

PACIFIC HEALTHCARE HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200100544H)

ANNOUNCEMENT

**THE PROPOSED DISPOSAL OF THE BUSINESS AND ASSETS OF A SOLE PROPRIETORSHIP
CARRIED ON BY PACIFIC CANCER CENTRE PTE. LTD. AS A MAJOR TRANSACTION**

1. INTRODUCTION

Pacific Healthcare Holdings Ltd. (the "**Company**", together with its subsidiaries, collectively the "**Group**") wishes to announce that its wholly-owned subsidiary, Pacific Cancer Centre Pte. Ltd. ("**PCCPL**"), had on 3 August 2015 entered into a sale and purchase agreement (the "**Agreement**") with Lifescan Imaging Pte. Ltd. (the "**Purchaser**") for the proposed disposal by the Company of the business and assets in relation to Pacific Healthcare Imaging ("**PHI**") (hereinafter referred to as the "**Sale Assets**") to the Purchaser (the "**Proposed Disposal**"). PHI is sole proprietorship carried on by PCCPL.

2. INFORMATION ON PCCPL AND THE PURCHASER

- 2.1 As at the date of this announcement, the Company holds 1,000,000 issued and paid-up shares in the share capital of PCCPL, representing 100% of the issued and paid-up share capital of PCCPL. PCCPL is a company primarily involved in the business of providing imaging and/or radiology services.
- 2.2 The Purchaser is not related to the Company, its directors or substantial shareholders.

3. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is a good opportunity for the Company to dispose of underperforming assets for valuable consideration and is part of the Company's continuous effort to strengthen its balance sheet. The proceeds would provide an injection of working capital for ongoing operational expenses.

4. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

The terms of the Proposed Disposal are set out in the Agreement. A summary of the principal terms of the Proposed Disposal is set out in this section.

4.1 Consideration

- 4.1.1 The aggregate consideration for the Sale Assets is S\$2.3 million (the "**Consideration**"). The Consideration will be fully satisfied by payment in cash in the manner set out in the Agreements.
- 4.1.2 The Consideration was arrived at on a willing buyer, willing seller basis taking into consideration the business prospects of PCCPL.

4.2 Conditions Precedent under the Agreement

Pursuant to the terms of the Agreement, the Proposed Disposal is conditional upon the following principal conditions precedent being satisfied:-

- 4.2.1 the approval of the board of directors (and if required, the shareholders) of each party to the Agreement for the entering into of the Agreement and any transactions contemplated under the Agreement and other related transactions as may be required in relation thereto;
- 4.2.2 all applicable governmental or regulatory approvals (or waiver) being obtained, including but not limited to any SGX-ST requirements, for the transactions contemplated under the Agreement and other related transactions as may be required in relation thereto and such approvals not being withdrawn or revoked;
- 4.2.3 certain lease agreements relating to the Sale Assets being terminated with effect from 1 September 2015;
- 4.2.4 the transfer of all the physical assets, books and inventory relating to the Sale Assets, and certain novations and assignments being effected on 1 September 2015;
- 4.2.5 the transfer of certain novations and assignments being effected with effect from 1 September 2015;
- 4.2.6 the transfer of certain employees over to the Purchaser with effect from 1 September 2015;
- 4.2.7 the completion of the renovation of the premises to (a) divide the premises, and (b) create a new centre frontage to the satisfaction of the Purchaser; and the appropriate agreements being entered into for the lease of the premises;
- 4.2.8 all applicable licences, approvals and consents being obtained; and
- 4.2.9 all PCCPL's warranties and undertakings set out in the Agreement remaining true and accurate and not misleading on 1 September 2015.

4.3 **Completion under the Agreement**

The Completion date will be the date falling 3 business days after the due satisfaction or waiver in accordance with the Agreement of the last condition precedent, or such other date as may be agreed in writing between the Company and the Purchaser (the "**Completion Date**").

5. **FINANCIAL EFFECTS**

- 5.1 The financial effects of the Proposed Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the completion of the Proposed Disposal. The financial effects of the Proposed Disposal set out below have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2014 ("**FY2014**").

5.1.1 Net tangible assets ("NTA")

The effect of the Proposed Disposal on the audited consolidated NTA per share of the Group as at 31 December 2014, assuming that the Proposed Disposal had been effected on 31 December 2014, are summarised below:

	Before the Proposed Disposal	After the Proposed Disposal
Consolidated NTA ⁽¹⁾ (S\$'000)	510	2,487
Number of shares ('000)	573,743	573,743
Consolidated NTA per share (cents)	0.09	0.43

Notes:

(1) NTA is computed based on total assets less total liabilities and intangible assets.

5.1.2 Earnings per Share ("EPS")

The effects of the Proposed Disposal on the audited consolidated EPS of the Group for FY2014, assuming that the Proposed Disposal had been effected at the beginning of FY2014, are summarised below:

	Before the Proposed Disposal	After the Proposed Disposal
Profit (Loss) attributable to equity holders of the Company (S\$'000)	(2,543)	1210
Weighted average number of Shares ('000)	573,743	573,743
Basic EPS (cents)	(0.44)	0.21

5.2 Other financial information

Based on the latest announced audited consolidated financial statements of the Group for FY2014, the net asset value attributable to the Sale Assets is approximately S\$0.32 million. Accordingly, the excess of the proceeds for the Proposed Disposal over the net asset value attributable to the Sale Assets will be approximately S\$1.98 million.

6. RULE 1006

6.1 The relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), based on the Group's audited consolidated financial statements for the FY2014, being the latest announced audited consolidated financial statements of the Group as at the date of the Agreement, are as follows:

Rule 1006(a)	Net asset value of the Sale Assets, compared with the Group's net asset value	63.29%
Rule 1006(b)	Net profits attributable to the Sale Assets, compared with the Group's net profits	22.32%
Rule 1006(c)	Consideration received for the Proposed Disposal compared with the Company's market capitalisation ⁽²⁾	40.09% ⁽¹⁾
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of	Not applicable, as this is a disposal of assets.

	equity securities previously in issue	
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable, as the Company is not disposing a mineral, oil and gas company.

Notes:

(1) Based on the Company's market capitalization of S\$5,737,429.33 computed on the bases that (i) the total number of issued shares of the Company is 573,742,933 (including 0 treasury shares); and (ii) the weighted average price of the Company's shares on 3 July 2015 is S\$0.01, being the market day immediately preceding the date of this letter.

- 6.2 As the relative figures computed under Rule 1006(a), Rule 1006(b) and Rule 1006(c) exceed 20%, the Proposed Disposal is considered a major transaction under Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposal is subject to the approval of the shareholders of the Company as an extraordinary general meeting ("**EGM**") to be convened. However, the Company will be seeking approval from the SGX-ST for either of the following: (a) the requirement for shareholders' approval to be obtained under Rule 1014 to be waived on the basis that PHI is not part of the Group's core business; or (b) that the requisite shareholders' approval under Rule 1014 to be obtained on the basis that the majority shareholders of the Company who hold more than 50% of the shareholding of the Company have given written undertakings to approve the Proposed Disposal.

7. EGM AND CIRCULAR

In the event that SGX-ST approval is not granted for the dispensation of shareholders' approval, the Company will have to obtain shareholders' approval for the Proposed Disposal and a circular containing further details on the Proposed Disposal and enclosing a notice of EGM in connection therewith will be despatched to the shareholders.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and the controlling shareholders of the Company have any interest or are deemed to be interested in the Proposed Disposal.

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

Shareholders and potential investors should note that the Proposed Disposal are subject to the fulfilment of the conditions precedent set out above and accordingly should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD OF DIRECTORS

Andrew Wong
Chief Executive Officer
3 August 2015