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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)

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF 60% INTEREST IN THE TARGET**

DISPOSAL

The Board is pleased to announce that, after trading hours on 20 March 2015, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the SP Agreement pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing 60% of the issued share capital of the Target. The Consideration for the sale and purchase of the Sale Shares is HK\$432,726,413. At Completion, the Purchaser shall (i) pay HK\$3,600,000 in cash to the Vendor; and (ii) take up the Vendor's obligation and liability to repay the Vendor Debt (i.e. the debt owing by the Vendor to the Target as at the date of the SP Agreement) in the sum of HK\$429,126,413, as settlement of the balance of the Consideration. Completion has taken place immediately after the signing of the SP Agreement.

The Target Group is principally engaged in properties investment business. Immediately before Completion, the Target was owned as to 60% by the Vendor and 40% by Chemosino. Immediately after Completion, the Group has ceased to have any interest in the Target Group.

The Directors consider that the Disposal represents an opportunity for the Group to restructure the Group's resources so that the Group can focus its resources on the provision of healthcare and related services.

The Directors are of the view that the Disposal is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Disposal, whether standalone or in aggregate with the Previous Disposal, constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE SP AGREEMENT

The Board is pleased to announce that, after trading hours on 20 March 2015, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the SP Agreement pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares at the Consideration of HK\$432,726,413.

Major terms of the SP Agreement are set out below:

Date:

20 March 2015

Parties:

Vendor : Town Health (BVI) Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding as at the date of this announcement.

Purchaser : An individual who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party.

Assets to be disposed of:

Immediately before Completion, the Target was owned as to 60% by the Vendor and 40% by Chemosino.

The Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares, representing 60% of the issued share capital of the Target.

Consideration

The Consideration for the sale and purchase of the Sale Shares is HK\$432,726,413. At Completion, the Purchaser shall (i) pay HK\$3,600,000 in cash to the Vendor; and (ii) take up the Vendor's obligation and liability to repay the Vendor Debt in the sum of HK\$429,126,413, as settlement of the balance of the Consideration.

Basis of Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the Group's interest in the Target Group as represented by 60% of the unaudited consolidated net asset value of the Target as at Completion.

Completion

Completion has taken place immediately after the signing of the SP Agreement. Immediately after Completion, the Group has ceased to have any interest in the Target Group.

INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in the BVI with limited liability on 18 February 2009. The Target is principally engaged in investment holding. As at the date of this announcement, the Target Group consists of the Target and its nine wholly-owned subsidiaries. The Target Group is principally engaged in properties investment business. The principal assets of the Target Group comprise receivables (including the Vendor Debt) and four investment properties in Hong Kong, all of which have been leased to Independent Third Parties as at the date of this announcement.

Set out below is a summary of certain consolidated financial information of the Target for the two years ended 31 December 2013 and 31 December 2014:

	Year ended 31 December 2013 (Audited) HK\$'000	Year ended 31 December 2014 (Unaudited) HK\$'000
Net profit/(loss) before taxation	107,506	(45,237)
Net profit/(loss) after taxation	105,305	(46,620)

The unaudited consolidated total asset value and net asset value of the Target as at 28 February 2015 are approximately HK\$721,627,000 and approximately HK\$721,211,000 respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (i) healthcare business investments; (ii) provision and management of healthcare and related services; and (iii) properties and securities investments and trading.

It is expected that the Group will not record a material accounting gain or loss from the Disposal, as the difference between (i) the Consideration and (ii) the unaudited net asset value of the Group's 60% interest in the Target Group as at Completion is minimal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the Company's auditors.

The Directors consider that the Disposal represents an opportunity for the Group to restructure the Group's resources so that the Group can focus its resources on the provision of healthcare and related services. The Directors are of the view that the Disposal is in the interests of the Company and its shareholders as a whole.

Having considered the factors as mentioned above, the Directors are of the view that the terms of the SP Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Disposal, whether standalone or in aggregate with the Previous Disposal, constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chemosino”	Chemosino International Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of China Natural Investment Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8250)

“Company”	Town Health International Medical Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the ordinary shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“Consideration”	the sum of HK\$432,726,413, being the consideration for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the terms and conditions of the SP Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Previous Disposal”	the disposal of 100% issued share capital of Regal Bloom Limited from the Target to the Purchaser at the consideration of HK\$1,650,000, the completion of which took place in January 2015
“Purchaser”	an individual who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party

“Sale Shares”	675 issued shares of HK\$1.00 each of the Target, representing 60% of the issued share capital of the Target
“SP Agreement”	the sale and purchase agreement dated 20 March 2015 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Asset Management International Limited (formerly known as Town Health Asset Management Limited), a company incorporated in the BVI with limited liability
“Target Group”	a group of companies consisting of the Target and its subsidiaries
“Vendor”	Town Health (BVI) Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Vendor Debt”	the debt in the sum of HK\$429,126,413 owing by the Vendor to the Target as at the date of the SP Agreement
“%”	per cent.

By order of the Board
Town Health International Medical Group Limited
Lee Chik Yuet
Executive Director

20 March 2015

As at the date of this announcement, the executive Directors are Miss Choi Ka Yee, Crystal (Chairperson), Dr. Cho Kwai Chee (Executive Vice 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 Director is Dr. Choi Chee Ming, GBS, JP (Vice-Chairman); and the independent non-executive Directors are Mr. Chan Kam Chiu, Mr. Ho Kwok Wah, George, Mr. Wai Kwok Hung, SBS, JP and Mr. Wong Tat Tung, MH.