



ASX Announcement

7 July 2016

Transition of Board of Directors and Company Secretary for the next stage of TTC development

The Board of Traditional Therapy Clinics Limited (ASX: TTC) is pleased to announce the appointment of Mr Geoffrey Ross and Mr Christian Drysdale as non-executive directors.

Mr Ross has over 30 years of experience working in China and has developed a strong network of Chinese partners that have supported his many ventures in China. He has broad industry experience and has built close contacts with Chinese Government and the broader Chinese business and investment community. He has a large team that support his Chinese business ventures and through this team has developed a deep understanding of both western and Chinese cultures. Mr Ross also has ASX listed company experience, most recently in relation to SecureNet Limited, where he was the Managing Director. Mr Ross spends considerable time in China; in particular Chongqing where TTC's head office is located. He permanently resides in Sydney and he is one of Australia's leading ocean yacht racers and has won the Sydney to Hobart yacht race.

Mr Drysdale has considerable financial services experience including wholesale banking, asset management, trading, derivatives, structured products and corporate finance. He spent 14 years at the Macquarie Group where he was Managing Director for Strategic Development in Asia. He developed strong expertise in strategic planning with a deep focus on growth and market entry strategies via acquisition including work experience in China, Hong Kong and India. He has had responsibility for multicultural teams across Asia.

Mr Ross and Mr Drysdale have both spent time meeting and developing a strong working relationship with the TTC Chinese management team in Chongqing.

TTC Chairman, Andrew Sneddon, welcomed Mr Ross and Mr Drysdale to the board. "TTC is fortunate to be able to gain access to the extensive and very relevant Chinese experience of our new board members. The Board looks forward to their contributions to the future development of TTC."

As part of the transition:

- Mr Jeff Fisher and Mr Glen Lees have resigned from the Board;
- Mr Andrew Sneddon will step down as Chairman but remain as a non-executive director for a period of up to one month to support the smooth transition of existing relationships before he also resigns from the Board;
- Mr Geoff Ross has assumed the role as Chairman of TTC and has been appointed as a member of the Audit and Risk Committee and the Nomination and Remuneration Committee;
- Mr Christian Drysdale will take over the role of acting CFO from Mr Lees until a full time CFO is recruited and has also assumed the role of Chairman of the Audit and Risk Committee and Chairman of the Nomination and Remuneration Committee; and
- Mr Nicholas Ong will replace Ms Lisa Dalton as Company Secretary.

TTC Managing Director, Zhirong Hu, on behalf of the Board and all the Chinese management team wishes to express their thanks to Mr Fisher, Mr Lees, Mr Sneddon and Ms Dalton for their considerable contribution and effort in achieving the establishment of TTC as a very successful, Chinese based ASX listed company.

During its first period as a listed entity (to 31 December 2015) TTC mostly met or exceeded all financial and operating targets outlined in its Prospectus and the Board and Chinese management team are very proud of this accomplishment.

Both the Company and the Board see the appointment of Mr Ross and Mr Drysdale as a significant milestone for TTC which will be of substantial benefit to the ongoing development and success of the company and its many shareholders.

Operational Update on TTC

www.ttc-ltd.com

Traditional Therapy Clinics Limited

Level 36, Gateway, 1 Macquarie Place, Circular Quay
Sydney NSW Australia 2000
ACN 603 792 712

Geoff Ross (Chairman)

Phone: +61 407 780 683
Email: geoff.ross@bridgechinaadvisors.com

Nicholas Ong (Co Sec)

Phone+61 424 598 561
Email: nicholas.ong@minervacorporate.com.au



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TTC continues to be on track to achieve its goals previously announced to the market of up to a minimum of 35 new franchises in 2016, a buyback of a minimum of 10 existing franchises and achieve EBITDA growth of between 25 and 30%. To date 21 new franchises have been signed in 2016 and as well as the 3 acquisitions already completed in 2016, due diligence on the next series of acquisitions is expected to be completed in August.

Additionally, the Board is pleased to confirm that the second payment in relation to the refund of the building (RMB 25,600,000 which equates to A\$5.16 m using an exchange rate of 4.96) has been received on time and in accordance with the contracted agreement with the developer which provides for a full refund of RMB 128,000,000 in four instalments, by 31 December 2016 (which equates to A\$ 25.81 million using an exchange rate of 4.96),

For further information, please contact:

Traditional Therapy Clinics Limited

Mr Geoff Ross
Chairman
Mobile: +61 407 780 683
Email: geoff.ross@bridgechinaadvisors.com

Mr Nicholas Ong
Company Secretary
Mobile: +61 424 598 561
Email: nicholas.ong@minervacorporate.com.au

About the TTC Group

Traditional Therapy Clinics Limited is a franchisor and the owner of one of the largest chains (by number of clinics) of traditional therapeutic health and wellness clinics in China. It currently has 332 franchised clinics and 22 owned clinics in operation. It is a well established business with a strong growth profile, employing a repeatable and scalable business model. TTC has a highly recognised and respected brand, having received the prestigious Chinese Well-Known Trademark designation from the State Administration for Industry and Commerce. It operates within a strongly regulated industry sector of significant scale, which offers opportunity for further growth.

TTC is an ASX listed company employing more than 730 staff across 27 of the 33 administrative divisions in China. More information is available at www.ttc-ltd.com
