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TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED

康健國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3886)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that due to the loss arising from fair value changes on convertible bonds held by wholly owned subsidiaries and a jointly controlled entity of the Group, the unaudited interim results of the Company for the six months ended 30 September 2008 to be published is expected to record a significant deterioration as compared to a profit for the corresponding period ended 30 September 2007. The Board also wishes to inform the shareholders of the Company and potential investors that the Group has engaged an independent valuer to conduct a valuation of share options granted by the Group to Ping An Trust, the result of such valuation is not yet available. The accounting loss arising from the fair value changes on convertible bonds as mentioned above and the accounting loss (if any) as a result of the valuation of the share options granted to Ping An Trust will not have any cash flow or financial burden to the Group.

The Company is principally engaged in (1) provision of clinical and dental services and (2) the sales of healthcare and pharmaceutical products. It is noted that both divisions have performed satisfactorily and steadily. The Board is of the view that the financial position of the Group is solid with a substantial net cash position and that it is well placed to meet the challenges ahead.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Town Health International Holdings Company Limited (the “Company” and, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rule”).

The board of directors (the “Directors”) of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that it is expected that due to the loss arising from fair value changes on convertible bonds held by wholly owned subsidiaries and a jointly controlled entity of the Group, the unaudited interim results of the Company for the six months ended 30 September 2008 to be published is expected to record a significant deterioration as compared to

a profit for the corresponding period ended 30 September 2007. The Board also wishes to inform the shareholders of the Company and potential investors that the Group has engaged an independent valuer to conduct a valuation of share options granted by the Group to Ping An Trust, the result of such valuation is not yet available.

The accounting loss arising from the fair value changes on convertible bonds as mentioned above and the accounting loss (if any) as a result of the valuation of the share options granted to Ping An Trust will not have any cash flow or financial burden to the Group.

The Company is principally engaged in (1) provision of clinical and dental services and (2) the sales of healthcare and pharmaceutical products. It is noted that both divisions have performed satisfactorily and steadily. The Board is of the view that the financial position of the Group is solid with a substantial net cash position and that it is well placed to meet the challenges ahead.

As the Company is still in the process of finalising its unaudited interim results for the six months ended 30 September 2008, this announcement is only a preliminary estimate performed by the management of the Company based on currently available information and is not based on any figures or information audited or reviewed by the Company's auditors. Details of the Company's performance will be disclosed in the interim results announcement which is expected to be released on 24 December 2008.

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 Holdings Company Limited
Cho Kwai Chee
Executive Director

Hong Kong, 19 December 2008

As at the date of this announcement, the executive Directors are Miss Choi Ka Yee, Crystal, Dr. Cho Kwai Chee and Dr. Hui Ka Wah, Ronnie JP, the non-executive Director is Dr. Choi Chee Ming JP, and the independent non-executive Directors are Mr. Chan Kam Chiu, Mr. Wai Kwok Hung JP and Mr. Ho Kwok Wah, George.