CORE HEALTHCARE INVESTMENT HOLDINGS LIMITED
確思醫藥投資控股有限公司*

(formerly known as Plasmagene Biosciences Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8250)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2007

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This announcement, for which the directors (the "Directors") of Core Healthcare Investment Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* *For identification purpose only*

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 30 JUNE 2007

- For the year ended 30 June 2007, the Group recorded a turnover of approximately HK$1,298,000 (2006: approximately HK$1,368,000).

- Net profit attributable to shareholders for the year ended 30 June 2007 amounted to approximately HK$8,396,000 while a net loss of approximately HK$9,570,000 was recorded for the year ended 30 June 2006.

- The basic and dilute earnings per share was approximately 2.23 HK cents and 2.22 HK cents respectively.

- The board of Directors (the "Board") does not recommend the payment of a final dividend for the year.

FINANCIAL RESULTS

The Board is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2007 together with the comparative figures for the year ended 30 June 2006 as follows:

Consolidated income statement
For the year ended 30 June 2007

	Note	**2007** *HK$*	2006 *HK$*
Turnover	*4*	**1,297,939**	1,368,404
Cost of sales		**(1,087,647)**	(1,308,230)
Gross profit		**210,292**	60,174
Other income	*5*	**16,417,159**	1,182,374
		16,627,451	1,242,548
Selling and distribution expenses		**(137,676)**	(510,437)
Administration expenses		**(5,264,743)**	(4,737,887)
Other operating expenses		**(1,437,646)**	(5,564,684)
Profit/(Loss) before tax	*7*	**9,787,386**	(9,570,460)
Income tax expense	*8*	**(1,391,000)**	–
Profit/(Loss) for the year attributable to equity holders of the Company		**8,396,386**	(9,570,460)
Earnings/(Loss) per share – basic	*9*	**2.23 cents**	2.55 cents
– diluted		**2.22 cents**	N/A

Consolidated balance sheet
As at 30 June 2007

	Note	2007 HK$	2006 HK$
Non-current assets			
Intangible assets		**–**	–
Property, plant and equipment		**3,256,023**	2,421,980
		3,256,023	2,421,980
Current assets			
Inventories		**100,527**	44,846
Trade and other receivables	*10*	**18,051,965**	612,568
Financial assets at fair value through profit or loss		**15,262,864**	7,398,530
Cash and bank balances		**4,122,164**	18,038,807
		37,537,520	26,094,751
Current liabilities			
Trade and other payables	*11*	**1,347,165**	652,935
Current tax liabilities		**1,391,000**	–
		2,738,165	652,935
Net current assets		**34,799,355**	25,441,816
Net assets		**38,055,378**	27,863,796
Capital and reserves			
Share capital		**3,825,920**	3,735,920
Reserves		**34,229,458**	24,127,876
Total equity		**38,055,378**	27,863,796

Consolidated statement of changes in equity
For the year ended 30 June 2007

		Reserves				
	Share capital *HK$*	**Share premium** *HK$*	**Share Options reserve** *HK$*	**Accumulated losses** *HK$*	**Sub-total of reserves** *HK$*	**Total** *HK$*
Balance at 1 July 2005	3,830,760	46,628,204	–	(13,465,628)	33,162,576	36,993,336
Shares repurchase	(94,840)	(1,383,566)	–	–	(1,383,566)	(1,478,406)
Recognition of share-based payments	–	–	1,919,326	–	1,919,326	1,919,326
Loss for the year	–	–	–	(9,570,460)	(9,570,460)	(9,570,460)
Balance at 30 June 2006 and 1 July 2006	3,735,920	45,244,638	1,919,326	(23,036,088)	24,127,876	27,863,796
Issue of shares upon exercise of share options	90,000	919,900	–	–	919,900	1,009,900
Transfer of reserve upon exercise of share options	–	788,450	(788,450)	–	–	–
Transfer of reserve upon lapse of share options	–	–	(215,786)	215,786	–	–
Recognition of share-based payments	–	–	785,296	–	785,296	785,296
Profit for the year	–	–	–	8,396,386	8,396,386	8,396,386
Balance at 30 June 2007	3,825,920	46,952,988	1,700,386	(14,423,916)	34,229,458	38,055,378

Notes:

1. GENERAL

The Company is incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Group.

The Company is an investment holding company. Its subsidiaries are principally engaged in the provision of diagnostic testing services and products and related research and development, investment holding, and sales of health food and pharmaceutical products.

2. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of New and Revised Hong Kong Financial Reporting Standards

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2006, 1 May 2006 and 1 June 2006. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting polices and amounts reported for the current year and prior years.

(b) Change in Accounting Policy on Inventories

In previous years, cost of inventories was determined using first-in, first-out basis. With the new operation of the Group's retail business on 1 December 2006, cost of inventories is to be determined using weighted average method. Such change in accounting policy had no material effect on how the results for the current or prior accounting periods have been prepared and presented.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments which are carried at their fair values.

4. TURNOVER

The Group's turnover represents turnover arising on sales of diagnostic testing services and products, and sales of health food and pharmaceutical products. An analysis of the Group's turnover for the year is as follows:

	2007	2006
	HK$	*HK$*
Sales of diagnostic testing services and products	**1,148,009**	1,368,404
Sales of health food and pharmaceutical products	**149,930**	–
	1,297,939	1,368,404

5. OTHER INCOME

	2007	2006
	HK$	*HK$*
Interest income	**677,887**	1,061,081
Dividend income from listed investments	**85,383**	–
Fair value gain on financial assets at fair value through profit or loss	**4,236,610**	–
Gain on disposal of financial assets at fair value through profit or loss	**11,362,631**	–
Gain on disposal of property, plant and equipment	**–**	108,000
Handling charges received	**3,990**	12,650
Sundry income	**50,658**	643
	16,417,159	1,182,374

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business Segments

For management purposes, the Group is currently organised into three operating segments:

- Sales of diagnostic testing services — The use of blood test and Fibroscan test in the diagnosis of cancerous and certain liver and other diseases.
- Sales of health food and pharmaceutical products — Retail business on sales of health food and pharmaceutical products was commenced in December 2006. Accordingly no information about this business segment was presented for the year ended 30 June 2006.
- Research and development — Research and development relating to diagnosis of cancer and certain other illnesses.

6. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

Business Segments *(Continued)*

For the year ended 30 June 2007

	Sales of diagnosis testing services *HK$*	Sales of health food and pharmaceutical products *HK$*	Research and development *HK$*	Total *HK$*
TURNOVER	**1,148,009**	**149,930**	**–**	**1,297,939**
RESULTS				
Segment results	**(2,698,802)**	**(322,796)**	**(808,685)**	**(3,830,283)**
Other income				**16,373,215**
Unallocated corporate expenses				**(2,755,546)**
Profit before tax				**9,787,386**
Income tax expenses				**(1,391,000)**
Profit for the year				**8,396,386**
As at 30 June 2007				
ASSETS				
Segment assets	**23,021,812**	**392,216**	**1,359**	**23,415,387**
Unallocated assets				**17,378,156**
Total assets				**40,793,543**
LIABILITIES				
Segment liabilities	**1,077,669**	**51,200**	**16,021**	**1,144,890**
Unallocated liabilities				**1,593,275**
Total liabilities				**2,738,165**
OTHER INFORMATION				
Capital expenditure	**1,214,889**	**207,560**	**–**	**1,422,449**
Depreciation of property, plant and equipment	**286,980**	**30,709**	**–**	**317,689**
Write-off of inventories	**70,878**	**6,450**	**–**	**77,328**
Loss on disposal of property, plant and equipment	**270,717**	**–**	**–**	**270,717**

6. **BUSINESS AND GEOGRAPHICAL SEGMENTS** *(Continued)*

Business Segments *(Continued)*

For the year ended 30 June 2006

	Sales of diagnosis testing services *HK$*	Research and development *HK$*	Total *HK$*
TURNOVER	1,368,404	–	1,368,404
RESULTS			
Segment results	(5,914,161)	(4,384,921)	(10,299,082)
Other income			1,061,081
Unallocated corporate expenses			(332,459)
Loss for the year			(9,570,460)
As at 30 June 2006			
ASSETS			
Segment assets	20,834,321	283,880	21,118,201
Unallocated assets			7,398,530
Total assets			28,516,731
LIABILITIES			
Segment liabilities	633,695	19,240	652,935
OTHER INFORMATION			
Capital expenditure	2,655,016	86,507	2,741,523
Depreciation and amortisation	1,138,839	–	1,138,839
Impairment losses of intangible assets	–	3,158,397	3,158,397
Fair value loss of financial assets at fair value through profit or loss	–	–	332,459

Geographical segments

The revenue and results, assets and liabilities of the Group for the years ended 30 June 2006 and 2007 are derived wholly from customers located in one geographical market, namely Hong Kong.

7. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been arrived at after charging/(crediting):

	2007	2006
	HK$	*HK$*
Amortisation of intangible assets	**–**	773,845
Less: Amounts capitalised as development costs	**–**	(314,088)
Amortisation included in other operating expenses	**–**	459,757
Auditor's remuneration	**292,500**	175,000
Cost of inventories sold	**263,111**	108,372
Depreciation	**317,689**	679,082
Exchange losses	**88,412**	8,171
Fair value (gain)/loss of financial assets at fair value through profit or loss	**(4,236,610)**	332,459
Gain on disposal of financial assets at fair value through profit or loss	**(11,362,631)**	–
Impairment losses of intangible assets included in other operating expenses	**–**	3,158,397
Operating leases in respect of		
Office premises	**257,909**	183,300
Retail shop	**119,840**	–
Directors' quarters	**136,000**	816,000
Research and development expenditure other than amortisation, staff costs and share-based payment expenses	**–**	52,444
Staff costs		
Directors' emoluments including directors' quarters	**2,341,084**	1,607,805
Other staff's retirement scheme contributions	**57,584**	60,440
Other staff's salaries and wages	**1,353,355**	1,330,746
Other staff's share-based payments expenses	**–**	795,099
Other welfares	**21,146**	18,277
	3,773,169	3,812,367
Share-based payment expenses not included in staff costs	**785,296**	734,076
Loss on disposal of property, plant and equipment	**270,717**	–
Write-off of inventories included in cost of inventories sold	**77,328**	–
Write-off of property, plant and equipment included in other operating expenses	**–**	133,127

8. INCOME TAX EXPENSE

	2007	2006
	HK$	*HK$*
Current tax – Hong Kong Profits Tax	**1,391,000**	–

Hong Kong Profits Tax has been provided at a rate of 17.5% on the estimated assessable profit for the year ended 30 June 2007. No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2006 as the Group did not generate any assessable profits arising in Hong Kong during the year.

8. INCOME TAX EXPENSE *(Continued)*

The income tax expense for the year can be reconciled to the profit/(loss) before tax per the consolidated income statement as follows:

	2007	2006
	HK$	*HK$*
Profit/(Loss) before tax	**(9,787,386)**	(9,570,460)
Tax calculated at the tax rate of 17.5% (2006: 17.5%)	**1,712,790**	(1,674,830)
Tax effect of expenses not deductible in determining taxable profits	**176,434**	483,784
Tax effect of income not taxable in determining taxable profits	**(129,989)**	(185,690)
Tax effect of temporary differences not recognised	**(105,184)**	438,906
Tax effect of utilization of tax losses not previously recognised	**(65,718)**	–
Tax effect of loss not recognised	**102,667**	937,830
Underprovision in current year	**(300,000)**	–
Income tax expense	**1,391,000**	–

9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the profit for the year attributable to the equity holders of the Company of HK$8,396,386 (2006: loss of HK$9,570,460) and the weighted average number of ordinary shares of 375,883,507 (2006: 375,982,170) in issue during the year.

The calculation of the diluted earnings per share for the year ended 30 June 2007 is based on the profit attributable to equity holders of the Company of HK$8,396,386 and the weighted average number of 379,036,662 shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects on assumed exercise of share options.

The computation of diluted loss per share for the year ended 30 June 2006 has not been presented because the assumed exercises of share options, which were outstanding during the year, had anti-dilutive effects on the basic loss per share.

10. TRADE AND OTHER RECEIVABLES

	2007	2006
	HK$	*HK$*
Trade receivables	**160,678**	144,829
Payment for shares of initial public offering application	**7,267,395**	–
Receivable arising from dealing in listed securities	**10,329,660**	–
Deposits	**141,858**	330,335
Prepayments	**130,938**	115,695
Other receivables	**21,436**	21,709
	18,051,965	612,568

10. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group allows its customers with an average credit period of 30 days. The aging analysis of trade receivables at the balance sheet date based on the invoice date is as follows:

	2007	2006
	HK$	*HK$*
0 – 30 days	**78,805**	104,883
31 – 60 days	**18,870**	29,935
61 – 90 days	**19,100**	9,281
> 90 days	**43,903**	730
	160,678	144,829

11. TRADE AND OTHER PAYABLES

	2007	2006
	HK$	*HK$*
Trade payables	**13,703**	–
Other payables and accrued charges	**1,333,462**	652,709
Amount due to a related company	**–**	226
	1,347,165	652,935

The following is an aging analysis of trade payables at the balance sheet date:

	2007	2006
	HK$	*HK$*
0 – 30 days	**9,087**	–
31 – 60 days	**2,051**	–
61 – 90 days	**386**	–
> 90 days	**2,179**	–
	13,703	–

12. DIVIDEND

No dividend has been paid or declared by the Company for the year (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

The Group's turnover for the year ended 30 June 2007 amounted to approximately HK$1,298,000, as compare with approximately HK$1,368,000 for the year ended 30 June 2006.

Profit attributable to shareholders of approximately HK$8.40 million resulted in an earning per share of 2.23 Hong Kong cents for the current year, while a loss of HK$9.57 million was recorded for the prior year with a basic loss per share of 2.55 HK cents.

Business review

The Group recorded a turnover of approximately HK$1.3 million for the year ended 30 June 2007, reduced by approximately 5% comparing with the previous financial year. The Group's nasopharyngeal carcinoma diagnosis and testing service encountered fiercer yet fiercer competition, affecting revenues from EBgene, EBeasy and EBcombo. In addition, revenue generated from the "Hong Kong Hepatitis Diagnostic Centre" that provides Fibroscan testing service resulted in a small profit only and thus did not contribute enough to boost the Group's operating performance. However, the newly started health care products retail business began to provide new stable source of revenue. By the end of calendar year 2006, the Group's first retail store of health food at the Hau Tak shopping centre of Tseung Kwan O should report satisfactory progress if it was not for the serious fire in the adjacent Hau Tak Market in March this year. The store's business went downturn since then. Up to the end of this financial year, its business had not resumed to normal. Our second health food retail chain store in Shatin was up and running by the end of June.

Cost of sales in the year under review was only HK$1,088,000, representing a decrease of 16.9%. The Group's gross profit for the year was HK$210,000 with a gross profit margin of 16.2%. During the year, the Group continued its endeavor to explore and develop cancer diagnosis markets in Europe and Japan, but with a sluggish progress. Under this circumstance and due to the costly maintenance of patent registrations in those places, the Board finally decided to withdraw all patent registrations there. As a result, only China and Australia remain to be the countries where we are having patent registrations. During the year the Group stopped its research on cancer diagnosis. This coupled with the depreciation on our laboratories already provided in the previous financial year had significantly reduced depreciation and amortization expenses for the year under review, thus tremendously trimming down the cost of sales.

The Group's laboratory continued to secure the certification of ISO 9001 13485 last year. In addition, the health food retail store in Tseung Kwan O also secured the certification of ISO 9001.

During the year, the Group once negotiated to acquire a health product company in order to extend its business base. As the negotiation concluded no agreement and was hence discontinued.

The Group turned loss into profit in the financial year. Majority of the profit came from other income which increased by approximately 12.88 times to HK$16,417,000 that in turn was mainly contributed by the gain on securities investment. The Group sold its US bonds in the third quarter of calendar year 2006, and invested the fund liquidated in the Hong Kong Stock Market and its derivatives. While Hang Seng Index went up from 18,000 points to 21,000 points – an increase of 17% – during the period, the return on investment gained during the same period was approximately 1.5 times. For the year ended 30 June 2007, profit on securities trading was HK$11.36 million with an unrealised profit of HK$4.23 million.

Business review *(Continued)*

During the previous financial year and pursuant to the agreement made with the Chinese University of Hong Kong Foundation Limited (the "University"), 4,067,796 shares of share option with an exercise price of HK$0.295 per share were granted to the University. Hence, share base payment amounted to HK$785,296 in the year under review.

Capitalizing on the booming stock market and the liquidity in the equity market, the Group placed its new shares for the first time in the market. The placing was done separately in two times after this financial year end. Both placings were fixed at HK$0.17 with the first placing of 74,836,000 shares of new shares, representing pre-enlarged issued share equity of approximately 19.56% and raising a net proceed of HK$12 million. The second placing involved new shares of 229,552,000 shares, accounting pre-enlarged issued share equity of 49.05%, raising a net proceed of HK$38 million.

Future outlook

While we will continue our cancer diagnosis and health products sale businesses despite the fierce competitions that we expect to encounter, the Board will regularly evaluate their future prospects for the Group so that adjustment can be made to our business development strategy.

We achieved good performance with respect to the Group's investment management for the financial year under review. With China's and Hong Kong's sustaining economic boom, it is expected that we will be able to continue with such an encouraging result in the foreseeable future. The Chinese government's macro-economic control has gotten more and more stringent to hopefully slow down the pace of the country's economic growth. This could however be only beneficial to the healthy development of the market. Despite the global financial market may continue to be impacted by the risk of sustaining credit crunch. It is expected that the global economy will be able to maintain a mild growth. Government financial officials of countries that have been affected by the recent financial turmoil are expected to adopt policies that would stabilize the market. As a result, the Board remains confident about Hong Kong's stock market in the year to come.

In view of the Group's ideal fruition in its investment income, additional investment will be made in the new financial year for investing in the Hong Kong stock market. The investment will be weighted with shares that invest in China and command high growth potential.

Liquidity and financial resources

As at 30 June 2007, the Group held cash and bank balances of approximately HK$4,122,000 (2006: approximately HK$18,039,000). Net current assets amounted to approximately HK$34,799,000 (2006: approximately HK$25,442,000). Current ratio (defined as total current assets divided by total current liabilities) was approximately 13.7 times (2006: approximately 40.0 times).

The Group had no bank borrowing as at 30 June 2007 (2006: Nil).

Capital structure

The shares of the Company were listed on GEM on 18 June 2004 (the "Listing Date"). There has been no change in the capital structure of the Company since the Listing Date. As at 30 June 2007, total equity attributable to shareholders was approximately HK$38,055,000 (2006: approximately HK$27,864,000).

Most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars. As at 30 June 2007, the Group had no significant exposure to foreign exchange and interest rate risks.

Capital commitment

As at 30 June 2007, the Group and the Company had no significant capital commitment (2006: Nil).

Employee information

A breakdown of the number of staff of the Group by functions as at 30 June 2007 and 2006 is set out below:

	2007	2006
Management	**2**	2
Sales and marketing	**3**	3
Laboratory	**2**	3
Administration and finance	**3**	3
	10	11

All the employees are stationed in Hong Kong.

An employee's remuneration includes basic salary, year-end bonus and other allowances. Employees are remunerated based on their respective educational background, position and working experience. There are annual performance appraisal for promotion and salary increase. In addition, each employee enjoys mandatory provident fund, medical allowance and other fringe benefit.

During the year under review, the Group did not grant any share option to employees or directors.

EVENT AFTER BALANCE SHEET DATE

On 12 June 2007, the Company entered into two conditional placing agreements with an independent placing agent for the placing of up to 304,388,000 new shares to the independent subscribers at the placing price of HK$0.17 per placing share. The two placements were completed on 11 July 2007 and 6 September 2007 respectively.

Details of these two placements are disclosed in announcements of the Company dated 12 June 2007, 18 July 2007 and 7 September 2007.

CONTINGENT LIABILITIES

As at 30 June 2007, the Group had no significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year. The Company has also made specific enquiry to all Directors and the Company was not aware of any non-compliance with the required standard of dealing and its code of conduct regarding securities transactions by Directors.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, interim reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee will also be responsible for reviewing and supervising the Group's financial reporting and internal control procedures.

The audit committee comprises three independent non-executive directors, namely Mr. Kwok Shun Tim, Mr. Chan Po Kwong and Mr. Lam Yan Wing. Mr. Kwok Shun Tim is the chairman of the committee since his appointment on 13 September 2006. The committee has met four times during year.

The audit committee members have reviewed the Group's annual results for the year ended 30 June 2007.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavors in maintaining high standard of corporate governance for the enhancement of shareholders' value. The Company has complied with the required code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules for the year ended 30 June 2007, except for the following deviations:

Code Provision A.2.1

This code stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Before the resignation of Dr. Yeung Wah Hin, Alex ("Dr. Alex Yeung") on 2 August 2006, Dr. Alex Yeung is the chairman and chief executive officer of the Company who is responsible for managing the Board and the Group's business. The Board considers that Dr. Alex Yeung's in-depth professional knowledge of medical and diagnostic field will definitely bring invaluable contribution to the Board. In replacement, Mr. Lui Chi Wah, Johnny ("Mr. Lui") was appointed as chairman and chief executive officer of the Company on 2 August 2006. The Board considers that Mr. Lui's extensive experience in financial sector and strong business network will definitely contribute to the development and future growth of the Group. The Board also considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the participation of experienced and high caliber members of the Board which meets regularly to discuss issues affecting operations of the Company. The Board believes that this structure is conductive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Lui and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Group. Nevertheless, the Board will continually review the function of the Board and its relationship with the management, especially the necessity and the benefits of separating the roles of the chairman and chief executive officer.

Code Provision A.4.4

This code stipulates that listed issuers should establish a nomination committee with specific written terms of reference. The nomination committee should, among others, (i) reviews the structure, size and composition of the board and make recommendations to the board regarding any proposed changes; (ii) identify individuals suitably qualified to become board members; (iii) assess the independence of independent non-executive directors; and (iv) make recommendations to the board on matters relating to the appointment or re-appointment of directors and succession planning for directors.

The Company has not established a nomination committee. Instead, the full Board is involved in the appointment of new Directors. The Board will take into consideration criteria such as expertise, experience, integrity and commitment when considering new Director appointment. The Board will conduct in-depth assessment on the independence of candidates for the post of independent non-executive Directors.

By order of the Board
Core Healthcare Investment Holdings Limited
Lui Chi Wah, Johnny
Chairman

Hong Kong, 13 September 2007

As at the date of this announcement, the executive Directors are Mr. Lui Chi Wah, Johnny and Mr. Wu Kai; the non-executive Director is Mr. Lau Kam Shan; and the independent non-executive Directors are Mr. Kwok Shun Tim, Mr. Chan Po Kwong and Mr. Lam Yan Wing.

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