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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)

POSITIVE PROFIT ALERT

This announcement is made by Town Health International Medical Group Limited (“**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 (“**Board**”) of directors (“**Directors**”) of the Company would like to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on information currently available, the unaudited consolidated revenue of the Group for the six months ended 30 June 2015 is expected to increase by not less than 150% of the unaudited consolidated revenue of the Group for the six months ended 30 June 2014 of approximately HK\$191,887,000 mainly attributable to (i) revenue generated from the managed care business following the Group’s acquisition of Dr. Vio & Partners Limited in September 2014; and (ii) revenue generated from the beauty and cosmetic dermatology business following the Group’s acquisition of Bonjour Beauty International Limited in January 2015.

The Board would also like to inform Shareholders and potential investors that, based on information currently available, the unaudited consolidated profit of the Group for the six months ended 30 June 2015 is expected to increase substantially as compared with the unaudited consolidated profit of the Group for the six months ended 30 June 2014 of approximately HK\$64,634,000. Such increase was mainly attributable to (i) profit generated from the managed care business following the Group's acquisition of Dr. Vio & Partners Limited in September 2014; (ii) profit generated from the beauty and cosmetic dermatology business following the Group's acquisition of Bonjour Beauty International Limited in January 2015; (iii) the increase in gain of the Group's strategic investment in securities for the six months ended 30 June 2015 mainly attributable to the total gain, which is expected to be approximately HK\$298,259,000, comprising realised gain on disposal of held for trading investments of approximately HK\$242,461,000 and unrealised gain on fair value changes on held for trading investments in healthcare related companies of approximately HK\$55,798,000, as compared with that for the six months ended 30 June 2014 of approximately HK\$9,851,000; and (iv) the increase in interest income of the Group for the six months ended 30 June 2015 of approximately HK\$17,020,000, as compared with that for the six months ended 30 June 2014 of approximately HK\$9,532,000, mainly attributable to the interest income generated from the treasury management of the Group, in respect of the net proceeds received by the Group from (a) the issue of a total of 459,183,673 ordinary shares and a total of 374,999,999 convertible preference shares of the Company to Fubon Life Insurance Co., Ltd., Fubon Insurance Co., Ltd. and Broad Idea International Limited on 29 December 2014 pursuant to the two subscription agreements both dated 31 October 2014 and entered into between Fubon Life Insurance Co., Ltd., Fubon Insurance Co., Ltd., Broad Idea International Limited and the Company (details of which are set out in the circular of the Company dated 28 November 2014); and (b) the issue of 1,785,098,644 ordinary shares of the Company to China Life Insurance (Group) Company on 29 May 2015 pursuant to the investment agreement dated 5 January 2015 entered into between China Life Insurance (Group) Company and the Company (details of which are set out in the circular of the Company dated 3 February 2015).

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2015. The information contained in this announcement is only a preliminary assessment by the management of the Company based on figures and information made available to the Board as at the date hereof and is not based on any figures or information which has been reviewed by the Company's auditors. Finalised interim results of the Group and other details will be disclosed in the 2015 interim results announcement to be published by the Company.

Shareholders 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
Lee Chik Yuet
Executive Director

Hong Kong, 7 July 2015

As at the date of this announcement, the executive Directors are Miss Choi Ka Yee, Crystal (Chairperson), Dr. Cho Kwai Chee (Executive Deputy Chairman), Dr. Hui Ka Wah, Ronnie, JP (Chief Executive Officer), Dr. Ip Chun Heng, Wilson, Mr. Lee Chik Yuet, Dr. Chan Wing Lok, Brian and Mr. Wong Seung Ming (Chief Financial Officer); the non-executive Directors are Dr. Choi Chee Ming, GBS, JP (Deputy Chairman), Ms. Fang Haiyan (Deputy Chairperson) and Mr. Chen Jinhao; and the independent non-executive Directors are Mr. Ho Kwok Wah, George, Mr. Wai Kwok Hung, SBS, JP, Mr. Wong Tat Tung, MH, Mr. Yu Xuezhong and Ms. Li Mingqin.