



THE STOCK EXCHANGE OF HONG KONG LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

25 June 2009

CENSURE

OF

Core Healthcare Investment Holdings Limited
(the “Company”) (Stock Code: 8250)
for breaching Rule 17.10(3) of the Rules Governing the Listing of Securities
on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
(the “GEM Listing Rules”)

and

Mr Wu Kai (“Mr Wu”), an Executive Director of the Company
for breaching his obligations under the Declaration and Undertaking with regard
to Directors given by him to the Exchange in the form set out in Appendix 6A to
the GEM Listing Rules (the “Director’s Undertaking”)

The Stock Exchange of Hong Kong Limited (the “Exchange”) hereby publicly censures:

- (1) the Company for its breach of Rule 17.10(3) of the GEM Listing Rules in respect of its selective dissemination of unpublished price-sensitive information regarding a new drug which was referred to in its announcement dated 21 February 2008 during a press conference held in the afternoon of 24 February 2008; and
- (2) Mr Wu for his breach of his obligations under the Director’s Undertaking for failing to use his best endeavours to procure the Company’s compliance with Rule 17.10(3) of the GEM Listing Rules.

Facts

At around 10:51 p.m. on 21 February 2008, the Company issued an announcement (the “**First Announcement**”) disclosing that it had entered into a cooperation agreement (the “**Cooperation Agreement**”) with Xizang Rhodiola Pharmaceutical Company Limited (“**Xizang Medicine**”) by which the Company agreed in principle to cooperate with Xizang Medicine to undertake the development, manufacture and sale of a new drug named Natriuretic Peptide (the “**New Drug**”) in the PRC through a joint venture company to be established and owned as to 51 per cent and 49 per cent by the Company and Xizang Medicine respectively.

On 22 February 2008, i.e. the first trading day after publication of the First Announcement, the Company's share price closed at \$0.130, representing an increase of approximately 22.64 per cent from the closing price on the previous trading day (i.e. \$0.106), and the trading volume (78,860,000 shares) was 9.85 times the past 10-day average. The Hang Seng Index dropped by 1.346 per cent on that day.

The Company and Xizang Medicine jointly held a press conference (the "**Conference**") with the aim of introducing the New Drug to the media from approximately 4:00 p.m. to 5:30 p.m. on Sunday, 24 February 2008. Reporters from ten different media organizations and representatives of the public relations company engaged by the Company attended the Conference.

During the Conference, and in response to questions raised by the reporters, Mr Wu, an Executive Director of the Company and who was one of the speakers at the Conference, divulged information regarding the New Drug, being (i) the average selling price, (ii) the production cost, (iii) the sales amount from January 2008 to the date of the Conference, (iv) the estimated sales amount for 2008, and (v) the estimated profit margin, of the New Drug (collectively the "**Information**").

This specific information was not already in the public domain and related to a new business opportunity for the Company's core business and as a result was potentially price-sensitive. The Information was acquired by Mr Wu during his negotiation with Xizang Medicine which led to the signing of the Cooperation Agreement, and required further verification in the due diligence process. There is no evidence that the other Directors of the Company had knowledge of the Information at the time of the publication of the First Announcement, or that they were aware that Mr Wu would disclose it during the Conference. The written materials presented at the Conference did not make reference to the Information. An obligation to disclose this information may not therefore have arisen if Mr Wu had not made the remarks which led to loss of confidentiality of the Information. Mr Wu's disclosure however triggered an immediate disclosure obligation on the Company's part.

In the morning of 25 February 2008, there were a number of newspaper articles reporting the Information or part thereof. The Listing Division made enquiries of the Company as to whether the Information reported in the newspaper articles was price-sensitive information. In response to such enquiries and at the Company's request, trading in the Company's shares was suspended with effect from 10:00 a.m. on the same day pending release of a clarification announcement which was price-sensitive in nature.

At approximately 10:47 p.m. on 25 February 2008, the Company published a clarification announcement clarifying the Information published in the newspaper articles on that day.

With effect from 9:30 a.m. on 26 February 2008, trading in the Company's shares resumed. The Company's share price closed at \$0.144 on that day, representing an increase of 10.77 per cent from that of the previous trading day, and the trading volume (371,540,000 shares) was approximately 23.92 times of the past 10-day average. The Hang Seng Index increased by 1.915 per cent on that day.

Exchange's Investigations

Following investigation into this matter, the Exchange is of the view that:

1. the Company has breached Rule 17.10(3) of the GEM Listing Rules, as:
 - (a) the Information disclosed by Mr Wu was, at the time of the Conference, unpublished information which might be reasonably expected materially to affect market activity in and the price of the Company's securities under Rule 17.10(3) of the GEM Listing Rules. Therefore as the Information was disclosed by Mr Wu during the Conference which led to loss of confidentiality, the Company was under an obligation to make disclosure of the Information by way of a regulatory announcement; and
 - (b) Mr Wu's disclosure of the Information during the Conference gave rise to a disclosure obligation and thus constituted selective dissemination of potentially price-sensitive information concerning the business activities of the Company; and
2. Mr Wu has breached his Director's Undertaking for failing to use his best endeavours to procure the Company's compliance with Rule 17.10(3) of the GEM Listing Rules, by reason of his selective disclosure of the Information to the press at the Conference.

Remedial Actions

According to the Division's records, the Company has, prior to this breach, a clean compliance history. In view of Mr Wu's selective dissemination of potentially price-sensitive information during the Conference and with the view to avoiding future occurrence of similar events, the Company has implemented some remedial measures. These measures include having another Executive Director of the Company to be the sole authorised person to disclose the Company's future corporate information after discussion and clearance with the Board. All future disclosures require the prior approval of the Board of Directors.

Settlement

As a consequence of a settlement,

1. the Company accepts that it was in breach of Rule 17.10(3) of the GEM Listing Rules in respect of the matters set out above;
2. Mr Wu accepts that he was in breach of his Director's Undertaking in respect of his conduct set out above; and
3. the Company and Mr Wu accept the sanctions imposed upon them respectively by the Listing Committee of the Exchange referred to below.

Sanction

Accordingly, against the facts and circumstances outlined above and the admitted breaches by the Company and Mr Wu, the Listing Committee:

1. publicly censures the Company for breaching Rule 17.10(3) of the GEM Listing Rules;
2. publicly censures Mr Wu for breaching his Director's Undertaking;
3. directs that the Company retains an independent professional adviser satisfactory to the Division (the "**Adviser**") to conduct a thorough review of and make recommendations to improve the Company's internal controls for compliance with the disclosure requirements under Rule 17.10 of the GEM Listing Rules:
 - (a) The Company is to provide the Division with the Adviser's written report containing recommendations, if any, to improve the Company's internal controls regarding compliance with disclosure requirements under GLR17.10 within two months from the date of publication of this press release.
 - (b) The Company is to furnish the Division with the Adviser's written report on the Company's full implementation of the Adviser's recommendations, if any, within a further period of two months;
4. directs that Mr Wu undergoes training on compliance and corporate governance matters for a duration of 24 hours to be given by a recognized professional organization satisfactory to the Committee and/or the Division to be completed within six months from the publication of this press release. Mr Wu is to provide the Division with the training provider's written certification of his full compliance with this training requirement within two weeks after his full compliance with this requirement; and
5. directs that the Company publishes an announcement to confirm that each of the directions set out in item nos. 3 and 4 above has been fully complied with, as soon as possible and in any event within two weeks after the respective fulfillment of those directions.

For the avoidance of doubt, the Exchange confirms that this censure applies only to the Company and to Mr Wu, and not to any past or present member of the Company's Board of Directors.

Mark Dickens, Head of Listing, said, "The decision in this case follows the theme of a recent Listing Committee decision that selective dissemination of potentially price-sensitive information, even when trading of an issuer's securities is suspended, can constitute a breach of the Listing Rules. In this case, potentially price-sensitive information was selectively disseminated on a non-trading day. This is not acceptable because it places the recipients of the information in the privileged position of having more time to consider and analyse the information, and so undermines the integrity of the market.

In conducting press briefings, Company executives should ensure that answers to questions raised do not amount to unpublished price-sensitive information. If price-sensitive information leaks or there is a risk of a false market, the issuer must correct the position by publishing a clear announcement without delay.”