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)

(1) UPDATES ON PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF THE TARGET GROUP; AND (2) SUPPLEMENTAL ANNOUNCEMENT RELATING TO THE 2024 ANNUAL REPORT

(1) UPDATES ON PROFIT GUARANTEE

References are made to the announcements of Town Health International Medical Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 11 July 2022, 15 August 2022, 26 August 2022, 19 April 2024 and 23 July 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.

The Company would like to update the Shareholders that the proceedings against the Respondents in respect of the Claim Amount for the Profit Guarantee for the financial year ended 31 March 2023 (the "**Proceedings**") are still ongoing and no award has been handed down. Due to the confidential nature of the 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.

Regarding the Profit Guarantee for the financial year ended 31 March 2024, the audited financial statements of the Target Group for the year ended 31 March 2024 are yet to be issued and thus, it is unable to ascertain whether the Profit Guarantee for such financial year has been satisfied or not as at the date hereof. The Company will issue announcement(s) to update the status of this matter, as and when appropriate, in accordance with Rule 14.36B of the Listing Rules.

(2) 2024 ANNUAL REPORT

Reference is made to the annual report of the Company for the financial year ended 31 December 2024 (the "**2024 Annual Report**").

In respect of the First Net Proceeds (as defined in the 2024 Annual Report) as set out on pages 67 and 68 of the 2024 Annual Report under the headline of "Issue of subscription shares and convertible preference shares", the Company would like to supplement the following information:

As at 1 January 2024, the total unutilized First Net Proceeds amounted to approximately HK$247 million. On 1 January 2024, the Board announced that it has resolved to extend the timeline for the utilization of the unutilized balances of the First Net Proceeds from the end of 2023 to the end of 2026, in view of the adverse impacts of COVID-19 and the post-pandemic slow-down in the global economic growth on the medical and healthcare industry.

On 12 January 2024, the Board further announced that it has resolved to change the intended uses of the First Net Proceeds. One of the original intended uses of the First Net Proceeds was "Developing a "one-stop, IT O2O platform" (the "**Platform**") to integrate the Group's growing variety of healthcare and well-being business segments". Under this original use, the Platform called "One Pass" was developed and launched in October 2015 through mobile application. However, it has been terminated subsequently as the original objectives of developing the Platform to integrate the Group's growing variety of healthcare and well-being business segments were considered not able to be achieved within the original budget. The Board has therefore decided not to inject further fund into such investment. A sum of approximately HK$18 million has been used to develop the Platform which had already been depreciated fully in the financial record of the Company. The remaining unused balance of around HK$62 million originally allocated to the use for development of the Platform has therefore been reallocated to the use for "Acquisition, investment and development of hospitals and medical institutions, and medical or healthcare related business" (the "**Reallocation**"), which was expected to generate a reasonable return to the Group. The geographical restrictions to the PRC and Hong Kong have been removed from such use, which provides the Group with a greater degree of flexibility and enables the Group to seize any global opportunities for the acquisition, investment or development of businesses in the medical and healthcare industry that may arise as long as they are aligned with the goals and needs of the Group.

Through the above change of use of the First Net Proceeds, the Group has been able to deploy its financial resources to better cope with the business environment in a more efficient and flexible manner that meets the Group's business and operational needs and aligns with the Group's strategy to seize any global opportunities for the acquisition, investment or development of businesses in the medical and healthcare industry to create long-term sustainable growth of the Group.

Details on the use of the First Net Proceeds and the utilization are set out as follows:

	Amount *(HK$ million)*	Total utilization up to 31 December 2023 *(HK$ million)*	Unutilized balance as at 31 December 2023 *(HK$ million)*	Unutilized balance after the Reallocation *(HK$ million)*	Utilization during the year ended 31 December 2024 *(HK$ million)*	Unutilized balance as at 31 December 2024 *(HK$ million)*	Timeline for utilization
Use of the First Net Proceeds							
Acquisition, investment and development of hospitals and medical institutions, and medical or healthcare related business *(Note)*	650	602	48	110	0	110	End of 2026
Investment and development of several medical specialty centres and dental chains *(Note)*	150	13	137	137	120	17	End of 2026
Developing a "one-stop, IT O2O platform" to integrate the Group's growing variety of healthcare and well-being business segments	80	18	62	0	N/A	N/A	
Total	880	633	247	247	120	127	

Note: Geographical restrictions to the PRC and Hong Kong were removed on 12 January 2024.

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

Hong Kong, 18 August 2025

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. Huang Yu; 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.