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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 and continued in Bermuda 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 based on a preliminary estimate, it is expected that the Group will record a significant loss for FY 2008/09 as compared to a profit recorded for the last corresponding year. The principal causes leading to such expected significant loss are set out below.

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 (“**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to the Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The board of directors (“**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on a preliminary estimate, it is expected that the Group will record a significant loss for the year ended 31 March 2009 (“**FY 2008/09**”) as compared to a profit recorded for the last corresponding year. The Board believes that the principal causes of such expected significant loss are (1) the loss attributable to the holding by the Company’s subsidiaries and jointly-controlled entity of the convertible bonds issued by two companies listed on The Stock Exchange of Hong Kong Limited (being Hong Kong Health Check and Laboratory Holdings Company Limited (“**HK Health Check**”) (stock code: 397) and Core Healthcare Investment Holdings Limited (stock code: 8250), all of which have been redeemed in full during FY 2008/09; (2) the expected loss arising from the change in

\* *for identification purpose only*

fair value of the employee share options granted by the Company and the options granted to Ping An Trust, in each case, which remained outstanding as at the year end date of FY 2008/09; (3) the impairment loss attributable to the Group's investment in HK Health Check; (4) an impairment loss for goodwill arising from acquisitions of subsidiaries and associates in prior years and (5) an impairment loss on available-for-sale investment and held for trading investment caused by the financial tsunami.

The Board wishes to emphasise that most of the factors causing the expected significant loss of the Group for FY 2008/09 described above are non-cash in nature and will not have any cash flow burden to the Group. 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 final results for the FY 2008/09 and liaising with an independent valuer to perform a valuation on the employee share options and the options granted to Ping An Trust, 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 final results announcement which is expected to be released by the end of July 2009.

**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, 13 May 2009

*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.*