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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)

PROFIT WARNING

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 (the “**Shareholders**”) and potential investors that, based on the information currently available, it is expected that for the year ended 31 December 2023, the Group will record a consolidated loss attributable to Shareholders in the range of approximately HK\$165 million to HK\$223 million and a consolidated loss in the range of approximately HK\$135 million to HK\$183 million respectively, as compared with the consolidated profit attributable to Shareholders of approximately HK\$15.3 million and the consolidated profit of approximately HK\$49.5 million recorded for the year ended 31 December 2022 respectively. Such significant change from consolidated profit attributable to Shareholders to consolidated loss attributable to Shareholders was mainly attributable to the net effects of (i) the increase in the revenue of the Group recorded for the year ended 31 December 2023 as compared with the revenue of the Group of approximately HK\$1,535.6 million recorded for the year ended 31 December 2022, as a result of (a) the increase in demand for medical services and managed medical network services as well as mainland hospital management services due to the rebound after the COVID-19 pandemic; and (b) the contribution from Central Medical Holdings Limited after the Group’s acquisition in August 2022; (ii) the significant increase on fair value loss of the Group’s investment properties recorded for the year ended 31 December 2023 from the fair value loss of approximately HK\$6.9 million recorded for the year ended 31 December 2022; and (iii) the significant increase on impairment losses recognized on the Group’s various assets recorded for the year ended 31 December 2023 from the impairment losses of approximately HK\$4.9 million recorded for the year ended 31 December 2022.

The Group is performing assessment and valuation against its relevant assets. 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 the relevant assets for the year ended 31 December 2023.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2023. 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 or audited by the Company's auditors. The finalised annual results of the Group and other details will be disclosed in the annual results announcement for the year ended 31 December 2023 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
Kwok Chung On
Company Secretary

Hong Kong, 14 March 2024

As at the date of this announcement, the executive Directors are Mr. Choi Ka Tsan Karson (Chairman and Chief Executive Officer), Dr. Fok Siu Wing Dominic, Ms. Zhang Xiaoxue and Mr. Liu Shiyin; the non-executive Directors are Ms. Lee Wai Ling Linda, Ms. Lau Suk Hing Clara, Mr. Liu Yang and Ms. Zhang Leidi; 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.