



Core Healthcare Investment Holdings Ltd

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)

2006/2007

Interim Report

For the six months ended 31 December 2006

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at <http://www.hkgem.com> in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, 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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

FINANCIAL HIGHLIGHTS**For the six months ended 31 December 2006:**

- The Group recorded a turnover of approximately HK\$607,000 which was similar to the corresponding period in 2005.
- Profit attributable to equity holders of the Company amounted to approximately HK\$11,096,000 (2005: loss approximately HK\$2,143,000).

As at 31 December 2006:

- The Group held cash and bank balances of approximately HK\$11,014,000 (30 June 2006 – HK\$18,039,000) and highly liquid financial assets and investments of approximately HK\$25,010,000 (30 June 2006 – HK\$7,399,000). Net current assets amounted to approximately HK\$36,299,000 (30 June 2006 – HK\$25,442,000).
- The Group recorded a net asset value of approximately HK\$39,023,000 ((30 June 2006 – approximately HK\$27,864,000).

The Directors do not recommend the payment of any dividend for the six months ended 31 December 2006 (2005: Nil).

INTERIM RESULTS (UNAUDITED)

The board of Directors (the "Board") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three and six months ended 31 December 2006, together with the comparative unaudited figures for the corresponding period in 2005, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended 31 December		Six months ended 31 December	
		2006 (Unaudited) HK\$	2005 (Unaudited) HK\$	2006 (Unaudited) HK\$	2005 (Unaudited) HK\$
Notes					
Turnover	2	293,993	288,130	607,034	601,209
Cost of sales		(215,328)	(220,657)	(437,428)	(495,331)
		78,665	67,473	169,606	105,878
Other revenue	4	13,874,893	237,509	14,325,751	597,746
		13,953,558	304,982	14,495,357	703,624
Selling and distribution expenses		(92,080)	(19,100)	(126,608)	(47,309)
Administration expenses		(2,161,093)	(917,768)	(3,039,093)	(2,079,171)
Other operating expenses		(107,869)	(326,515)	(233,631)	(720,289)
Profit/(Loss) before taxation		11,592,516	(958,401)	11,096,025	(2,143,145)
Taxation	5	-	-	-	-
Profit/(Loss) attributable to shareholders		11,592,516	(958,401)	11,096,025	(2,143,145)
Earning/(Loss) per share					
- basic	6	3.10 cents	(0.26) cents	2.97 cents	(0.57) cents
Earning/(Loss) per share - diluted	6	3.09 cents	N/A	2.96 cents	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

		31 December 2006 (Unaudited) HK\$	30 June 2006 (Audited) HK\$
	<i>Notes</i>		
Non-current assets			
Plant and equipment		2,723,483	2,421,980
Current assets			
Inventories		134,653	44,846
Trade and other receivables	7	2,140,634	612,568
Financial assets at fair value through profit or loss		–	7,398,530
Investments held for trading		25,010,349	–
Cash and bank balances		11,014,321	18,038,807
		38,299,957	26,094,751
Less: Current liabilities			
Trade and other payables	8	2,000,619	652,935
Net current assets		36,299,338	25,441,816
Net assets		39,022,821	27,863,796
Capital and reserves			
Share capital		3,741,920	3,735,920
Reserves		35,280,901	24,127,876
Total equity		39,022,821	27,863,796

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 31 December	
	2006 (Unaudited) HK\$	2005 (Unaudited) HK\$
Net cash used in operating activities	(3,361,598)	(1,663,325)
Net cash used in investing activities	(3,725,888)	(630,341)
Net cash generated from/(used in) financing activities	63,000	(1,478,406)
Net decrease in cash and cash equivalents	(7,024,486)	(3,772,072)
Cash and cash equivalents at beginning of period	18,038,807	24,862,719
Cash and cash equivalents at end of period	11,014,321	21,090,647
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	11,014,321	21,090,647

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

For the six months ended 31 December 2006 are as follows:

	Issued capital HK\$	Reserves			Sub-total of reserves HK\$	Total HK\$
		Share premium HK\$	Share option reserve HK\$	Accumulated losses HK\$		
Balance at 1 July 2006 (Audited)	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 option	6,000	57,000	-	-	57,000	63,000
Transfer of reserves upon exercise of share option	-	57,128	(57,128)	-	-	-
Profit for the period	-	-	-	11,096,025	11,096,025	11,096,025
Balance at 31 December 2006 (Unaudited)	3,741,920	45,358,766	1,862,198	(11,940,063)	35,280,901	39,022,821

For the six months ended 31 December 2005 are as follows:

	Issued capital HK\$	Reserves			Sub-total of reserves HK\$	Total HK\$
		Share premium HK\$	Share option reserve HK\$	Accumulated losses HK\$		
Balance at 1 July 2005 (Audited)	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 payment	-	-	138,856	-	138,856	138,856
Loss for the period	-	-	-	(2,143,145)	(2,143,145)	(2,143,145)
Balance at 31 December 2005 (Unaudited)	3,735,920	45,244,638	138,856	(15,608,773)	29,774,721	33,510,641

Notes:

1. General

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

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

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair value.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM Board of the Stock Exchange and by the Hong Kong Companies Ordinance.

2. Turnover

The Group is principally engaged in sales of diagnostic testing services and products and sales of health food and pharmaceutical products. During the period, all of the Group's businesses were carried out in Hong Kong.

	Three months ended 31 December		Six months ended 31 December	
	2006 HK\$	2005 HK\$	2006 HK\$	2005 HK\$
Sales of diagnostic testing services and products				
Related parties	400	3,375	400	10,520
Third parties	272,725	284,755	585,766	590,689
	273,125	288,130	586,166	601,209
Others	20,868	–	20,868	–
	293,993	288,130	607,034	601,209

3. Segment information

Segment information is provided as follows:

Business activities

Sales of diagnostic testing services and products

Sales of health food and pharmaceutical products

Research and development

Principal activities

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 through retail shop

Research and development relating to diagnosis of cancer and certain other illnesses

(a) By business activities

	Sale of diagnostic testing services		Others		Research and development		Total	
	2006 HK\$	2005 HK\$	2006 HK\$	2005 HK\$	2006 HK\$	2005 HK\$	2006 HK\$	2005 HK\$
	For the six months ended 31 December							
REVENUE								
External sales	586,166	601,209	20,868	-	-	-	607,034	601,209
RESULTS								
Segment results	(1,017,289)	(1,609,612)	(449,299)	-	(86,465)	(839,491)	(1,553,053)	(2,449,103)
Fair value adjustment on investments held for trading							13,707,460	-
Unallocated corporate expenses							(1,673,133)	-
CONTRIBUTION TO PROFIT/(LOSS) FROM OPERATIONS							10,481,274	(2,449,103)
Interest income							502,328	483,800
Unrealised holding loss of financial assets at fair value							-	(177,842)
Gain on disposal of financial assets at fair value							112,423	-
Profit/(Loss) before taxation							11,096,025	(2,143,145)
Taxation							-	-
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							11,096,025	(2,143,145)
OTHER INFORMATION								
Capital expenditure	279,000	1,135,634	157,280	-	-	86,507	436,280	1,222,141
Depreciation and amortisation	67,150	458,978	4,207	-	-	-	71,357	458,978

(b) By geographical location

The revenue and results of the Group for the six months ended 31 December 2005 and 2006 are wholly derived from customers located in one geographical market, namely Hong Kong.

4. Other revenue and gains

	Three months ended 31 December		Six months ended 31 December	
	2006 HK\$	2005 HK\$	2006 HK\$	2005 HK\$
Other revenue				
Interest income	165,693	229,696	502,328	483,800
Handling charges received	1,740	7,350	3,540	8,750
Sundry income	–	463	–	463
	167,433	237,509	505,868	493,013
Gains				
Fair value adjustment on investments held for trading	13,707,460	–	13,707,460	–
Gain on disposal of financial assets at fair value through profit or loss	–	–	112,423	–
Gain on disposal of property, plant and equipment	–	–	–	104,733
	13,707,460	–	13,819,883	104,733
	13,874,893	237,509	14,325,751	597,746

5. Taxation

No provision for Hong Kong profits tax is required since the Group has no assessable profits for the six months ended 31 December 2006 (2005: Nil).

There was no material unprovided deferred taxation for the six months ended 31 December 2006 (2005: Nil).

6. Earnings/(Loss) per share

The calculation of the basic earning/(loss) per share is based on the unaudited profit/(loss) for the three months ended 31 December 2006 attributable to the equity holders of the Company of HK\$11,592,516 (2005: loss of HK\$958,401) and on the weighted average number of ordinary shares of 374,068,087 (2005: 372,589,913) in issue during the period.

The calculation of the basic earning/(loss) per share is based on the unaudited profit/(loss) for the six months ended 31 December 2006 attributable to the equity holders of the Company of HK\$11,096,025 (2005: loss of HK\$2,143,145) and on the weighted average number of ordinary shares of 373,830,043 (2005: 378,333,370) in issue during the period.

The calculation of the diluted earning per share is based on the unaudited profit for the three months ended 31 December 2006 attributable to the equity holders of the Company of HK\$11,592,516 and 375,049,068 shares, being the weighted average number of shares outstanding during the period and adjusted for the effects of share options granted.

The calculation of the diluted earning per share is based on the unaudited profit for the six months ended 31 December 2006 attributable to the equity holders of the Company of HK\$11,096,025 and 374,839,029 shares, being the weighted average number of shares outstanding during the period and adjusted for the effects of share options granted.

The computation of diluted loss per share for the three and six months ended 31 December 2005 has not been presented because the assumed exercises of share options, which were outstanding during the periods, had anti-dilutive effects on the basic loss per share.

7. Trade and other receivables

	31 December 2006 HK\$	30 June 2006 HK\$
Trade receivables	126,962	144,829
Prepayments, deposits and other receivables	2,013,672	467,739
	2,140,634	612,568

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

	31 December 2006 HK\$	30 June 2006 HK\$
0 – 30 days	64,050	104,883
31 – 60 days	53,550	29,935
61 – 90 days	6,700	9,281
Over 90 days	2,662	730
	126,962	144,829

8. Trade and other payables

	31 December 2006 HK\$	30 June 2006 HK\$
Trade payables	8,650	–
Accruals and other payables	1,991,969	652,935
	2,000,619	652,935

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

	31 December 2006 HK\$	30 June 2006 HK\$
0 – 30 days	8,650	–

INTERIM DIVIDEND

The Directors do not recommend the payment of any dividend for the six months ended 31 December 2006 (2005: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results and dividends

For the three months ended 31 December 2006 the Group recorded profit attributable to shareholders was approximately HK\$11,593,000, which is the first profitable quarter ever recorded by the Group since its listing in 2004.

Since the Group's management reshuffle back in August last year, its operation managed to make a profit after short 5 months' running by the new management, demonstrating that the management has strategically steered the Group's new business development to a promising direction. Since October last year, the Group has invested its available cash in hand for securities investment, mainly in Hong Kong's securities market. During the period Hang Seng Index had risen about 13% while the Group's investment return nearly reached 1.4 times of the fund invested, booking a profit as much as HK\$13,707,000 in securities investment.

In aspect of business operation, cancer diagnostic testing service continues to be the Group's core business. During the quarter under review the Group's business performance appeared to be stable. The Group also intends to develop stomach cancer diagnostic testing service in Japan through intermediaries, which is however preliminary. On the Group's new business, the sales of medical and healthcare products, the first healthcare products retailing store, namely Town Health Place, began its operation in December last year. Initial business performance was satisfactory and it is therefore believed that the store can achieve breakeven within a short time frame.

In order to expedite its pace of business development in selling medical products in China, the Group has since 12 January this year promoted Mr. Wu Kai as the Group's vice-chairman responsible for business exploration and development in Mainland China. On the other hand, Mr. Lui Chi Wah, Johnny, the Group's chairman will focus on business development in Hong Kong. It is hoped that this separation of responsibilities can drive the Group's business to a further high.

Future prospects

Under the new management the Group has excelled in its performance. In addition to its cancer diagnostic testing services, the Group will actively pursue the healthcare product sales service. It is expected that eight to ten healthcare product chain stores will open within this year. And the Group for further development may consider acquiring healthcare product businesses of good potential. As to the domestic sales of medical and healthcare products in Mainland China, it is still in its planning stage.

Looking forward for the year 2007 on investment management, global economy will continue to grow steadily and the general investment climate remains robust. Hong Kong's stock market, continuing from last year's bull market, is poised to be bullish this year. As a result, the investment market is full of opportunities. Leveraging on the management's expertise and experience in investment management, it is anticipated that securities investment will continue to bring to the Group considerable income besides the Group's core business and medical healthcare business.

Financial review

The Group recorded a turnover of approximately HK\$607,000 for the six months ended 31 December 2006 which was similar to the corresponding period in the previous financial year.

Net profit of the Group for the period was amounted to approximately HK\$11,096,000 while net loss of the Group for the corresponding period in the previous year was amounted to approximately HK\$2,143,000. The profit is mainly due to the fair value adjustment on investments held for trading amounted to approximately HK\$13,707,000.

Liquidity and financial resources

As at 31 December 2006, the Group held cash and bank balances of approximately HK\$11,014,000 (30 June 2006 – HK\$18,039,000) and highly liquid financial assets and investments of approximately HK\$25,010,000 (30 June 2006 – HK\$7,399,000). Net current assets amounted to approximately HK\$36,299,000 (30 June 2006 – HK\$25,442,000).

CAPITAL STRUCTURE

As at 31 December 2006, the Group had shareholders' equity of approximately HK\$39,023,000 (30 June 2006 – approximately HK\$27,864,000).

Major currencies used for the Group's transactions are Hong Kong Dollars, Renminbi and US Dollars. As Hong Kong Dollars are pledged to the US Dollars and the fiscal policy of the Central Government of the People's Republic of China in relation to Renminbi is stable throughout the year, the Group considers that the potential foreign exchange exposure of the Group is limited.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2006, the interests of the Directors and the chief executive of the Company and their associates in the shares, underlying shares and convertible bonds of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of HK\$0.01 each of the Company:

Name of Directors	Number of shares held, capacity and nature of interests			Total	Percentage of the Company's issued share capital
	Directly beneficially owned	Through spouse	Through a controlled corporation		
Mr. Lui Chi Wah, Johnny	18,716,000	-	-	18,716,000	5.00%

Saved as disclosed above and share options granted to the Directors as disclosed under the paragraph headed "Share options" in this report, none of the Directors, the chief executive of the Company, nor their associates had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations as at 31 December 2006 as recorded in the register required to be kept by the Company under section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests or short position in the shares or underlying shares of the Company:

Long positions in ordinary shares of HK\$0.01 each of the Company:

Name of shareholders	Notes	Number of shares held, capacity and nature of interests			Total	Percentage of the Company's issued share capital
		Directly beneficially owned	Through spouse	Through a controlled corporation		
Mr. Lui Chi Wah, Johnny	1	18,716,000	-	-	18,716,000	5.00%
Spring Biotech Limited	2	32,895,524	-	-	32,895,524	8.79%
Town Health Bio-Medical Technology Limited	2	-	-	32,895,524	32,895,524	8.79%
Town Health International Holdings Company Limited ("Town Health")	2 & 3	-	-	32,895,524	32,895,524	8.79%
Broad Idea International Limited	3	-	-	32,895,524	32,895,524	8.79%
Dr. Cho Kwai Chee	3	-	-	32,895,524	32,895,524	8.79%
Dr. Francis Choi Chee Ming J.P.	3	-	-	32,895,524	32,895,524	8.79%
Dr. Yeung Wah Hin, Alex	4	2,368,454	33,170,370	-	35,538,824	9.50%
Mrs. Yeung Tsui Mai Ling, Margaret	5	33,170,370	2,368,454	-	35,538,824	9.50%
The Applied Research Council		46,596,000	-	-	46,596,000	12.45%

Notes:

1. Mr. Lui Chi Wah, Johnny is also Director of the Company.
2. Spring Biotech Limited is beneficially wholly owned by Town Health Bio-Medical Technology Limited which in turn beneficially wholly owned by Town Health.
3. Town Health is a company whose shares listed on GEM. As at the date of this report, Town Health is beneficially owned as to approximately 51.56% by Broad Idea International Limited and as to approximately 5% by Prudential Plc. Broad Idea International Limited is beneficially owned as to 50.1% by Dr. Cho Kwai Chee and as to 49.9% by Dr. Francis Choi Chee Ming JP. Mr. Cho Kam Luk (the father of Dr. Cho Kwai Chee), an executive Director who resigned on 2 August 2006, directly beneficially owns 0.03% of Town Health.
4. Under the SFO, Dr. Yeung Wah Hin, Alex (resigned as executive Director on 2 August 2006) will be deemed to be interested in the 33,170,370 shares, representing 8.87% of the issued share capital of the Company held by Mrs. Yeung Tsui Mai Ling, Margaret, his spouse.
5. Under the SFO, Mrs. Yeung Tsui Mai Ling, Margaret (resigned as executive Director on 2 August 2006) will be deemed to be interested in the 2,368,454 shares, representing 0.63% of the issued share capital of the Company held by Dr. Yeung Wah Hin, Alex, her spouse.

Saved as disclosed above and share options granted to Dr. Yeung Wah Hin, Alex, Mrs. Yeung Tsui Mai Ling, Margaret and Mr. Cho Kam Luk under the paragraph headed "Share options" in this report, the Company has not been notified by any person (other than Directors or chief executive of the Company) who had an interest or short positions in the shares or underlying shares of the Company as at 31 December 2006 as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTIONS

- Share option scheme (the "Share Option Scheme") was adopted by the then shareholders of the Company on 20 April 2004 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Board may, at its discretion, invite any employee, Directors, advisor, consultant, licensors, distributors, suppliers, agents, customers, joint venture partners, strategic partners and services providers of and/or to any member of the Group whom the Board considers in its sole discretion, to have contributed to the Group from time to time to take up options to subscribe for shares of the Company.

Movements of share options granted to the Directors under the Share Option Scheme for the six months ended 31 December 2006 are as follows:

Name of Director	Date of grant	Number of underlying shares in respect of which share options were granted			Outstanding at 31/12/2006	Exercise price HK\$
		Outstanding at 01/07/2006	Granted	Exercised		
Dr. Yeung Wah Hin, Alex	20/06/2005	2,222,222 ^(a & c)	-	-	2,222,222	0.225
	19/06/2006	1,000,000 ^(d & f)	-	-	1,000,000	0.105
Mr. Cheng Yan Tak, Angus Ronald	20/06/2005	669,711 ^(a & c)	-	-	669,711	0.225
	19/06/2006	500,000 ^(d & f)	-	-	500,000	0.105
Mrs. Yeung Tsui Mai Ling, Margaret	20/06/2005	1,111,111 ^(a & c)	-	-	1,111,111	0.225
	19/06/2006	500,000 ^(d & f)	-	-	500,000	0.105
Mr. Cho Kam Luk	20/06/2005	1,111,111 ^(a & c)	-	-	1,111,111	0.225
	19/06/2006	500,000 ^(d & f)	-	-	500,000	0.105
Mr. Lau Kam Shan	20/06/2005	1,111,111 ^(a & c)	-	-	1,111,111	0.225
	19/06/2006	500,000 ^(d & f)	-	-	500,000	0.105
Dr. Ngan Man Wong, Matthew	20/06/2005	1,333,333 ^(b & c)	-	-	1,333,333	0.225
	19/06/2006	455,342 ^(e & f)	-	-	455,342	0.105
Dr. Loh Kai Tsu, Kevin	20/06/2005	1,333,333 ^(b & c)	-	-	1,333,333	0.225
Mr. Chan Siu Wing, Raymond	20/06/2005	1,333,333 ^(b & c)	-	-	1,333,333	0.225
	19/06/2006	600,000 ^(e & f)	-	(600,000)	-	0.105
Mr. Chan Po Kwong	19/06/2006	948,493 ^(e & f)	-	-	948,493	0.105
Total		15,229,100	-	(600,000)	14,629,100	

Notes:

- (a) The share options are exercisable at any time for a period of three years from the date of grant.
- (b) The share options are exercisable at any time for a period of ten years from the date of grant.
- (c) The closing price of the shares of the Company immediately before 20 June 2005 on which the options were granted was HK\$0.225.
- (d) The share options are exercisable at any time for a period of three years from the date of grant.
- (e) The share options are exercisable at any time for a period of ten years from the date of grant.
- (f) The closing price of the shares of the Company immediately before 19 June 2006 on which the options were granted was HK\$0.105.
- (g) No share options are cancelled or lapsed during the period.

Movements of share options granted to eligible participants other than Directors under the Share Option Scheme for the six months ended 31 December 2006 are as follows:

	Date of grant	Number of underlying shares in respect of which share options were granted				Exercise price HK\$
		Outstanding at 01/07/2006	Granted	Exercised/ Cancelled/ Lapsed	Outstanding at 31/12/2006	
Employees	26/06/2006	4,700,000 ^(a & b)	-	-	4,700,000	0.116
Other eligible participants	26/06/2006	3,600,000 ^(a & b)	-	-	3,600,000	0.116

Notes:

- (a) The share options are exercisable at any time for a period of ten years from the date of grant.
- (b) The closing price of the shares of the Company immediately before 26 June 2006 on which the options were granted was HK\$0.115.

2. Pursuant to an agreement entered into by the Company with The Chinese University of Hong Kong (the "Chinese University") on 8 August 2002 relating to the grant of a right of first refusal to the Company by the Chinese University in respect of certain technology and inventions, as amended and supplemented by agreements dated 31 October 2003 and 16 April 2004 (the "Right of First Refusal Agreement"), share options would be granted to the Chinese University over the period of the term of such agreements of four years commencing from 18 June 2004.

Movements of share options granted to the Chinese University for the six months ended 31 December 2006 are as follows:

	Date of grant	Number of underlying shares in respect of which share options were granted				Exercise price HK\$
		Outstanding at 01/07/2006	Granted	Exercised/ Cancelled/ Lapsed	Outstanding at 31/12/2006	
The Chinese University	28/06/2005	4,484,305 ^(a)	-	-	4,484,305	0.223
	26/06/2006	9,482,758 ^(b)	-	-	9,482,758	0.116

Notes:

- (a) The share options are exercisable at any time for a period from 28 December 2005 to 27 June 2010. The closing price of the shares of the Company immediately before 28 June 2005 on which the options were granted was HK\$0.223.
- (b) The share options are exercisable at any time for a period from 26 December 2006 to 25 June 2011. The closing price of the shares of the Company immediately before 26 June 2006 on which the options were granted was HK\$0.115.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed under the paragraph headed "Directors' and chief executive's interests in shares and underlying shares" and "Share option" in this report, at no time during the six months ended 31 December 2006 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

COMPETING INTERESTS

None of the Directors or the management shareholders or controlling shareholders of the Company (as defined in the GEM Listing Rules) or any of their respective associates had any interest in a business which competes or may compete with the business of the Group during the period under review.

PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 31 December 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares (2005: 9,484,000 shares).

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. Wong Kin Fung (resigned on 31 October 2006). Mr. Kwok Shun Tim is the chairman of the committee since his appointment on 13 September 2006.

This report, including the Group's unaudited consolidated results for the six months ended 31 December 2006, had been reviewed by the audit committee of the Company.

CORPORATE GOVERNANCE

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 six months ended 31 December 2006, 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. On 2 August 2006, Mr. Lui Chi Wah, Johnny ("Mr. Lui") was appointed as the chairman and chief executive officer of the Company. Mr. Lui is responsible for managing the Board and the Group's business. 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 conducive 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 development 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

This code stipulates that all directors should be subject to re-election at regular intervals. The then Articles of Association of the Company do not provide for retirement by rotation of a director holding office as managing director or joint managing director. A resolution was put forward to the shareholders at the Company's last annual general meeting held on 31 October 2006 for amending the Articles to comply with the Code on Corporate Governance practices. The resolution was duly passed.

Code Provision A.4.2

This code stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. The then Articles of Association of the Company only requires such directors who are appointed to fill a casual vacancy to be re-elected at the next annual general meeting. A resolution was put forward to the shareholders at the Company's last annual general meeting held on 31 October 2006 for amending the Articles to comply with the Code on Corporate Governance practices. The resolution was duly passed.

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's appointment. The Board will conduct in-depth assessment on the independence of candidates for post of independent Directors.

Directors' securities transactions

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.

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

Hong Kong, 22 January 2007

As at the date of this report, 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 and Mr. Chan Po Kwong.