



ASX Announcement

21 December 2015

TTC Continues its Acquisition Strategy and Receives Highest Award for China's Service Industry

Traditional Therapy Clinics Limited (ASX: TTC) has entered into contracts to acquire a further four (4) clinics from its franchised clinic base in line with its business strategy to grow its owned clinic network and diversify its revenue stream. The signing of these contracts to acquire a further 4 clinics takes the number of clinics acquired by TTC, since listing on the ASX in September 2015, to 8.

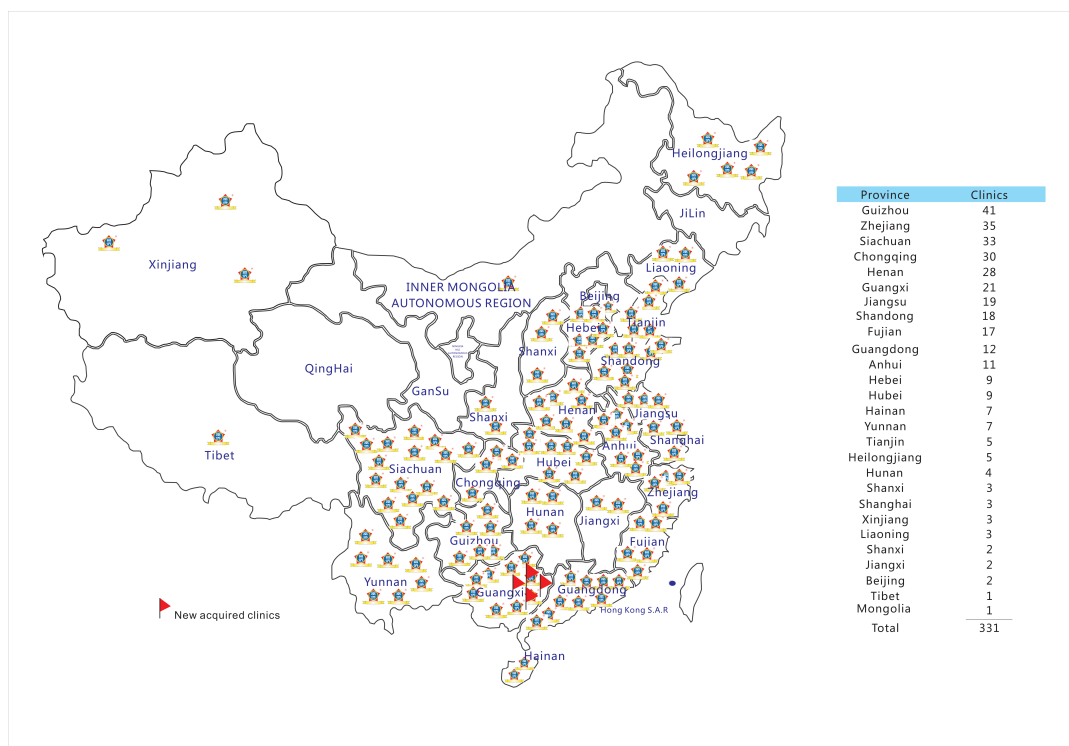
The purchase price for the 4 clinics will be paid in cash by TTC and totals RMB 28.75 million which equates to AUD \$6.1 million at an exchange rate of 4.71 (AUD:RMB). The purchase price represents an EBITDA multiple of 2.0 based on the targeted clinics' earnings in the 2014 financial year.

The 4 clinics to be acquired are located in the city of Nanning in Guangxi Province. Settlement of the acquisitions is expected to be complete during January 2016. The total number of new franchise licences granted and clinics acquired by TTC during the 2015 calendar year is summarised below:

TTC Clinics	Franchised Clinics	Owned Clinics*
Newly franchised / acquired in CY2015	35	8
Total number of franchised / acquired clinics	313	19

- * Includes the 4 clinics for which acquisition contracts have been signed

Figure 1: Location of TTC's four new clinics: Guangxi Province.





ASX Announcement

TTC's Growth Strategy

TTC's multi pronged growth strategy is focused on:

- Growing its number of franchised clinics; and
- Expanding its owned clinic network through the acquisition of existing clinics (from third parties or franchisees) or developing greenfield owned clinics in suitable locations.

The "owned clinic" model has become a key focus given the ability to generate a greater return on investment and its added advantage of assisting with projecting TTC's brand and further demonstrating the high standards of quality and service within the TTC network.

TTC is targeting a further 3 clinic acquisitions from its franchised clinic network over the next 2 months.

TTC's Flagship Store in Chongqing Receives Highest Level of Recognition in Chinese Service Industry

TTC's Cultural Palace Branch in Chongqing has been accredited with a National Advanced Group status, the highest level of recognition in the Chinese Service Industry.

The process to determine the businesses demonstrating the highest standards of quality throughout China commenced in May 2014. The selection criteria covered approximately 4 million companies and 100 million workers. The selection of TTC's Cultural Palace Branch in Chongqing to receive the recognition was an incredible honour for the company and all its workers and is seen as a model example to the rest of the service industry in China.

Since the start of its business, TTC's Cultural Palace Branch has been emphasising the importance of exceptional standards of quality, skills, service and management. TTC's Cultural Palace Branch has become well known in Chongqing by customers and government ministries and has previously been awarded the title of China's Five-star Foot Massage Institute (November 2012) and Chongqing's Commerce Industry Model Clinic of Honesty (2013).

For further information, please contact:

Traditional Therapy Clinics Limited

Mr John Wu
Chief Financial Officer
Mobile: Phone: +61 405 223 877
Email: john.wu@ttc-ltd.com

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 317 franchise licences granted (4 of which are to be acquired by TTC) and 15 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 26 administrative divisions in China. More information is available at www.ttc-ltd.com
