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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)

**EXTENSION FOR COMPLETION
OF
SUBSCRIPTION OF NEW SHARES**

The Board refers to the announcement dated 4th May, 2001 issued by the Company on 7th May, 2001 (the “Announcement”) relating to the placing of 50,000,000 existing Shares by Origin and the related subscription of 50,000,000 new Shares by it pursuant to the Subscription Agreement.

It was stated in the Announcement that completion of the Subscription is conditional upon, among others, the Executive granting Origin the waiver from the obligation to make a general offer under the Takeovers Code as a result of the completion of the Subscription (the “SFC Waiver”) on or before 17th May, 2001 (the “Long Stop Day”).

The Board expects that the SFC Waiver would not be obtained by Origin by the Long Stop Day, and completion of the Subscription will not have taken place on or before the Long Stop Day. Accordingly, the Company and Origin have entered into a supplemental agreement to the Subscription Agreement on 16th May, 2001 to extend the Long Stop Day for completion of the Subscription by 21 days to 7th June, 2001. The Company has applied to, and obtained from, the Stock Exchange a waiver from strict compliance with the requirements of Rule 20.23(3)(d) of the GEM Listing Rules by an extension of the Long Stop Day for the completion of the Subscription to on or before 7th June, 2001.

Terms used in this announcement shall have the same meanings as defined in the Announcement.

It was stated in the Announcement that completion of the Subscription is conditional upon Origin having obtained the SFC Waiver from the Executive on or before the Long Stop Day. However, the Board expects that the SFC Waiver will not yet have been obtained from the Executive by the existing Long Stop Day (being one of the conditions which remain outstanding as at the date hereof). The Company and Origin have therefore entered into a supplemental agreement to the Subscription Agreement on 16th May, 2001 to extend the Long Stop Day for the completion of the Subscription for a further 21 days to 7th June, 2001.

Pursuant to Rule 20.23(3)(d) of the GEM Listing Rules, the Subscription has to be completed within 14 days from the date of the Subscription Agreement (which would originally fall on 17th May, 2001, being the Long Stop Day) in order to be exempted from the independent shareholders' approval and the disclosure requirements applicable to connected transactions and the compliance with other requirements under the GEM Listing Rules. The Company has applied to, and obtained from, the Stock Exchange a waiver from strict compliance with the requirements of Rule 20.23(3)(d) of the GEM Listing Rules by an extension of the Long Stop Day for the completion of the Subscription to on or before 7th June, 2001.

A further announcement will be made by the Company upon completion of the Subscription.

By order of the Board of
Town Health International Holdings Company Limited
Cho Kwai Chee
Chairman

Hong Kong, 16th May, 2001

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for 7 days from the date of its posting and on the website of Town Health International Holdings Company Limited.