



CORE HEALTHCARE INVESTMENT HOLDINGS LTD.



THIRD QUARTERLY
REPORT **2009**



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)

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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 nine months ended 31 March 2009:

- Turnover from continuing operations for the nine months ended 31 March 2009 amounted to approximately HK\$2,959,000, representing an increase of 208.74% as compared to that of the corresponding period in 2008.
- Profit attributable to the equity holders of the Company for the nine months ended 31 March 2009 amounted to approximately HK\$322,019,000 (2008: Loss of approximately HK\$15,806,000). 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 but not in 2008.
- The Board does not recommend the payment of an interim dividend for the nine months ended 31 March 2009 (2008: Nil).



The board of Directors (the "Board") of the Company is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 31 March 2009, together with the comparative unaudited figures for the corresponding periods in 2008, as follows:

THIRD QUARTERLY RESULTS (UNAUDITED)

For the three months and nine months ended 31 March 2009

Notes	Three months ended 31 March		Nine months ended 31 March		
	2009 (Unaudited) HK\$	2008 HK\$	2009 (Unaudited) HK\$	2008 HK\$	
Continuing Operations					
Turnover	4	1,473,528	328,107	2,958,588	958,264
Cost of sales and services		(999,061)	(187,427)	(1,723,072)	(644,126)
Gross profit		474,467	140,680	1,235,516	314,138
Other income	5	346,433	1,486,781	2,627,937	2,913,687
Selling and distribution expenses		–	–	–	(5,420)
Administrative expenses		(2,139,419)	(3,095,364)	(7,418,002)	(6,114,139)
Other operating expenses		(393,865)	(271,980)	(2,680,008)	(429,410)
Loss of financial assets at fair value through profit or loss (held for trading)		(427,021)	(13,506,127)	(10,146,069)	(12,144,501)
Gain on early redemption of convertible bonds		151,664,891	–	338,810,331	–
Profit/(loss) before tax		149,525,486	(15,246,010)	322,429,705	(15,465,645)
Income tax expense	6	–	–	(125,001)	–
Profit/(loss) for the period from continuing operations		149,525,486	(15,246,010)	322,304,704	(15,465,645)
Discontinued Operation					
Loss for the period from discontinued operation	7	(95,577)	(118,750)	(285,416)	(340,170)
Profit/(loss) for the period attributable to equity holders of the Company		149,429,909	(15,364,760)	322,019,288	(15,805,815)
Dividends	8	–	–	–	–
Earnings/(loss) per share	9				
From continuing and discontinued operations					
– basic		2.024 cents	(0.208 cents)	4.362 cents	(0.242 cents)
– diluted		N/A	N/A	N/A	N/A
From continuing operations					
– basic		2.026 cents	(0.207 cents)	4.366 cents	(0.237 cents)
– diluted		N/A	N/A	N/A	N/A



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 and its 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. Its subsidiaries are principally engaged in the provision of diagnostic testing and healthcare services, related research and development, advertising and public relationship services and investment holding.

2. BASIS OF PREPARATION

The unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), 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.

The unaudited consolidated results have been prepared under the historical cost convention, as modified by the valuation of investments which are carried at their fair values.

The accounting policies used in the preparation of the unaudited consolidated results are consistent with those adopted in preparing the Group’s audited financial statements for the year ended 30 June 2008.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has applied, for the first time, the following amendments and new interpretations (“new HKFRSs”) issued by the HKICPA.

HKAS 1 (Revised)	Presentation of financial statements
HKAS 23 (Revised)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKAS 39 & HKFRS 7	Reclassification of financial assets (Amendments)
HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKFRS 1 & HKAS 27	Cost of investment in a subsidiary, jointly controlled entities or associates (Amendments)
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 8	Operating segments
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – INT 12	Service concession arrangements
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation

The adoption of the new HKFRSs has no material effect on the results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior or current period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.



HKAS 27 (Revised)
 HKAS 39
 HKFRS 3 (Revised)
 HK(IFRIC) – INT 17
 HK(IFRIC) – INT 18

Consolidated and separate financial statements²
 Eligible hedged items² (Amendments)
 Business combinations²
 Distributions of non-cash assets to owners²
 Transfers of assets from customers³

- ¹ Effective for accounting periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for accounting periods beginning on or after 1 July 2009
² Effective for accounting periods beginning on or after 1 July 2009
³ Effective for transfer on or after 1 July 2009

The Directors anticipate that the application of the other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

4. TURNOVER

The Group's turnover represents the aggregate of the net amounts received and receivable from the third parties for the period. An analysis of the Group's turnover for the period, for both continuing and discontinued operations is as follows:

	Three months ended 31 March		Nine months ended 31 March	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Continuing Operations:				
Provision of diagnostic testing and healthcare services	430,098	328,107	1,705,143	958,264
Provision of advertising and public relationship services	1,043,430	–	1,253,445	–
	1,473,528	328,107	2,958,588	958,264
Discontinued Operation:				
Sales of health food and pharmaceutical products	33,566	42,950	98,064	152,576

5. OTHER INCOME

	Three months ended 31 March		Nine months ended 31 March	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Continuing Operations:				
Interest income	318,231	1,395,272	2,350,250	2,089,832
Dividend income from listed investments	–	–	246,362	123,756
Sundry income	28,202	91,509	31,325	700,099
	346,433	1,486,781	2,627,937	2,913,687
Discontinued Operation:				
Sundry income	–	100	–	218



6. INCOME TAX EXPENSE

	Three months ended 31 March		Nine months ended 31 March	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Current tax – Hong Kong Profits Tax				
Under-provision in prior years	–	–	125,001	–

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the nine months ended 31 March 2009 (2008: Nil).

There was no material unprovided deferred taxation for the three months and nine months ended 31 March 2009 (2008: Nil).

7. DISCONTINUED OPERATION

In March 2009, the Company ceased the operation of the sales of health food and pharmaceutical products segment in order to concentrate its financial and human resources on its core businesses.

The results of the discontinued operation included in the unaudited consolidated results of the Company are set out below.

Loss for the period from discontinued operation

	Three months ended 31 March		Nine months ended 31 March	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Turnover	33,566	42,950	98,064	152,576
Cost of sales	(58,735)	(33,611)	(106,424)	(119,538)
Other income	–	100	–	218
Selling and distribution expenses	(17,480)	(164)	(62,766)	(4,470)
Administrative expenses	(41,680)	(107,936)	(168,880)	(312,762)
Other operating expense	(11,248)	(20,089)	(45,410)	(56,194)
Loss before tax	(95,577)	(118,750)	(285,416)	(340,170)
Income tax expense	–	–	–	–
Loss for the period	(95,577)	(118,750)	(285,416)	(340,170)

During the nine months ended 31 March 2009, the net cash used in the operation of sales of health food and pharmaceutical products was HK\$285,416 (2008: HK\$340,170) and no contribution in respect of investing activities and financing activities in both periods.

8. DIVIDENDS

The Board does not recommend the payment of interim dividend for the nine months ended 31 March 2009 (2008: Nil).



9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share from continuing and discontinued operations attributable to the equity holders of the Company is based on the following data.

	Three months ended 31 March		Nine months ended 31 March	
	2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Earnings/(Loss) for the purposes of basic and diluted earnings/(loss) per share				
Profit/(loss) for the period from continuing operations	149,525,486	(15,246,010)	322,304,704	(15,465,645)
Loss for the period from discontinued operation	(95,577)	(118,750)	(285,416)	(340,170)
Profit/(loss) for the period attributable to the equity holders of the Company	149,429,909	(15,364,760)	322,019,288	(15,805,815)

	Three months ended 31 March		Nine months ended 31 March	
	2009	2008	2009	2008
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted earnings/(loss) per share	7,381,744,630	7,378,615,556	7,381,744,630	6,525,736,324

Basic earnings per share from the continuing operations for the three months and nine months ended 31 March 2009 are HK2.026 cents (2008: Loss per share of HK0.207 cents) and HK4.366 cents (2008: Loss per share of HK0.237 cents), based on the unaudited profit from continuing operations for the three months and nine months ended 31 March 2009 of HK\$149,525,486 (2008: Loss of HK\$15,246,010) and HK\$322,304,704 (2008: Loss of HK\$15,465,645) respectively and the denominators detailed above for both basic and diluted earnings/(loss) per share.

Basic loss per share from the discontinued operation for the three months and nine months ended 31 March 2009 are HK0.002 cents (2008: HK0.001 cents) and HK0.004 cents (2008: HK0.005 cents), based on the unaudited loss from discontinued operation for the three months and nine months ended 31 March 2009 of HK\$95,577 (2008: HK\$118,750) and HK\$285,416 (2008: HK\$340,170) respectively and the denominators detailed above for both basic and diluted earnings/(loss) per share.

The computation of diluted earnings/(loss) per share for continuing and discontinued operations for the three months and nine months ended 31 March 2009 did not consider the potential ordinary shares as the exercise price of the Company's outstanding options was higher than the average market share price of the Company for the relevant periods.

The computation of diluted loss per share for continuing and discontinued operations for the three months and nine months ended 31 March 2008 did not consider the potential ordinary shares as the effect of the potential ordinary shares is anti-dilutive.



10. RESERVES

The movement in reserves for the nine months ended 31 March 2009 is as follows:–

	Reserves					Total HK\$
	Share capital HK\$	Share premium HK\$	Share options reserves HK\$	Accumulated profit/(loss) HK\$	Sub-total of reserves HK\$	
Balance at 1 July 2008 (Audited)	7,381,745	104,171,352	837,295	(375,348,766)	(270,340,119)	(262,958,374)
Profit for the period	-	-	-	322,019,288	322,019,288	322,019,288
Balance at 31 March 2009 (Unaudited)	7,381,745	104,171,352	837,295	(53,329,478)	51,679,169	59,060,914

The movement in reserves for the nine months ended 31 March 2008 is as follows:

	Reserves					Total HK\$
	Share capital HK\$	Share premium HK\$	Share options reserves HK\$	Accumulated losses HK\$	Sub-total of reserves HK\$	
Balance at 1 July 2007 (Audited)	3,825,920	46,952,988	1,700,386	(14,423,916)	34,229,458	38,055,378
Issue of new 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)	-	-	-
Loss for the period	-	-	-	(15,805,815)	(15,805,815)	(15,805,815)
Balance at 31 March 2008 (Unaudited)	7,381,745	104,171,352	-	(30,229,731)	73,941,621	81,323,366

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Turnover from continuing operations for the third financial quarter ended 31 March 2009 reported a significant increase to approximately HK\$1,474,000 with attributable gross profit from continuing operations of approximately HK\$475,000 that almost increased by two-fold compared with the same period of the previous financial year. Turnover from continuing operations for nine months ended 31 March 2009 added up to approximately HK\$2,959,000 as compared to HK\$958,000 of the corresponding period in the previous financial year, with attributable gross profit from continuing operations of approximately HK\$1,236,000 for the nine-month period i.e., a 2.9 times increase in growth comparatively. A gain on early redemption of the convertible bonds amounted to approximately HK\$151,665,000 and HK\$338,810,000 for the third quarter and the nine months ended 31 March 2009 respectively, resulting in a net profit of approximately HK\$149,430,000 and HK\$322,019,000 for three months and nine months ended 31 March 2009 respectively.



During the quarter under review, despite the devastating global financial tsunami that continued to weigh on Hong Kong's economy, the Company managed to buck the economic trend in its business growth. This is because the medical and healthcare services industry is relatively defensive at times of economic downturn. The synergy offered by the Group's parent company has also helped substantially. Carcinoma diagnosis and testing services continue to be the primary sources of our operating revenue.

We closed down our health products retail outlet during the period under review and have therefore withdrawn once and for all from retailing. The stock market rebounded from its bearish trend and dragged higher by the end of the third financial quarter. Investments held for trading recorded a loss of approximately HK\$10,146,000.

As suggested in the interim financial report and the freeing up of our capital commitment due to our termination agreement with Xizang Rhodiola Pharmaceutical Co., Ltd., we had early redeemed all outstanding convertible bonds in the principal amount of HK\$150 million in March 2009 and thus reduced significantly our gearing ratio.

FUTURE PROSPECTS

With the cease of our retail operation and the revival of Hong Kong's stock market, we are now able to gather our resources – both human and cash – and revisit our business model. 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 PRC and Hong Kong will continue to be our acquisition target as the pharmaceutical markets there are huge and full of business opportunities. Besides, we will continue to watch for some good timing to streamline and improve the investment portfolio so as to earn a reasonable investment return.

On 29 April 2009, Hong Kong Health Check and Laboratory Holdings Company Limited (the "Vendor"), a holding company of the Company, entered into a top-up placing and subscription agreement (the "Placing and Subscription Agreement") with Kingston Securities Limited (the "Placing Agent") and the Company. Pursuant to the Placing and Subscription Agreement, the Vendor agreed to place, through the Placing Agent, an aggregate of 1,200,000,000 existing shares of the Company (the "Share(s)"), on a best effort basis, to not fewer than six placees who and whose ultimate beneficial owners will not be connected persons (as defined in the GEM Listing Rules) of the Company and their respective associates (as defined in the GEM Listing Rules) at a price of HK\$0.025 per top-up placing Share. Pursuant to the Placing and Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of up to 1,200,000,000 top-up subscription Shares at a price of HK\$0.025 per top-up subscription Share.

The net proceeds of approximately HK\$29 million from the top-up subscription are intended to be used for general working capital and potential acquisitions of pharmaceutical companies in the future when opportunities arise.

FINANCIAL REVIEW

For the nine months ended 31 March 2009, the Group recorded a turnover from continuing operations of approximately HK\$2,959,000, representing an increase of 208.74% compared with that of the corresponding period in 2008.

Gross profit from continuing operations for the period under review was approximately HK\$1,236,000, representing an increase of 293.30% compared with that of the prior corresponding period.

Profit attributable to the equity holders of the Company for the nine months ended 31 March 2009 was approximately HK\$322,019,000 (2008: Loss of approximately HK\$15,806,000).



OTHER INFORMATION

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

As at 31 March 2009, the interests of the Directors and the chief executives of the Company and their associates in the shares, underlying shares 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, were as follows:

The Company

Long positions in ordinary shares of HK\$0.001 each:

Name of Director	Capacity	Number of issued ordinary shares held	Percentage of the Company's issued share capital
Mr. Lui Chi Wah, Johnny	Beneficial owner	187,160,000	2.54%

Save as disclosed above, none of the Directors, the chief executives 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 March 2009 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 March 2009, 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\$0.001 each:

Name of shareholders	Notes	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
Town Health International Holdings Company Limited ("Town Health")	1	Held by a controlled corporation	729,955,240	9.89%
Town Health Bio-Medical Technology Limited ("Town Health Bio")	1	Held by a controlled corporation	729,955,240	9.89%



Name of shareholders	Notes	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
Spring Biotech Limited ("Spring Biotech")	1	Beneficial owner	729,955,240	9.89%
Hong Kong Health Check and Laboratory Holdings Company Limited		Beneficial owner	4,437,755,591	60.12%
Mr. U Man long ("Mr. U")	2	Beneficial owner	3,000,000,000	40.64%

Notes:

1. Spring Biotech owns 729,955,240 shares of the Company. Town Health owns 100% of Town Health Bio which in turn owns 100% of Spring Biotech. Pursuant to the SFO, each of Town Health Bio and Town Health is deemed to have a long position over the same block of 729,955,240 shares of the Company held by Spring Biotech.
2. Mr. U is deemed to have a long position over 3,000,000,000 shares of the Company which may be allotted and issued pursuant to the referral agreement as disclosed in the circular of the Company dated 13 March 2008.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2009.

SHARE OPTIONS

1. A share option scheme (the "Share Option Scheme") was adopted by the 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.

No share options were granted under the Share Option Scheme during the nine months ended 31 March 2009.

2. Pursuant to an agreement entered into between the Company and 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, 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 during the nine months ended 31 March 2009 are as follows:

Date of grant	Exercisable period	Exercise price per share HK\$	Outstanding at 01/07/2008	Granted	Exercised/ Cancelled/ Lapsed	Outstanding at 31/03/2009
27/06/2008	27/12/2008 – 26/06/2013	0.1220	10,655,738	–	–	10,655,738

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors' and chief executive's interests in shares and underlying shares" and "Share options" in this report, at no time during the nine months ended 31 March 2009 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 nine months ended 31 March 2009.

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 nine months ended 31 March 2009.

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 period. 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 the Directors.

AUDIT COMMITTEE

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

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



This report, including the Group's unaudited consolidated results for the nine months ended 31 March 2009, had been reviewed by the audit committee of the Company.

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 nine months ended 31 March 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 separated 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 on 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 conducive 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 chairman and chief executive officer.

By order of the Board
Core Healthcare Investment Holdings Limited
Hui Ka Wah, Ronnie
Chairman

Hong Kong, 13 May 2009

As at the date of this report, 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.