



Pacific Healthcare Holdings Ltd.

Annual General Meeting

29 April 2014



Care, Compassion & Medical Excellence...

AGENDA

1. Statutory Financial Results
 - Improved performance and continued progress
2. Turnaround initiatives for 2013 bearing fruit
 - Staff right-sizing
 - Space optimization
 - Marketing & Business Development
 - Growing Revenue
3. Growth initiatives for 2014



Care, Compassion & Medical Excellence...

1a. Income Statement : FY2013 vs FY2012

PHH Group	2013 S\$'000	% of Rev	2012 S\$'000	% of Rev	Inc. / (Dec) S\$'000	Inc. / (Dec) %
Revenue	53,462		54,888		(1,426)	-3%
Other items of income						
Interest income	103		149		(46)	-31%
Other income	1,300		349		951	273%
Items of expenses						
Finance expense	(188)	-0.4%	(755)	-1%	(567)	-75%
Consumables / Med. Supplies	(10,259)	-19%	(10,892)	-20%	(633)	-6%
Employee benefit	(34,018)	-64%	(35,436)	-65%	(1,418)	-4%
Depreciation	(3,885)	-7%	(4,468)	-8%	(583)	-13%
Office rental	(8,320)	-16%	(8,719)	-16%	(399)	-5%
Other exp	(9,697)	-18%	(10,923)	-20%	(1,226)	-11%
Share of assoc. result	71		3,778		(3,707)	-98%
Loss before tax	(11,432)		(12,029)		(597)	-5%
Income tax expenses	376		561		185	-33%
Loss for the year	(11,055)		(11,468)		(413)	-4%
Attributable to company owners	(8,789)		(9,333)		(544)	-6%

- Flat revenue (-3%) after 2 years of steep double digit decline
- Reduce group expenses by 6% from across the board
 - Finance expense (-75%)
 - Consumables (-6%)
 - Staff (-4%)
 - Rental (-5%)
 - Other expenses (-11%)
 - Depreciation (-13%)
- Group pretax loss of S\$11m represents an improvement of 5% and 27% (with exclusion of exceptional gains) vs FY2012
- Loss to owners in FY2013 is reduced by 6%

Care, Compassion & Medical Excellence...

1b. Cash Flow Statement : FY2013 vs FY2012

	Dec_2013	Dec_2012
	Actual	Actual
Operating profit before working capital	(6,210)	(8,746)
Changes in working capital	2,163	8,073
Operating profit after working capital changes	(4,047)	(673)
Income tax refund / (paid)	90	(135)
Cash used in operation	(3,957)	(808)
Investing activities	(1,092)	(1,016)
- Disposal of fixed assets	60	134
- Purchase of property, plant & equipment	(1,472)	(4,514)
- Net cash flow from acquisition / disposal of subsidiaries	104	240
- Dividend from other investment	113	0
- Dividend from associate		3,060
- Interest received	103	64
Financing activities	3,984	(2,764)
- Loan proceeds	0	1,450
- Repayment of loans & HP	(5,538)	(6,146)
- Advance from non-controlling interest	0	1,932
- Proceeds from placement of shares	4,195	0
- Proceeds from right issue of shares	5,327	0
Net increase / (decrease)	(1,065)	(4,588)
Effect on foreign exchange	(4)	(4)
Balance at beginning of the period	5,218	9,810
Balance at the end of the period	4,149	5,218

- Raised funds totaling S\$10.5m in FY2013 from:
 - share placement (S\$4.2m)
 - rights issue (S\$5.3m), and
 - loan from shareholder (S\$1m)
- Funds raised were utilised towards:
 - loan repayment (S\$5.6m)
 - Acquisition of medical equipment and imaging equipment (S\$1.5m)

1c. Balance Sheet: FY2013 vs FY2012

PHH Group	31/12/2013 S\$'000	31/12/2012 S\$'000	PHH Group	31/12/2013 S\$'000	31/12/2012 S\$'000
		Restated			Restated
ASSETS			Non-current liabilities:		
Current assets:			Deferred tax liabilities	81	289
Cash and bank	4,149	5,218	Provisions	1,245	1,310
Trade and other receivables	5,332	5,030	Amt due to director	800	0
Other assets	1,276	1,396	Borrowings	0	35
Inventories	2,170	2,222	Finance leases	57	292
	12,927	13,866		2,183	1,926
Non-current assets:			TOTAL LIABILITIES	28,518	32,146
Investments in subsidiaries	0	0	Equity attributable to owners of the Company:		
Investments in associates	2,626	2,556	Share capital	62,615	53,093
Other investments	180	554	Retained earnings	(57,749)	(48,958)
Property, plant and equipment	11,301	14,900	Reserves	(1,044)	(701)
Other receivable	1,950	2,493		3,822	3,434
Other assets	16,057	20,503		(3,356)	(1,211)
				466	2,223
TOTAL ASSETS	28,983	34,369	TOTAL EQUITY		
EQUITY AND LIABILITIES			TOTAL EQUITY AND LIABILITIES	28,984	34,369
Current liabilities:					
Trade and other payables	18,818	19,555			
Other liabilities	6,862	4,749			
Income tax payable	34	212			
Current portion of borrowings	435	5,411			
Current portion of finance leases	186	293			
	26,335	30,220			
Working capitals	(13,408)	(16,354)			

- Repaired balance sheet with manageable loan balance S\$0.7m and net cash of S\$3.5m
- Debt free by 31 March 2014

2. Turnaround Initiatives in 2013

- Highlights of Turnaround Plan from last AGM (April 2013)
 - Cost cutting measures
 - Staff optimization (-12.4% staff number, -10% staff cost)
 - Space utilization (surplus reduced from 6.5% to 1.4% between December 2013 and April 2014)
 - Marketing & Business Development (62:38 local-foreign patient ratio)
 - Growing Revenue
 - New Doctors
 - Facilities
 - New Sources of Revenue
 - Nursing Homes / Senior Activity Centres
 - Renal Dialysis and Clinical Network Chain

2a. Staff Optimization

SG STAFF LEVELS - 2013 vs 2012 and 2011

	Year 2011		Year 2012		Year 2013	
	Ave Pax	Total Salary	Ave Pax	Total Salary	Ave Pax	Total Salary
Total	261	\$10.4 m	241	\$8.5 m	211	\$7.6 m

- The Company has taken strides in right-sizing both its clinical and non-clinical staff ratios
- This has resulted in further reduction in average staff strength and cost in 2013 over 2012 by 30 pax (-12.4%) and \$830,000 (-10%) respectively
- In 1Q 2014, our average staff strength is down to 188 (-11%)

2b. Maximising Space Utilisation

Total Floor Space:
4 levels at Paragon
L7, 12, 19 & 20
Total: 4,895 sqm

Unutilised space
at 31 Dec 2013

Total: 319.5 sqm

Unutilised space
at 01 Apr 2014

Total: 69.1 sqm

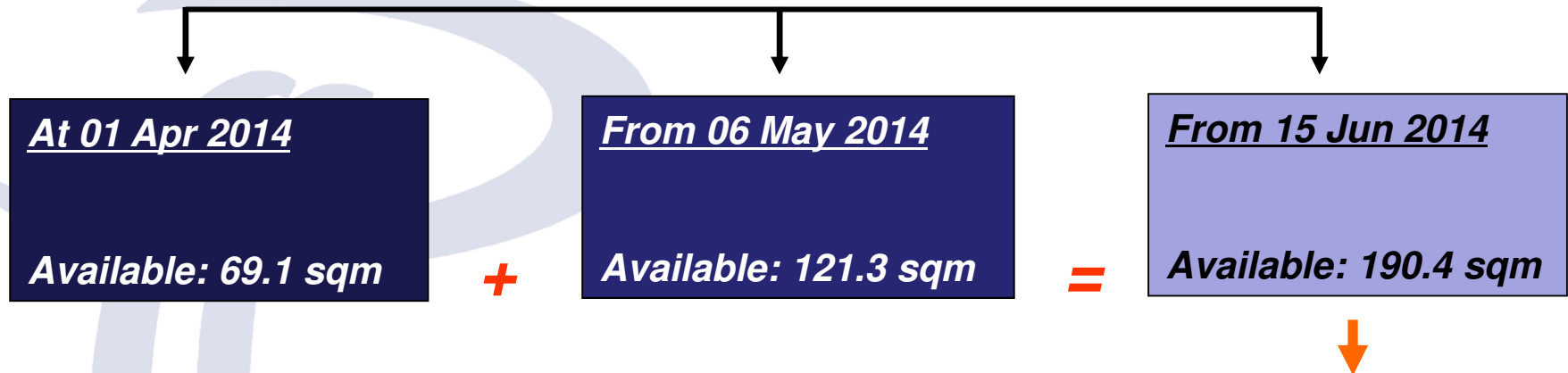
6 New Doctors On Board in 1H 2014

- 1 Cardiologist
- 2 Urologists
- 3 Orthopedic Surgeons

- The Company continues to raise the utilization of revenue generating space

2c. Creating More Space for New Doctors

Available Space

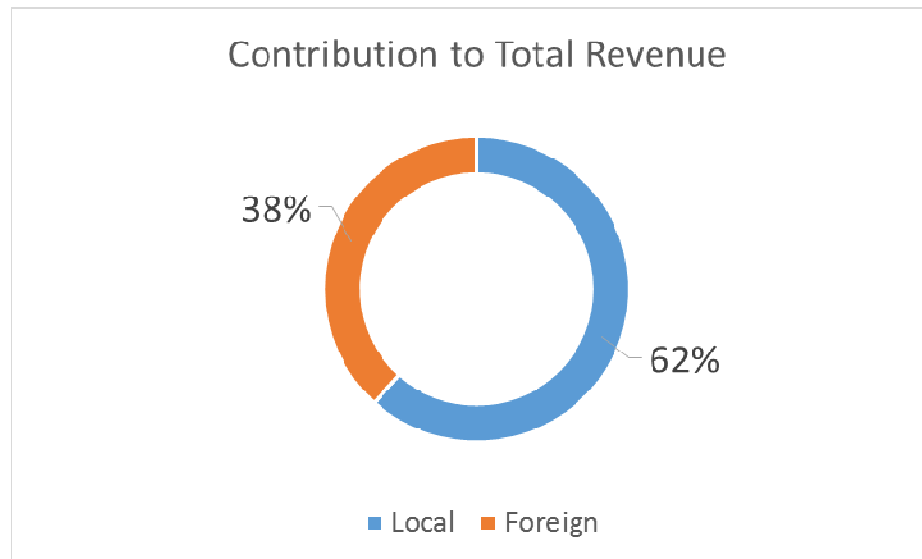


Additional space to accommodate 10 doctors

- To keep up with the growth in the hiring of new doctors, the Company will create additional revenue generating space by relocating back office space to cheaper premises allowing for the hiring of additional 10 new doctors

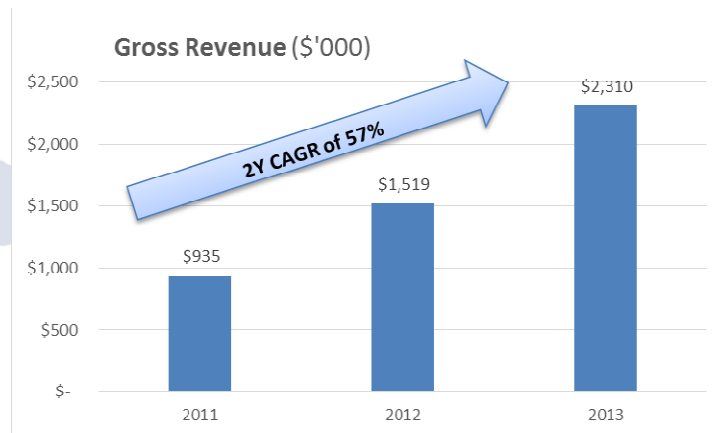
2d. Marketing & Business Development

- Marketing & Business Development
 - Foreign patient revenue grew from 34% to 38% in 2013
 - Key foreign markets include Russia, Indonesia and Malaysia
 - Growth in arrivals from Vietnam, and non-traditional markets e.g. Myanmar
 - Local patient revenue fell from 66% to 62% in the same period
 - Resident foreigners are counted as “Local” patients and predominantly come from Malaysia, UK and USA



2e. Growing Revenue

- Health Screening & Imaging
 - Health Screening and Imaging Centre revenue grew by a further 51% to \$2.3m in 2013, after having grown 63% y-o-y in FY2012
 - The growth was driven by the signing of 3 new agents, 1 third-party broker and 5 insurers (with a further 2 pending)
- MRI
 - PHH is entering the MRI business with the acquisition of a 1.5 Tesla MRI that is expected to be operational by July 2014
 - The creation of a Musculoskeletal “Centre of Excellence” at Level 12 comprising 3 orthopedic surgeons, 2 sports medicine physicians and 1 physiotherapist will complement the MRI facility



3. New Sources of Revenues

- Nursing Homes
 - Raised stakes in 2 Nursing Homes from 15% to 35%
 - Equity account as Associate from February 2014
 - Performance of Nursing Homes:
 - Good growth in resident numbers
 - High occupancy with headroom for further growth (Capacity NH1 = 259; NH2 = 264)
- Network of spokes /feeders
 - Renal Dialysis – to open 2 centres in JV with Asia Renal Care (Asia)
 - Clinical network for GP



3a. Growth Outlook – Driving Dr & Facility Revenues

- New Medical Specialists to drive growth
 - 6 new Specialists joined in 1H2014 (+18% y-o-y vs 34 existing doctors @ Dec 2013)
 - 1 new Specialist joining in July 2014
 - Target for 5-8 new doctors to join Group in 2H 2014
 - Continuous recruitment of new Specialists to expand scope of medical specialties within the Group
- Medical Specialists joining the Group are proceduralists /interventionists and are expected to also drive higher volumes through our facilities:
 - Day surgery
 - Imaging /MRI





THANK YOU

Care, Compassion & Medical Excellence...