

- 1 (a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Income Statement for the 6 months ended 30 September 2007.
These figures have not been audited or reviewed.

	Group		Increase / (Decrease) %
	Actual Half year ended 30/9/2007 S\$'000	Actual Half year ended 30/9/2006 S\$'000	
Revenue	9,189	7,629	20
Other income	18	79	(77)
Supplies and consumables	(1,106)	(887)	25
Staff costs	(4,332)	(3,741)	16
Depreciation of property, plant and equipment	(528)	(492)	7
Operating lease expense	(954)	(936)	2
Other operating expenses	(1,576)	(1,177)	34
Finance costs	(477)	(484)	(1)
Share of profit of associate	63	29	117
Negative goodwill	-	1,044	(100)
Profit before taxation	297	1,064	(72)
Income tax expense	(3)	-	100
Net profit for the period	294	1,064	(72)
Attributable to:			
Equity holders of the parent	294	1,227	(76)
Minority interests	-	(163)	(100)
Net profit for the period	294	1,064	(72)

- 1 (a)(ii) Notes to the Consolidated Income Statement

The following Items have been included in arriving at profit from operations:

	Group		Increase / (Decrease) %
	Actual Half year ended 30/9/2007 S\$'000	Actual Half year ended 30/9/2006 S\$'000	
Dividend income from investments	6	3	100
Gain on disposal of property, plant and equipment	-	9	(100)
Gain on disposal of investment	-	*	NM
Interest income	1	19	(95)
Waiver of debts owed by a subsidiary	-	106	(100)
Net change in fair value of investments held for trading	(288)	(72)	300

* Amount is less than \$1,000

1(b)(i)

A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Consolidated Balance Sheet as at 30 September 2007

	Group		Company	
	Actual 30/9/2007 S\$'000	Actual 31/3/2007 S\$'000	Actual 30/9/2007 S\$'000	Actual 31/3/2007 S\$'000
Non-current assets				
Property, plant and equipment	40,514	39,369	29,682	29,720
Subsidiaries	-	-	6,032	6,032
Associate	1,355	1,291	-	-
	<u>41,869</u>	<u>40,660</u>	<u>35,714</u>	<u>35,752</u>
Current assets				
Inventories	140	124	-	-
Trade and other receivables	3,560	2,676	8,038	7,888
Other investments	1,446	283	1,446	283
Cash and cash equivalents	3,927	1,177	3,427	468
	<u>9,073</u>	<u>4,260</u>	<u>12,911</u>	<u>8,639</u>
Total assets	50,942	44,920	48,625	44,391
Equity attributable to equity holders of the parent				
Share capital	22,460	17,634	22,460	17,634
Currency translation reserve	2	3	-	-
Merger deficit	(1,485)	(1,485)	-	-
Accumulated profits	3,862	3,568	1,457	1,534
	<u>24,839</u>	<u>19,720</u>	<u>23,917</u>	<u>19,168</u>
Minority interests	-	-	-	-
Total Equity	24,839	19,720	23,917	19,168
Non-current liabilities				
Interest-bearing borrowings	17,299	18,131	17,298	18,132
Deferred tax liability	541	542	59	59
	<u>17,840</u>	<u>18,673</u>	<u>17,357</u>	<u>18,191</u>
Current liabilities				
Trade and other payables	3,412	2,973	4,201	3,627
Interest-bearing borrowings	4,669	3,283	3,110	3,283
Current tax payable	182	271	40	122
	<u>8,263</u>	<u>6,527</u>	<u>7,351</u>	<u>7,032</u>
Total liabilities	26,103	25,200	24,708	25,223
Total equity and liabilities	50,942	44,920	48,625	44,391

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	As at 30/9/2007 S\$'000	As at 31/3/2007 S\$'000
Secured	2,669	1,283
Unsecured	2,000	2,000
	<u>4,669</u>	<u>3,283</u>

Amount repayable after one year

	As at 30/9/2007 S\$'000	As at 31/3/2007 S\$'000
Secured	17,299	18,131
Unsecured	-	-
	<u>17,299</u>	<u>18,131</u>

The bank loans and bank overdrafts are secured by corporate guarantees from its subsidiaries, Econ Nursing Home Services (1987) Pte Ltd, Econ Medicare Centre Pte Ltd and on the following assets :-

	Group & Company	
	Actual 30/9/2007 S\$'000	Actual 31/3/2007 S\$'000
Freehold land and building - at cost	<u>28,038</u>	<u>28,143</u>

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows for the period ended 30 September 2007.

	Group	
	Actual Half year ended 30/9/2007 S\$'000	Actual Half year ended 30/9/2006 S\$'000
Operating activities		
Profit before taxation	297	1,064
Adjustments for :		
Dividend income	(6)	(3)
Depreciation of property, plant and equipment	528	492
Negative goodwill	-	(1,044)
Gain on disposal of property, plant and equipment	-	(9)
Gain on disposal of investment	(8)	*
Share of profit of associate	(64)	(29)
Interest income	(1)	(19)
Interest expense	478	484
Net change in fair value of investments held for trading	288	72
Operating profit before working capital changes	<u>1,512</u>	<u>1,008</u>
Change in working capital:		
Inventories	(16)	(18)
Trade and other receivables	(884)	(81)
Trade and other payables	438	(365)
Cash generated from operations	1,050	544
Income taxes paid	(92)	(175)
Cash flows from operating activities	<u>958</u>	<u>369</u>
Investing activities		
Dividend received	6	3
Interest received	1	19
Purchase of property, plant and equipment	(1,673)	(1,039)
Purchase of additional equity interest in a subsidiary	(1,524)	(950)
Proceeds from sale of quoted investments	81	10
Proceeds from sale of property, plant and equipment	-	14
Cash flows from investing activities	<u>(3,109)</u>	<u>(1,943)</u>
Financing activities		
Interest paid	(478)	(484)
Payment of finance lease liabilities	(11)	(11)
Proceeds from bank loans	1,036	-
Repayment of bank loans	(990)	(835)
Proceeds from issue of shares	4,826	-
Cash flows from financing activities	<u>4,383</u>	<u>(1,330)</u>
Net increase/(decrease) in cash and cash equivalents	2,232	(2,904)
Cash and cash equivalents at beginning of the period	1,177	3,128
Effect of exchange rate changes on balances held in foreign currencies	*	*
Cash and cash equivalents at end of the period	<u>3,409</u>	<u>224</u>
Notes to consolidated statements of cash flows		
Cash and bank balances	3,927	979
Bank overdraft (Secured)	(518)	(755)
Cash and cash equivalents at end of the period	<u>3,409</u>	<u>224</u>

Fixed deposits amounting to \$ 117,010 (2006 : \$155,006) are not available for use by the Group as they are charged to the banks for facilities granted by the banks.

* Amount is less than \$1,000

1(d)(i)

A statement (for the issuer and group) showing either (I) all changes in equity or (II) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding year

Consolidated Statement of Changes in Equity for the period ended 30 September 2007.

Group	Share Capital	Currency Translation Reserve	Merger Deficit	Accumulated Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2006	17,634	1	(1,485)	4,396	20,546
Net profit for the period	-	-	-	1,227	1,227
Translation differences relating to financial statements of overseas subsidiaries	-	1	-	-	1
Total recognised income and expense for the period	-	1	-	1,227	1,228
At 30 September 2006	17,634	2	(1,485)	5,623	21,774
At 1 April 2007	17,634	3	(1,485)	3,568	19,720
Issue of ordinary shares	5,030	-	-	-	5,030
Expenses incurred in relation to the issue of shares	(204)	-	-	-	(204)
Net profit for the period	-	-	-	294	294
Translation differences relating to financial statements of overseas subsidiaries	-	(1)	-	-	(1)
Total recognised income and expense for the period	-	(1)	-	294	293
At 30 September 2007	22,460	2	(1,485)	3,862	24,839

Company	Share Capital	Accumulated Profits	Total
	S\$'000	S\$'000	S\$'000
At 1 April 2006	17,634	2,786	20,420
Net profit for the period	-	502	502
Total recognised income and expense for the period	-	502	502
At 30 September 2006	17,634	3,288	20,922
At 1 April 2007	17,634	1,534	19,168
Issue of ordinary shares	5,030	-	5,030
Expenses incurred in relation to the issue of new shares	(204)	-	(204)
Net loss for the period	-	(77)	(77)
Total recognised income and expense for the period	-	(77)	(77)
At 30 September 2007	22,460	1,457	23,917

1(d)(ii)

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	30/9/2007 S\$'000	31/3/2007 S\$'000
Issued and fully paid:		
At 1 April	17,634	17,634
Issue of ordinary shares	5,030	-
Expense incurred in relation to the issue of shares	(204)	-
At 31 March	<u>22,460</u>	<u>17,634</u>

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements of the Group as at 31 March 2007.

5 If there are any changes in the accounting policies and methods of computations, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable

Half Year Financial Statement and Dividend Announcement for the period ended 30 September 2007

- 6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Half year ended 30/9/2007	Half year ended 30/9/2006
Earnings per share (cents)		
a) Based on the weighted average number of ordinary shares on issue (cents)	0.177	0.78
b) On fully diluted basis (cents)	0.177	0.78

Earnings per share is calculated based on the Group's profit for the half year attributable to shareholders of \$293,077 (2006: \$1,226,225) divided by the weighted average number of ordinary shares of 165,492,669 (2006: 156,749,500) in issue during the financial period.

- 7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30/9/2007	31/3/2007	30/9/2007	31/3/2007
Net asset value per ordinary share based on issued share capital as at end of the period (cents)	14.05	12.58	13.53	12.23

Net asset value per ordinary share as at 30 September 2007 and 31 March 2007 is calculated based on issued share capital of the Company at the end of the financial period of 176,749,500 (2006:156,749,500) ordinary shares.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Revenue

Our Group's revenue increased by S\$1.56 million to S\$9.2 million for the financial period as compared to last year's corresponding period principally due to the higher sales revenue generated by West Point Hospital (WPH) and medicare centres in Singapore.

Profit attributable to equity holders

Profit for the period decreased S\$0.7 million to S\$0.3million compared to the last year's corresponding period principally due to the higher costs in supplies and consumables, staff, depreciation, finance and other operation costs. The decrease was also due to a negative goodwill of \$1 million recorded in prior period, which was a non-recurring item.

Supplies and consumables increased by 25% or S\$0.2 million due to higher business activities registered by medicare centres in Singapore, WPH and Malaysia's medicare centre. Staff costs rose 16% or S\$0.6 million due to higher head count, new opening of Buangkok medicare centre, salary adjustments made and appointment of full time medical doctors by WPH.

Depreciation increased by marginally at 7% or S\$0.04 million due to depreciation on renovation costs incurred for upgrading and new Buangkok medicare centre & WPH. Other operation costs rose 34% or S\$0.4 million mainly due to higher repair and maintenance charges, rental charges and utilities, as well as the net change in fair value of investment held for trading.

Shares of Profit of Associate increase by 117% or 0.04 million due to the increased in profit of Zhu Hai Boxuan Medical Equipment Co. Ltd.

Balance Sheet

Property, plant and equipment increased by S1.1 million as compared to 31 March 2007 mainly due to the renovations and construction costs for Buangkok and Sunnyville Nursing Home as well as West Point Hospital.

Trade Debtors was up by 0.8 Million mainly contributed by WPH.

Other investments under current assets up by S\$1.2 million due to the purchases of quoted investments held for trading purpose.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

- 10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operated and any known factors or events that may affect the group in the next reporting period and the next 12 months

West Point Hospital

We completed the Upgrading Project on the ground floor in June 2007; with additional facilities such as CT Scan, specialty clinic as well as stronger marketing strategy, we should be seeing even a higher growth for the next six months, turning losses to profit.

In line with the recent movement in the Healthcare Industries sector in Singapore, such as the Little India and Novena Projects that Government has put up for Tender, we are also exploring market opportunities to further develop the West Point Hospital, so that it could fully maximise its capacity and capability to help strengthen our growth opportunity.

Overseas Expansion, China

The Company signed a Sale & Purchase Agreement to acquire a 51% shareholding interest in Chengdu Tianli (Group) Co., Ltd in September 2007, 9% of which belonging to a third party friendly Investor from Singapore. This represents a milestone in opening the gate to the Company's business expansion in China (Please refer to the Company's Announcement dated 28 September 2007)

Chengdu Tianli (Group) holds an exclusive rights to develop the project, Mt. Jiguan-Jiulonggou Scenic Park which is located 96km to the west of Chengdu City and 90km to Chengdu International Airport. The area of the Scenic Park totals 110 square kilometer with 95% forest coverage. It is well known for its beautiful sceneries of mountain, forest, waterfalls, snow Mountain, hot spring, cloud sea. It is also part of the protection and inhabitation area of Giant Pandas and many other rare animals. There are some planned activities offered by the Park which include healthcare and sports facilities such as mountain ski field and other mountain sports, forest walk, river rafting, rehabilitation and spa centre and hot spring pools, which facilitate the concept of Retiring Village, rehabilitation facilities and comprehensive hospitalities development, all of which in line, add value to our business and foundation for our future growth.

In China, the Local government had obtained support from the National Infrastructure Funds and had already invested in building the infrastructure, such as a high standard road leading to the Scenic Park. Currently, the walkways, Visitors Centre and other visitors facilities in the park are partially completed and the park is expected to open for business by early 2008.

As at the date of this announcement, the Group has not completed the finalisation of the acquisition, pending approval from the Chinese Authorities.

General

Focusing on excellence quality service in the domestic market, consolidating its resources and targeting the overseas market, the Group with its current competitive edge in the domestic market, together with the synergized West Point Hospital after the repositioning exercise, and rebranding strategy as well as the expansion into the Aisa Pacific region, the Group is expected to enhance its performance going forward.

Barring any unforeseen circumstances, the directors are confident that the Group will perform better in financial year ending 31 March 2008.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the corresponding period of the immediately preceding financial year?

No

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 Confirmation by the Board pursuant to Rule 705(4) of the Listing Manual

We, Ong Chu Poh and Koh Hin Ling, being two directors of China Healthcare Limited ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the first half year 2008 to be false or misleading.

On behalf of the board of directors

Ong Chu Poh
Group Chairman & Chief Executive Officer

Koh Hin Ling
Executive Director

BY ORDER OF THE BOARD

Lee Seng Suan
Company Secretary
9 November 2008