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康 TOWN
健 HEALTH

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)

**UPDATES ON PROFIT GUARANTEE
IN RELATION TO THE ACQUISITION OF THE TARGET GROUP**

References are made to the announcements of Town Health International Medical Group Limited (the “**Company**”) dated 11 July 2022, 15 August 2022, 26 August 2022 and 19 April 2024 (collectively, the “**Announcements**”) in relation to the acquisition of the entire interests in Central Medical Holdings Limited and its subsidiaries (the “**Target Group**”) and the related Profit Guarantee. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as ascribed to them in the Announcements.

As mentioned in the announcement of the Company dated 19 April 2024, since the Profit Guarantee in respect of the financial year ended 31 March 2023 has not been satisfied, the Seller Parties would be liable jointly and severally to pay to the Buyer an amount calculated in accordance with the Adjustment Mechanism. After calculation, such amount would be HK\$97,956,690 (the “**Claim Amount**”).

On 23 April 2024, the Buyer served a notice in accordance with the Share Purchase Agreement to Hong Kong Medical Consultants Holdings Limited, Central Healthcare Group Limited, Dr. Tsang Wah Tak, Kenneth and Mr. Shiu Shu Ming (being the Seller and some of the Seller Guarantors) (the “**Respondents**”) to demand them, along with the other Seller Parties, to pay to the Buyer the Claim Amount on or before 30 April 2024. Notwithstanding the lapse of 30 April 2024, the Respondents have failed to pay the Claim Amount.

Due to the failure to pay the Claim Amount, after taking legal advice, on 4 June 2024, the Buyer has initiated proceedings against the Respondents claiming, among others, the Claim Amount, the related interest, the legal fees and costs. However, due to the confidential nature of those proceedings, the Company is not able to disclose further information at this time.

The Company will issue further announcement(s) to update the development of the matter, as and when appropriate, in accordance with the Listing Rules.

By Order of the Board
Town Health International Medical Group Limited
Choi Ka Tsan Karson
Chairman and Chief Executive Officer

Hong Kong, 23 July 2024

As at the date of this announcement, the executive Directors of the Company 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 of the Company are Ms. Lee Wai Ling Linda, Ms. Lau Suk Hing Clara, Mr. Liu Yang and Ms. Zhang Leidi; and the independent non-executive Directors of the Company are Mr. Yu Xuezhong, Dr. Xu Weiguo, Mr. Han Wenxin, Mr. Chan Wai Kan, Mr. Cheung Ka Ming and Mr. Tsui Wing Cheong Sammy.