

The Board of Directors (the “Board”) of China HealthCare Holdings Limited (the “Company”) would like to present the unaudited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2006. These interim financial statements have been reviewed by the Audit Committee of the Company.

**CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

		<b>For the six months ended 30 September</b>	
	Notes	<b>2006 (Unaudited) HK\$'000</b>	2005 (Unaudited) HK\$'000
Turnover	3	<b>378,868</b>	3,546
Other operating income		<b>10,122</b>	372
Change in inventories of finished goods		<b>26,925</b>	(417)
Raw material and consumables used		<b>(401,797)</b>	(2,269)
Staff costs		<b>(8,517)</b>	(8,580)
Consultancy fees		<b>(1,707)</b>	(1,906)
Operating lease payments		<b>(2,314)</b>	(1,854)
Depreciation and amortisation		<b>(1,993)</b>	(1,144)
Impairment losses of goodwill		–	(4,500)
Other operating expenses		<b>(9,071)</b>	(7,273)
Loss from operations	4	<b>(9,484)</b>	(24,025)
Share of profit of associates		<b>26</b>	–
Finance costs	5	<b>(5,637)</b>	(1,565)
<b>Loss before taxation</b>		<b>(15,095)</b>	(25,590)
Taxation	6	<b>(202)</b>	–
<b>Loss for the period</b>		<b>(15,297)</b>	(25,590)
Attributable to:			
Equity holders of the Company		<b>(15,007)</b>	(23,641)
Minority interests		<b>(290)</b>	(1,949)
		<b>(15,297)</b>	(25,590)
Loss per share (HK\$)	8		
– Basic		<b>(0.06)</b>	(0.10)
– Diluted		<b>N/A</b>	N/A