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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)**

**EXTENSION OF EXPECTED TIMELINE OF  
USE OF PROCEEDS FROM  
SUBSCRIPTIONS OF SHARES UNDER SPECIFIC MANDATES**

Reference is made to (i) the circular of Town Health International Medical Group Limited (“**Company**”) dated 28 November 2014 in relation to, among others, the Ordinary Shares Subscription and the CPS Subscription (“**Ordinary Shares and CPS Subscriptions Circular**”); (ii) the circular of the Company dated 3 February 2015 in relation to, among others, the CLG Subscription (“**CLG Subscription Circular**”); and (iii) the interim report of the Company for the six months ended 30 June 2023 (“**2023 Interim Report**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the 2023 Interim Report.

## (1) Ordinary Shares Subscription and the CPS Subscription

As disclosed in the Ordinary Shares and CPS Subscriptions Circular, the aggregate net proceeds from the Ordinary Shares Subscription and the CPS Subscription (“**First Net Proceeds**”) were approximately HK\$880 million. The planned use of the First Net Proceeds, the actual use of the First Net Proceeds up to the date of this announcement, the unutilised balance of the First Net Proceeds as at the date of this announcement and the original expected timeline for the utilisation of the unutilised balance of the First Net Proceeds as set out in the 2023 Interim Report are set out below.

Use of the First Net Proceeds	Planned use of the First Net Proceeds as set out in the Ordinary Shares and CPS Subscriptions Circular (HK\$ million)	Actual use of the First Net Proceeds up to the date of this announcement (HK\$ million)	Unutilised balance of the First Net Proceeds as at the date of this announcement (HK\$ million)	Original expected timeline for utilisation of the unutilised balance of the First Net Proceeds as set out in the 2023 Interim Report
Acquisition, investment and development of hospitals and medical institutions in the PRC, and medical or healthcare related business in Hong Kong	650	602	48	End of 2023
Investment and development of several medical specialty centres in Hong Kong and one dental chain in the PRC	150	13	137	End of 2023
Developing a “one-stop, IT O2O platform” to integrate the Group’s growing variety of healthcare and well-being business segments	80	18	62	End of 2023
<b>Total</b>	<b>880</b>	<b>633</b>	<b>247</b>	

## (2) CLG Subscription

As disclosed in the CLG Subscription Circular, the net proceeds from the CLG Subscription (“**Second Net Proceeds**”) were approximately HK\$1,746 million. The planned use of the Second Net Proceeds, the actual use of the Second Net Proceeds up to the date of this announcement, the unutilised balance of the Second Net Proceeds as at the date of this announcement and the original expected timeline for the utilisation of the unutilised balance of the Second Net Proceeds as set out in the 2023 Interim Report are set out below.

Use of the Second Net Proceeds	Planned use of the Second Net Proceeds as set out in the CLG Subscription Circular <i>(HK\$ million)</i>	Actual use of the Second Net Proceeds up to the date of this announcement <i>(HK\$ million)</i>	Unutilised balance of the Second Net Proceeds as at the date of this announcement <i>(HK\$ million)</i>	Original expected timeline for utilisation of the unutilised balance of the Second Net Proceeds as set out in the 2023 Interim Report
Developing a dental chain in the PRC and investing in or acquiring dental clinics and/or hospitals in the PRC; developing or acquiring medical clinics in the PRC; developing hospitals, investing in or acquiring public or private hospitals in the PRC; and developing or acquiring rehabilitation hospitals and where appropriate in conjunction with nursing and/or aged care homes in the PRC	1,500	646	854	End of 2023
Developing or acquiring business in provision of health check, laboratory testing and medical diagnostic services in the PRC	150	104	46	End of 2023
Developing managed care business in the PRC and cross-border healthcare platform for medical tourism business	96	0	96	End of 2023
<b>Total</b>	<b>1,746</b>	<b>750</b>	<b>996</b>	

Covid-19 has far-reaching impacts on the healthcare industry which have persisted even after the end of the pandemic. Some healthcare service providers are still trying to recover from the financial strain they have suffered during the pandemic arising from the increased expenses on personal protective equipment, staffing and infrastructure. The post-pandemic slow-down in the global economic growth has also resulted in a decline in the demand for elective procedures and a drop in revenue. Taking into consideration of the above, the Group has decided to take a more prudent approach in implementing its investment and development plans. The Board considers that it is appropriate and prudent to extend the timeline for the utilisation of the unutilised balances of the First Net Proceeds and the Second Net Proceeds in view of the global economic situation and market conditions. Therefore, the Board has resolved to extend the expected timeline for the utilisation of the unutilised balance of the First Net Proceeds as at the date of this announcement of HK\$247 million and the unutilised balance of the Second Net Proceeds as at the date of this announcement of HK\$996 million from the end of 2023 to the end of 2026 (“**Net Proceeds Extensions**”).

The Board is of the view that the Net Proceeds Extensions will meet the Group’s business and operational needs more effectively and will be more in line with the Group’s latest business development and future planning. The Board believes that the Net Proceeds Extensions will not have any material adverse effect on the existing business and operation of the Group and they are in the interests of the Company and its shareholders as a whole.

By Order of the Board  
**Town Health International Medical Group Limited**  
**Kwok Chung On**  
*Company Secretary*

Hong Kong, 1 January 2024

*As at the date of this announcement, the executive Directors are Mr. Choi Ka Tsan Karson (Chairman and Chief Executive Officer) and Dr. Fok Siu Wing Dominic; the non-executive Directors are Mr. Hou Jun, Ms. Lee Wai Ling Linda and Ms. Lau Suk Hing Clara; and the independent non-executive Directors are Mr. Yu Xuezhong, Dr. Xu Weiguo, Mr. Han Wenxin, Mr. Chan Wai Kan, Mr. Cheung Ka Ming and Mr. Tsui Wing Cheong Sammy.*