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 2009

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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 the 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, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

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.

* *For identification purpose only*

FINANCIAL HIGHLIGHTS

For the year ended 30 June 2009:

- The Group recorded a turnover of approximately HK$4,890,000 (2008: HK$1,597,000).
- Net profit attributable to equity holders of the Company amounted to approximately HK$312,419,000 while a net loss of approximately HK$360,925,000 was recorded for the year ended 30 June 2008. The profit is mainly due to a gain on early redemption of convertible bonds issued by the Company of approximately HK$338,810,000 as recorded in 2009.
- The board of Directors does not recommend the payment of any dividend.

FINANCIAL RESULTS

The board of Directors (the "Board") of the Company 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 2009 together with the comparative figures for the year ended 30 June 2008 as follows:

Consolidated income statement
For the year ended 30 June 2009

	Note	**2009** *HK$*	2008 *HK$*
Turnover	*4*	**4,889,627**	1,597,086
Cost of sales and services		**(3,148,045)**	(968,459)
Gross profit		**1,741,582**	628,627
Other income	*6*	**2,727,395**	4,247,160
Gain on early redemption of convertible bonds		**338,810,331**	–
Selling and distribution expenses		**(62,766)**	(121,380)
Administrative expenses		**(11,794,512)**	(8,114,649)
Other operating expenses		**(5,616,699)**	(1,609,551)
Net loss of financial assets at fair value through profit or loss (held for trading)		**(10,210,574)**	(15,256,370)
Impairment losses of goodwill		**(3,050,800)**	–
Fair value loss of convertible bonds		**–**	(340,548,687)
Profit/(loss) before tax		**312,543,957**	(360,774,850)
Income tax expense	*7*	**(125,001)**	(150,000)
Profit/(loss) for the year attributable to equity holders of the Company	*8*	**312,418,956**	(360,924,850)
Dividends	*9*	**–**	–
			(restated)
Earnings/(loss) per share	*10*		
– basic		**0.414**	(0.536)
– diluted		**(0.020)**	N/A

Consolidated balance sheet
As at 30 June 2009

	Note	2009 HK$	2008 HK$
Non-current assets			
Intangible assets		–	–
Property, plant and equipment		**1,907,730**	2,529,766
		1,907,730	2,529,766
Current assets			
Inventories		–	51,580
Trade and other receivables	*11*	**11,467,771**	23,759,566
Financial assets at fair value through profit or loss		**25,436,887**	24,390,311
Cash and bank balances		**52,926,051**	179,459,840
		89,830,709	227,661,297
Current liabilities			
Trade and other payables	*12*	**1,883,786**	1,059,750
Convertible bonds		–	490,548,687
Current tax liabilities		–	1,541,000
		1,883,786	493,149,437
Net current assets/(liabilities)		**87,946,923**	(265,488,140)
NET ASSETS/(LIABILITIES)		**89,854,653**	(262,958,374)
Capital and reserves			
Share capital		**8,836,745**	7,381,745
Reserves		**81,017,908**	(270,340,119)
TOTAL EQUITY/(CAPITAL DEFICIENCY)		**89,854,653**	(262,958,374)

Consolidated statement of changes in equity

For the year ended 30 June 2009

		Reserves				
	Share capital	Share premium	Share option reserves	Accumulated losses	Sub-total of reserves	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Balance at 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 shares options	211,945	3,559,747	–	–	3,559,747	3,771,692
Recognition of share-based payments	–	–	837,295	–	837,295	837,295
Transfer of reserve upon exercise of share options	–	1,700,386	(1,700,386)	–	–	–
	3,555,825	57,218,364	(863,091)	–	56,355,273	59,911,098
Balance at 30 June 2008 and 1 July 2008	7,381,745	104,171,352	837,295	(375,348,766)	(270,340,119)	(262,958,374)
Profit and total recognised income and expense for the year	–	–	–	312,418,956	312,418,956	312,418,956
Issue of shares upon placements	1,200,000	27,891,995	–	–	27,891,995	29,091,995
Issue of shares upon exercise of share options	255,000	7,905,000	–	–	7,905,000	8,160,000
Recognition of share-based payments	–	–	3,142,076	–	3,142,076	3,142,076
Transfer of reserve upon exercise of share options	–	3,142,076	(3,142,076)	–	–	–
	1,455,000	38,939,071	–	–	38,939,071	40,394,071
Balance at 30 June 2009	8,836,745	143,110,423	837,295	(62,929,810)	81,017,908	89,854,653

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 Hong Kong Financial Reporting Standards ("HKFRSs"), issued by the Hong Kong Institute of Certified Public Accountants, 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 HKFRSs that are relevant to its operations and effective for its accounting year beginning on 1 July 2008. 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 and healthcare services, advertising and public relationship services and sales of health food and pharmaceutical products. An analysis of the Group's turnover for the year is as follows:

	2009	2008
	HK$	HK$
Provision of diagnostic testing and healthcare services	**2,209,898**	1,408,771
Provision of advertising and public relationship services	**2,581,665**	–
Sales of health food and pharmaceutical products	**98,064**	188,315
	4,889,627	1,597,086

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

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

- Provision of diagnostic testing and healthcare 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.
- Provision of advertising and public relationship services — Provision of design, promotion, advertising and public relationship services.

(a) Business segments (Continued)

Year ended 30 June 2009

	Provision of diagnosis testing and healthcare services *HK$*	Sales of health food and phar-maceutical products *HK$*	Research and development *HK$*	Provision of advertising and public relationship services *HK$*	Total *HK$*
TURNOVER	2,209,898	98,064	–	2,581,665	4,889,627
RESULTS					
Segment results	(11,456,882)	(3,368,428)	(540,892)	(492,658)	(15,858,860)
Unallocated income					2,719,366
Unallocated corporate expenses					(2,916,306)
Net loss of financial assets at fair value through profit or loss (held for trading)					(10,210,574)
Gain on early redemption of convertible bonds					338,810,331
Profit before tax					312,543,957

As at 30 June 2009

	Provision of diagnosis testing and healthcare services *HK$*	Sales of health food and phar-maceutical products *HK$*	Research and development *HK$*	Provision of advertising and public relationship services *HK$*	Total *HK$*
ASSETS					
Segment assets	23,247,267	92,084	13,915	1,619,508	24,972,774
Unallocated assets					66,765,665
Total assets					91,738,439
LIABILITIES					
Segment liabilities	206,560	34,075	14,480	986,087	1,241,202
Unallocated liabilities					642,584
Total liabilities					1,883,786
OTHER INFORMATION					
Capital expenditure	50,185	–	–	310,613	360,798
Depreciation of property, plant and equipment	685,911	61,361	–	84,082	831,354
Impairment losses of goodwill	50,800	3,000,000	–	–	3,050,800
Write-off of inventories	–	16,661	–	–	16,661

(a) Business segments (Continued)

Year ended 30 June 2008

	Provision of diagnosis testing and healthcare 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)
Unallocated 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

(b) Geographical segments

The revenue and results, assets and liabilities of the Group for the years ended 30 June 2008 and 2009 are derived wholly from customers located in one geographical market, namely Hong Kong.

6. OTHER INCOME

	2009	2008
	HK$	*HK$*
Interest income	**2,408,457**	3,109,733
Dividend income from listed investments	**246,362**	292,989
Sundry income	**72,576**	844,438
	2,727,395	4,247,160

7. INCOME TAX EXPENSE

	2009	2008
	HK$	*HK$*
Current tax – Hong Kong Profits Tax		
Under-provision in prior years	**125,001**	150,000

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the years ended 30 June 2008 and 2009.

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

Profit/(loss) for the year attributable to equity holders of the Company has been arrived at after charging/(crediting):

	2009	2008
	HK$	*HK$*
Auditor's remuneration		
Current year	**268,000**	385,000
Over-provision in prior years	**(87,000)**	–
	181,000	385,000
Cost of inventories sold	**106,424**	165,906
Depreciation	**831,354**	780,431
Exchange losses	**3**	199,203
Loss on disposal of property, plant and equipment	**–**	84,297
Operating leases in respect of		
Office premises	**337,968**	318,000
Retail shop	**201,600**	201,600
	539,568	519,600
Share-based payment expenses included in other operating expenses	**2,094,706**	837,295
Staff costs		
Directors' emoluments	**2,814,824**	1,391,580
Other staff's retirement scheme contributions	**112,599**	50,851
Other staff's salaries and allowances	**3,221,816**	1,472,424
Share-based payment expenses	**1,047,370**	–
Other welfares	**26,916**	29,547
	7,223,525	2,944,402
Impairment losses of goodwill arising on acquisitions	**3,050,800**	–
Write-off of property, plant and equipment included in other operating expenses	**53,179**	–
Write-off of inventories included in cost of inventories sold	**16,661**	23,984

9. DIVIDENDS

No dividend has been paid or declared by the Company for the year (2008: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the earnings for the year attributable to the equity holders of the Company of HK$312,418,956 (2008: loss of HK$360,924,850) and on the weighted average number of ordinary shares of 755,611,449 (2008: 673,856,899, as restated) in issue during the year.

The calculation of diluted loss per share attributable to equity holders of the Company for the year ended 30 June 2009 is based on the adjusted loss for the year attributable to equity holders of the Company of HK$26,391,375 and the adjusted weighted average number of ordinary shares of 1,346,094,506. The calculation of the adjusted weighted average number of ordinary shares is based on the weighted average number of share used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 590,483,057 that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares at the beginning of the year. The profit for the year attributable to equity holders of the Company is adjusted to eliminate the gain on early redemption of convertible bonds.

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

The weighted average number of ordinary shares for the purpose of the basic and diluted earnings/(loss) per share for the years ended 30 June 2008 and 2009 have been adjusted for the Company's share consolidation with effective from 6 August 2009 as set out in the financial statements.

11. TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$	*HK$*
Trade receivables	**1,375,132**	414,353
Payment for shares in initial public offerings	**9,616,057**	–
Receivables arising from dealing in listed securities	**46,215**	988,006
Deposits paid	**42,428**	22,063,958
Prepayments	**236,173**	143,750
Other receivables	**151,766**	149,499
	11,467,771	23,759,566

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

	2009	2008
	HK$	*HK$*
0 – 30 days	**950,008**	244,675
31 – 60 days	**174,060**	70,450
61 – 90 days	**106,560**	25,690
> 90 days	**144,504**	73,538
	1,375,132	414,353

11. TRADE AND OTHER RECEIVABLES (Continued)

As at 30 June 2009, trade receivables of HK$425,124 (2008: HK$169,678) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. An ageing analysis of these trade receivables is as follows:

	2009	2008
	HK$	*HK$*
Up to 3 months	**281,120**	101,030
3 to 6 months	**24,240**	17,780
Over 6 months	**119,764**	50,868
	425,124	169,678

12. TRADE AND OTHER PAYABLES

	2009	2008
	HK$	*HK$*
Trade payables	**1,077,182**	198,568
Other payables and accrued charges	**806,604**	861,182
	1,883,786	1,059,750

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

	2009	2008
	HK$	*HK$*
0 – 30 days	**777,900**	35,837
31 – 60 days	**179,400**	–
61 – 90 days	**35,670**	–
> 90 days	**84,212**	162,731
	1,077,182	198,568

CHAIRMAN'S STATEMENT

BUSINESS REVIEW

In fourth quarter of 2008, the world was hit and shocked by a financial crisis that posed a lot of uncertainties and adversities to the global economic environment. It is because the medical and healthcare services industry is relatively immune to the economic downturn, we could maintain a satisfactory performance in our carcinoma diagnosis and testing services. The Group recorded a turnover from our core diagnostic testing and healthcare services of approximately HK$2,210,000 for the year (2008: HK$1,409,000).

During the year, we have evaluated our retail business as competition, economic climate and its economy of scale could not justify the continuity of the business. The Group closed down our health products retail outlet in the first quarter of 2009 and redirect our liquidity and human resources into the healthcare and pharmaceutical businesses.

As reported in our third quarterly report, the freeing up of our capital commitment due to our termination agreement with Xizang Phodiola Pharmaceutical Co., Ltd., the Group had early redeemed all outstanding convertible bonds in the principal amount of HK$150 million in 2009 and thus reduced our debt gearing ratio.

In May 2009, a top-up placing of 120,000,000 existing shares of the Company and top-up subscription of up to 120,000,000 top-up subscription share were successfully completed. The Company intends to use the net proceeds of approximately HK$29 million from the top-up subscription for its general working capital and potential acquisitions of pharmaceutical companies in the future when opportunities arise. The number of shares have been adjusted according to the share consolidation with effective from 6 August 2009.

OUTLOOK

At present, the Hong Kong economy is recovering from the global economic turmoil of last year. The economic stimulus packages and measures taken by the world governments gradually took effect and the financial and investment climate has vastly improved. Therefore, the Group remains optimistic about China's healthcare and pharmaceutical markets in the long run. We will continue to grow our core-competent carcinoma diagnosing and testing services, however, a stronger growth will hinge on acquisition of new businesses. Health-care and pharmaceutical players both in the China and Hong Kong will continue to be our acquisition target as the pharmaceutical markets are huge and full of business opportunities.

For the future one year, the Group will invest in the R&D work for developing new pharmaceutical products in China so as to tap the vast business opportunities of China's pharmaceutical market. Also, the Group will develop a new line of business in China which will provide consultancy services for assisting other pharmaceutical manufacturers in their application for new drug licenses in China. As the application and approval processes of new drug licenses in China are complicated and require much technical expertise and administrative experience, this will be a huge market that could generate substantial return for the Group in the future. The Group will invest in resources to build a team of expertise to start this new line of consultancy services in the coming one year.

In addition, in order to optimally utilize its surplus resources and earn a reasonable investment return, we will enhance its treasury function and expand its portfolio investments in both listed and unlisted securities. The Group will continue to prudently and effectively manage its financial resources to bring more value to its shareholders.

I would like to take this opportunity to express my sincere appreciation and gratitude to all shareholders and investors for their continuous support and confidence in the Group; our valuable customers, suppliers and business associates for their support and services; and management and employees for their commitment and dedication in carrying out their duties and responsibilities diligently.

FINANCIAL REVIEW

For the year ended 30 June 2009, the Group recorded a turnover of approximately HK$4,890,000, representing an increase of 206.16% compared with that of the corresponding period in 2008.

Gross profit for the year under review was approximately HK$1,742,000, representing an increase of 177.05% compared with that of last financial year.

Basic earnings per share was approximately HK$0.414, compared with the basic loss per share of approximately HK$0.536 (restated) in the last financial year. The reason was mainly attributable to a gain on early redemption of convertible bonds during the year ended 30 June 2009.

Net profit attributable to the equity holders of the Company for the year ended 30 June 2009 was approximately HK$312,419,000 (2008: Loss of approximately HK$360,925,000).

In view of the Group's active development of its core businesses and seeking for potential acquisitions or expansion, the Board does not recommend the payment of final dividend for the year ended 30 June 2009.

REVIEW OF OPERATIONS

For the year ended 30 June 2009, the Group's provision of its core diagnostic testing and healthcare services achieved sound results. Turnover increased by 56.87% to approximately HK$2,210,000.

As the recessionary pressure of Hong Kong's economy ran deeper in 2008, the Group closed down our health products retail outlet in March 2009 and redirect our liquidity and human resources into the healthcare and pharmaceutical businesses.

Despite the growth of the Group's core healthcare business, the investments held for trading recorded a loss of approximately HK$10,211,000 during the year under review, representing a decrease of 33.07% compared with a loss of approximately HK$15,256,000 in the last financial year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2009, the Group held cash and bank balances of approximately HK$52,926,000 (2008: HK$179,460,000). Net current assets amounted to approximately HK$87,947,000 (2008: net current liabilities of approximately HK$265,488,000). Current ratio (defined as total current assets divided by total current liabilities) was approximately 47.69 times (2008: 0.46 times).

The Group had no bank borrowing as at 30 June 2009 (2008: 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 2009, total equity attributable to shareholders was approximately HK$89,855,000 (2008: capital deficiency of approximately HK$262,958,000).

Most of the trading transactions, assets and liabilities of the Group were denominated in Hong Kong dollars. As at 30 June 2009, the Group had no significant exposure to foreign exchange and interest rate risks.

CAPITAL COMMITMENT

As at 30 June 2009, the Group and the Company had no significant capital commitment.

EMPLOYEE INFORMATION

As at 30 June 2009, there were approximately 13 staff members (2008: 8) employed by the Group.

The Group remunerates its employees mainly based on industry practices and their respective educational background, experience and performance. On top of the regular remuneration and discretionary bonus, share options may be granted to selected employee by reference to the Group's performance as well as individual's performance. In addition, each employee enjoys mandatory provident fund, medical allowance and other fringe benefits.

POST BALANCE SHEET EVENTS

(1) Subsequent to the balance sheet date, the Company proposed to implement the share consolidation on the basis that every ten issued and unissued shares of HK$0.001 each in the share capital of the Company will be consolidated into one consolidated share of HK$0.01 each ("Share Consolidation"). The ordinary resolution approving the Share Consolidation was duly passed by the shareholders of the Company at the extraordinary general meeting held on 5 August 2009 and the Share Consolidation became effective on 6 August 2009.

(2) On 9 July 2009 and 14 August 2009, the Board approved to grant 42,500,000 and 92,600,000 share options. Each option gives the eligible participants the right to subscribe for one ordinary share of the Company. The number of options granted have been adjusted according to the Share Consolidation.

CONTINGENT LIABILITIES

As at 30 June 2009, 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 audit committee since his appointment on 13 September 2006. The audit committee has met four times during the year.

The audit committee members have reviewed the Group's annual results for the year ended 30 June 2009.

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 2009, 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. Dr. Hui Ka Wah, Ronnie, JP ("Dr. Hui") was appointed as chairman and chief executive officer of the Company since 16 January 2009. Taking into account the size of operation of the Group, the Board 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 Dr. Hui 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
Hui Ka Wah, Ronnie
Chairman

Hong Kong, 24 September 2009

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