medical businesses and greatly raised the Company’s profile in the Mainland China market, particularly in the Greater Bay Area, building a solid foundation for the Company’s prospects in the future integrated Greater Bay Area.

Ms. Susanna Lau, who is an experienced chief executive in holistic health care beauty management and various other fields, is responsible for overseeing the Group’s human resources and strengthening the overall administration management of the Company toward its subsidiaries.

Mr. Ng, who is an experienced investment banking, corporate financing, accounting and compliance professional, is responsible for advising on the Group’s corporate governance, structuring strategic partnership investments in health care sector and overseeing the asset management function of the Group.

It is easy for independent shareholders to see that if the proposed resolutions were to be passed at the special general meeting, the removal of all Directors residing in Hong Kong in such a short period will cause a huge shock to the Company's business, which will destroy the foundation of its business, harm the interests of the Company, shareholders and all stakeholders. We feel duty bound to ask shareholders to take note of the qualifications and management experience of the 3 new Directors proposed by the Requisitioning Shareholder, when such information become available to you, so you can assess for yourself if they have hands-on experience of managing Hong Kong clinic chains or managed care network, or indeed Hong Kong listed companies. It is also a fact that the local talent pool has been greatly reduced due to emigration while competition for good healthcare management executives is intense, it will be very hard to recruit replacements of similar calibre to manage the Hong Kong operations of the Group.

Another point worth mentioning is that all the independent non-executive Directors (INEDs) proposed to be removed by the Requisitioning Shareholder are qualified certified public accountants. Without them, the remaining INEDs will not be eligible to serve as the chairman of the audit committee of the Board according to the Listing Rules.

Your wise decision will guide you to casting the correct vote in your own best interest as shareholders. Meanwhile, we are worried for shareholders that such a radical wholesale removal of Hong Kong based Directors will severely destabilize the team and harm the foundation of the Group's 34-year development, causing significant disruptions, and decimate staff morale because the incumbent executive Directors are popular leaders.

As executive Directors, we assure shareholders that we will continue to fulfil our fiduciary duties as well as proactively manage ongoing business operations as long as we are in post. We will soon have the added headache of calming the team who will likely be worried by the turmoil caused by such an incomprehensible move of the Requisitioning Shareholder. In closing, we would ask for neutral shareholders' support, and we have confidence that you will make the correct choice to keep the winning team together and in so doing, also protect your own interest.

Yours sincerely,

Wong Chi Kit Nelson

Wong Chun Wa

Ng Ting Chi

Yao Yuan

Lau Wai Yee, Susanna

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

On behalf of the Board
Town Health International Medical Group Limited
Wong Chi Kit Nelson
Chief Executive Officer and Executive Director

Hong Kong, 20 November 2023

As at the date of this announcement, the executive Directors are Dr. Wong Chi Kit Nelson (Chief Executive Officer), Dr. Wong Chun Wa (Chairman), Mr. Ng Ting Chi, Ms. Yao Yuan and Ms. Lau Wai Yee, Susanna; the non-executive Director is Mr. Hou Jun; and the independent non-executive Directors are Mr. Ho Kwok Wah, George, MH, Mr. Yu Xuezhong, Dr. Xu Weiguo, Mr. Chui Tsan Kit, Mr. Han Wenxin, Mr. Hung Hing Man and Mr. Tang Chi Kong.