CORE HEALTHCARE INVESTMENT HOLDINGS LIMITED

確思醫藥投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8250)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2008

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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 2008

- For the year ended 30 June 2008, the Group recorded a turnover of approximately HK$1,597,000 (2007: approximately HK$1,298,000).

- Net loss attributable to shareholders for the year ended 30 June 2008 amounted to approximately HK$360,925,000 while a net profit of approximately HK$8,396,000 was recorded for the year ended 30 June 2007. The loss is mainly due to a fair value loss of convertible bonds issued by the Company of approximately HK$340,549,000 as recorded in 2008 but not in 2007.

- 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 2008 together with the comparative figures for the year ended 30 June 2007 as follows:

Consolidated income statement
For the year ended 30 June 2008

	Note	**2008** *HK$*	2007 *HK$*
Turnover	*4*	**1,597,086**	1,297,939
Cost of sales and services		**(968,459)**	(1,087,647)
Gross profit		**628,627**	210,292
Other income	*5*	**4,247,160**	817,918
Selling and distribution expenses		**(121,380)**	(137,676)
Administrative expenses		**(8,114,649)**	(5,264,743)
Other operating expenses		**(1,609,551)**	(1,437,646)
Net (loss)/gain of financial assets at fair value through profit or loss (held for trading)		**(15,256,370)**	15,599,241
Fair value loss of convertible bonds		**(340,548,687)**	–
(Loss)/profit before tax		**(360,774,850)**	9,787,386
Income tax expense	*7*	**(150,000)**	(1,391,000)
(Loss)/profit for the year attributable to equity holders of the Company	*8*	**(360,924,850)**	8,396,386
(Loss)/earnings per share (restated)			
– basic	*9*	**(5.356 cents)**	0.223 cents
– diluted		**N/A**	0.222 cents

Consolidated balance sheet

As at 30 June 2008

	Note	2008 HK$	2007 HK$
Non-current assets			
Intangible assets		**–**	–
Property, plant and equipment		**2,529,766**	3,256,023
		2,529,766	3,256,023
Current assets			
Inventories		**51,580**	100,527
Trade and other receivables	*10*	**23,759,566**	18,051,965
Financial assets at fair value through profit or loss		**24,390,311**	15,262,864
Cash and bank balances		**179,459,840**	4,122,164
		227,661,297	37,537,520
Current liabilities			
Trade and other payables	*11*	**1,059,750**	1,347,165
Convertible bonds		**490,548,687**	–
Current tax liabilities		**1,541,000**	1,391,000
		493,149,437	2,738,165
Net current (liabilities)/assets		**(265,488,140)**	34,799,355
Net (liabilities)/assets		**(262,958,374)**	38,055,378
Capital and reserves			
Share capital		**7,381,745**	3,825,920
Reserves		**(270,340,119)**	34,229,458
(Capital deficiency)/total equity		**(262,958,374)**	38,055,378

Consolidated statement of changes in equity

For the year ended 30 June 2008

	Share capital HK$	Reserves: Share premium HK$	Share options reserves HK$	Accumulated losses HK$	Sub-total of reserves HK$	Total HK$
Balance at 1 July 2006	3,735,920	45,244,638	1,919,326	(23,036,088)	24,127,876	27,863,796
Profit and total recognised income and expense for the year	–	–	–	8,396,386	8,396,386	8,396,386
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
	90,000	1,708,350	(218,940)	215,786	1,705,196	1,795,196
Balance at 30 June 2007 and 1 July 2007	3,825,920	46,952,988	1,700,386	(14,423,916)	34,229,458	38,055,378
Loss and total recognised income and expense for the year	–	–	–	(360,924,850)	(360,924,850)	(360,924,850)
Issue of shares upon placements	3,343,880	51,958,231	–	–	51,958,231	55,302,111
Issue of shares upon exercise of share options	211,945	3,559,747	–	–	3,559,747	3,771,692
Transfer of reserve upon exercise of share options	–	1,700,386	(1,700,386)	–	–	–
Recognition of share-based payments	–	–	837,295	–	837,295	837,295
	3,555,825	57,218,364	(863,091)	–	56,355,273	59,911,098
Balance at 30 June 2008	7,381,745	104,171,352	837,295	(375,348,766)	(270,340,119)	(262,958,374)

Notes:

1. GENERAL

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

The Company is an investment holding company. The activities of its principal subsidiaries are set out in the financial statements.

2. BASIS OF PREPARATION

These 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 valuation of investments and convertible bonds which are carried at their fair values.

3. 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, issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 July 2007. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial positions.

4. TURNOVER

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

	2008	2007
	HK$	*HK$*
Provision of diagnostic testing services	**1,408,771**	1,148,009
Sales of health food and pharmaceutical products	**188,315**	149,930
	1,597,086	1,297,939

5. OTHER INCOME

	2008	2007
	HK$	*HK$*
Interest income	**3,109,733**	677,887
Dividend income from listed investments	**292,989**	85,383
Handling charges received	**–**	3,990
Sundry income	**844,438**	50,658
	4,247,160	817,918

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business Segments

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

- Provision 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.
- Research and development — Research and development relating to diagnosis of cancer and certain other illnesses.

Business Segments (Continued)

Year ended 30 June 2008

	Provision of diagnosis testing services *HK$*	Sales of health food and pharmaceutical products *HK$*	Research and development *HK$*	Total *HK$*
TURNOVER	1,408,771	188,315	–	1,597,086
RESULTS				
Segment results	(3,593,093)	(494,518)	(280,081)	(4,367,692)
Other income				3,663,543
Unallocated corporate expenses				(4,265,644)
Net loss of financial assets at fair value through profit or loss (held for trading)				(15,256,370)
Fair value loss of convertible bonds				(340,548,687)
Loss before tax				(360,774,850)
As at 30 June 2008				
ASSETS				
Segment assets	34,949,095	154,845,326	9,455	189,803,876
Unallocated assets				40,387,187
Total assets				230,191,063
LIABILITIES				
Segment liabilities	955,561	490,605,395	16,181	491,577,137
Unallocated liabilities				1,572,300
Total liabilities				493,149,437
OTHER INFORMATION				
Capital expenditure	464,471	4,000	–	468,471
Depreciation of property, plant and equipment	713,491	66,940	–	780,431
Write-off of inventories	–	23,984	–	23,984

Business Segments (Continued)

Year ended 30 June 2007

	Provision 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				773,974
Unallocated corporate expenses				(2,755,546)
Net gain of financial assets at fair value through profit or loss (held for trading)				15,599,241
Profit before tax				9,787,386
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

Geographical segments

The revenue and results, assets and liabilities of the Group for the years ended 30 June 2007 and 2008 are derived wholly from customers located in one geographical market, namely Hong Kong.

7. INCOME TAX EXPENSE

	2008	2007
	HK$	*HK$*
Current tax – Hong Kong Profits Tax		
Provision for the year	**–**	1,391,000
Under-provision in prior years	**150,000**	–
	150,000	1,391,000

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year. The amount provided for the year ended 30 June 2007 was calculated at 17.5% based on the assessable profit for that year.

8. (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(Loss)/profit for the year attributable to equity holders of the Company has been arrived at after charging:

	2008	2007
	HK$	*HK$*
Auditor's remuneration	**385,000**	292,500
Cost of inventories sold	**165,906**	263,111
Depreciation	**780,431**	317,689
Exchange losses	**199,203**	88,412
Loss on disposal of property, plant and equipment	**84,297**	270,717
Operating leases in respect of		
Directors' quarters	**–**	136,000
Office premises	**318,000**	257,909
Retail shop	**201,600**	119,840
Share-based payment expenses included in other operating expenses	**837,295**	785,296
Staff costs		
Directors' emoluments including directors' quarters	**1,391,580**	2,341,084
Other staff's retirement scheme contributions	**50,851**	57,584
Other staff's salaries and wages	**1,472,424**	1,353,355
Other welfares	**29,547**	21,146
	2,944,402	3,773,169
Write-off of inventories included in cost of inventories sold	**23,984**	77,328

9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the loss for the year attributable to the equity holders of the Company of HK$360,924,850 (2007: profit of HK$8,396,386) and on the weighted average number of ordinary shares of 6,738,568,991 (2007: 3,758,835,070, as restated) in issue during the year.

The effects of all potential ordinary shares are anti-dilutive for the year ended 30 June 2008.

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 3,790,366,620 shares (as restated), being the weighted average number of ordinary shares outstanding during the year ended 30 June 2007 used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 31,531,550 (as restated) assumed to have been issued at no consideration on the deemed exercise of the share options outstanding during the year ended 30 June 2007.

The weighted average number of ordinary shares for the purpose of the basic and diluted (loss)/earnings per share for the years ended 30 June 2007 and 2008 have been adjusted for the Company's share sub-division.

10. TRADE AND OTHER RECEIVABLES

	2008	2007
	HK$	*HK$*
Trade receivables	**414,353**	160,678
Payment for shares in initial public offering	**–**	7,267,395
Receivable arising from dealing in listed securities	**988,006**	10,329,660
Deposits paid	**22,063,958**	141,858
Prepayments	**143,750**	130,938
Other receivables	**149,499**	21,436
	23,759,566	18,051,965

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

	2008	2007
	HK$	*HK$*
0 – 30 days	**244,675**	78,805
31 – 60 days	**70,450**	18,870
61 – 90 days	**25,690**	19,100
> 90 days	**73,538**	43,903
	414,353	160,678

10. TRADE AND OTHER RECEIVABLES *(Continued)*

As at 30 June 2008, trade receivables of HK$169,678 (2007: HK$81,873) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. An aging analysis of these trade receivables is as follows:

	2008	2007
	HK$	*HK$*
Up to 3 months	**101,030**	38,260
3 to 6 months	**17,780**	43,613
Over 6 months	**50,868**	–
	169,678	81,873

11. TRADE AND OTHER PAYABLES

	2008	2007
	HK$	*HK$*
Trade payables	**198,568**	13,703
Other payables and accrued charges	**861,182**	1,333,462
	1,059,750	1,347,165

An aging analysis of trade payables at the balance sheet date is as follows:

	2008	2007
	HK$	*HK$*
0 – 30 days	**35,837**	9,087
31 – 60 days	**–**	2,051
61 – 90 days	**–**	386
> 90 days	**162,731**	2,179
	198,568	13,703

12. DIVIDEND

No dividend has been paid or declared by the Company for the year (2007: Nil).

CHAIRMAN'S STATEMENT

On behalf of the board of directors of Core Healthcare Investment Holdings Ltd. (the "Board"), I am pleased to present the audited annual results of Core Healthcare Investment Holdings Ltd and its subsidiaries ("Core Healthcare" or the "Group") for the year ended 30 June 2008 (the "Year"). The Group made headway in 2007 in establishing a strong foothold in China's pharmaceutical market. Backed by our solid shareholders, the Group has made a good start. We also believe that the market of new drugs in China, of which we have identified as the growth driver, may boost the Group's turnover and returns in future.

As from 9 September 2008, the final closing date of a voluntary conditional securities exchange offer made by Hong Kong Health Check and Laboratory Holdings Company Limited ("HK Health Check") (SEHK: 397) to acquire all the issued shares of the Company (other than those already held by HK Health Check and parties acting in concert with it), HK Health Check became the holding company of the Company. As at the date of this announcement, HK Health Check and its subsidiaries together hold about 64.57% of the issued share capital of the Company.

Tapping into China Pharmaceutical Market

During the Year, the Group made a significant move to enter the pharmaceutical market in China. We are excited to introduce two large and experienced healthcare enterprises, HK Health Check and Town Health International Holdings Company Limited ("Town Health") (SEHK: 3886), as our largest shareholders from 9 September 2008. As a growing pharmaceutical company, the Group sees the importance of recruiting its shareholders from the same industry background. We believe it will increase the confidence of investors and business partners and enable the Group to succeed.

Pursuant to the service agreements announced in November 2007, Town Health mainly provides interpretation and other consultancy services in relation to the results of clinical tests and trials and imaging diagnosis performed on the target drugs. It also participates in consultation sessions with patients engaged in clinical studies. HK Health Check mainly provides consultancy services in relation to the design and implementation of medical testing procedures for the target drugs. It also conducts such clinical tests that are necessary to verify accuracy of the drugs.

Core Healthcare is committed to identifying and acquiring potential new drugs and potential drugs distribution network in China. The successful strategic alliances with Town Health and HK Health Check have allowed Core Healthcare to achieve operational and managerial synergies. We look forward to continuing working with our strategic partners and venturing into the China pharmaceutical market which has enormous potential.

Develop New Drugs to Deliver Significant Value

During the Year, the establishment of a joint venture with Xizang Rhodiola Pharmaceutical Co., Ltd. ("Xizang Medicine") (Shanghai Stock Exchange: 600211) to develop new drugs in the China in February 2008 was a groundbreaking news for the Group. Core Healthcare will hold 51% of the joint venture with an investment of approximately RMB 200 million. The co-operation is in line with the overall strategy of the Group.

There are strategic advantages associated with the production of the new drug, such as allowing the Group to identify a direct distribution and marketing arm for our range of products and the provision of a strong brand name in China. Core Healthcare is focused on the growth of this exciting business by acquiring other new drugs. The management team is confident of the promising returns from the investment.

I would like to express my appreciation and gratitude to our management and working team for the excellent job they have done in the past year. Not only did the team successfully manage a growing business, it has also made unprecedented progress on the Group's business development thanks to its expertise, skills and capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the year ended 30 June 2008, the Group recorded a turnover of approximately HK$1,597,000, representing an increase of 23.05% compared with that of the last financial year. The increase in turnover was mainly attributable to the increased provision of diagnostic testing services and sales of health food and pharmaceutical products.

Gross profit for the year ended 30 June 2008 was approximately HK$629,000, representing an increase of 198.93% compared with that of the last financial year.

Basic loss per share was approximately 5.356 HK cents, compared with basic earnings per share of approximately 0.223 HK cents in the last financial year. The reason was mainly attributable to losses in the valuation of convertible bonds issued by the Company in January 2008 and in the Group's securities investment caused by the downturn in the Hong Kong's stock market.

A net loss of approximately HK$360,925,000 was recorded for the year (2007: a net profit of approximately HK$8,396,000). In view of the Group's active development of its core businesses and potential acquisitions and expansion, the Board does not recommend the payment of dividend for the year ended 30 June 2008.

Business review

The Group has recorded a 22.71% increase in turnover for carcinoma diagnosis and testing service during the year. Sales of healthcare products jumped to approximately HK$188,000, representing an increase of 25.60% compared with the same period last year. Gross profit increased 198.93% to approximately HK$629,000.

In February 2008, Core Healthcare entered into a co-operation agreement with Xizang Medicine involving the development of new drugs. Core Healthcare agreed to invest approximately RMB200 million (equivalent to approximately HK$217.4 million) by way of capital injection for a 51% interest in the joint venture.

Business review *(Continued)*

Despite the growth of the Group's core medical and healthcare businesses, a downturn in Hong Kong's stock market since the last quarter of 2007 led to a net loss recorded for the year. Loss related to securities investment accounted for approximately HK$15,256,000. However, we managed to minimize the loss by taking a more conservative investment strategy and reducing our exposure in the second half of the financial year under review.

Since 9 September 2008 which was the final closing date of a voluntary conditional securities exchange offer made by HK Health Check to acquire all issued shares of the Company (other than those already held by HK Health Check and parties acting in concert with it), HK Health Check became the holding company of the Company. As at the date of this announcement, HK Health Check and parties acting in concert with it together held about 64.57% of the issued share capital of the Company.

Prospects

Enormous Potential of China's Healthcare and Pharmaceutical Market

The Board believes that China's healthcare and pharmaceutical market presents substantial opportunities for the Group's forward movement. Core Healthcare is laying the foundation for growth and has synergies with its largest shareholders, Town Health and HK Health Check. Core Healthcare is devoted to offering expertise, skills and capabilities on medical and healthcare consultancy services.

China's 1.3 billion people represent a significant untapped opportunity in the healthcare and pharmaceutical market. The potential in the burgeoning pharmaceutical market is mainly driven by the increasing number of health-conscious citizens as well as their higher demand for quality life in China.

A global research institution, IMS, forecasted that by 2020, China would become the third largest drug-consuming country. Based on the per capita healthcare expenditure/GDP figures, it was forecasted that by 2015, China's healthcare market would reach RMB3.8 trillion and China's drug market would be RMB1.1 trillion. It is anticipated that the China pharmaceutical market would expand by 18% to RMB 780 billion in 2008.

Moreover, China has made a considerable progress towards an improved standard of living for its population, including better health and improvement of public health services. The Central Government will allocate RMB83.2 billion (approximately US$11.7 billion) to support the medical reform in 2008. It is anticipated that the reform will greatly change the development and delivery of new drugs. The introduction of health insurance, hospital reforms, and changes in payment systems will also transform the current model of pharmaceutical manufacturing and distribution. Core Healthcare will seize the investment opportunity and strengthen its new drug portfolio in China.

Prospects *(Continued)*

Capitalizing on the cooperation with Xizang Medicine, the new drug will bring revenue to the Group upon the completion of the capital injection which is subject to the fulfillment of the conditions stated in the circular dated 13 March 2008. In addition, the Group will continue to identify potential acquisition targets for new drugs and drugs distribution network in the China to capture the burgeoning potential of the healthcare and pharmaceutical market.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2008, the Group held cash and bank balances of approximately HK$179,460,000 (2007: approximately HK$4,122,000). Net current liabilities amounted to approximately HK$265,488,000 (2007: net current assets approximately HK$34,799,000). Current ratio (defined as total current assets divided by total current liabilities) was approximately 0.46 times (2007: approximately 13.71 times).

The Group had no bank borrowing as at 30 June 2008 (2007: Nil).

COMPETING INTERESTS

None of the Directors or the management shareholders or controlling shareholders of the Company (as defined in the GEM Listing Rules) have any interest in a business which competes or may compete with the business of the Group during the year.

CAPITAL STRUCTURE

As at 30 June 2008, capital deficiency attributable to shareholders was approximately HK$262,958,000 (2007: total equity approximately HK$38,055,000).

Most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars. As at 30 June 2008, the Group had no significant exposure to foreign exchange and interest rate risks.

CAPITAL COMMITMENT

On 18 February 2008, the Company entered into a co-operation agreement with Xizang Medicine whereby the Company agreed in principle to co-operate with Xizang Medicine to undertake the Class 1 New Drug Business, through a joint venture to be established and owned as to 51% and 49% by the Company and Xizang Medicine respectively. The Company agreed to invest an aggregate of RMB200 million approximately (equivalent to approximately HK$217.4 million), in the form of registered capital, into the joint venture. Details of the above were set out in the Company's circular dated 13 March 2008 (2007: Nil).

Directors have reviewed the status of this transaction and considered the date of completion is uncertain as the set up procedures are still under negotiation.

As of 30 June 2008, pursuant to the terms of the co-operating agreement, the Company has paid a deposit of RMB20,000,000 (equivalent to approximately HK$21,900,000), and included in the note 10 of this announcement.

EMPLOYEE INFORMATION

As at 30 June 2008, there were approximately 8 staff members (2007: 10) employed by the Group.

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 9 September 2008, being the final closing date of a voluntary conditional securities exchange offer (the "Offer") made by Kingston Securities Limited ("Kingston") on behalf of HK Health Check to acquire all of the issued shares of the Company (other than those already owned by HK Health Check and parties acting in concert with it (except for Mrs. Chu, the controlling shareholder of Kingston)), the Offer was closed and based on the valid acceptances received under the Offer, HK Heath Check became the holding company of the Company. Details of the above are set out in the Company's announcement dated 9 September 2008.

CONTINGENT LIABILITIES

As at 30 June 2008, 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.

AUDIT COMMITTEE *(Continued)*

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 2008.

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 2008, except for the following deviation:

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. Mr. Lui Chi Wah, Johnny ("Mr. Lui") was appointed as chairman and chief executive officer of the Company since 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.

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

Hong Kong, 23 September 2008

As at the date of this announcement, the executive Directors are Mr. Lui Chi Wah, Johnny, Dr. Hui Ka Wah Ronnie, JP 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.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at http://www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at http://www.corehealth.com.hk.