

PACIFIC HEALTHCARE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200100544H)

ANNOUNCEMENT

**THE PROPOSED DISPOSALS OF 100% OF THE ISSUED AND PAID-UP ORDINARY SHARES
IN THE SHARE CAPITAL OF PACIFIC HEALTHCARE (INDONESIA) PTE. LTD. AND PACIFIC
SURGICAL AND ENDOSCOPY 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 it had on 16 January 2015 entered into two sale and purchase agreements (the "**Agreements**") with Straitsworld Advisory Ltd (the "**Purchaser**") for the proposed disposals by the Company of 2 issued and paid-up ordinary shares in the share capital of Pacific Healthcare (Indonesia) Pte. Ltd. ("**PHIPL**") and 400,000 issued and paid-up ordinary shares in the share capital of Pacific Surgical and Endoscopy Centre Pte. Ltd. ("**PSECPL**") (hereinafter collectively referred to as the "**Sale Shares**") to the Purchaser (the "**Proposed Disposals**"). Upon completion of the Proposed Disposals ("**Completion**"), the Company will cease to have any shareholding interest in PHIPL and PSECPL.

2. INFORMATION ON PHIPL, PSECPL AND THE PURCHASER

- 2.1 As at the date of this announcement, the Company holds 2 issued and paid-up shares in the share capital of PHIPL, representing 100% of the issued and paid-up share capital of PHIPL. PHIPL is an investment holding company for the Group's operations in Indonesia.
- 2.2 As at the date of this announcement, the Company also holds 400,000 issued and paid-up shares in the share capital of PSECPL, representing 100% of the issued and paid-up share capital of PSECPL. PSECPL is a company primarily involved in the business of providing day surgery services.
- 2.3 The Purchaser is not related to the Company, its directors or substantial shareholders.

3. RATIONALE FOR THE PROPOSED DISPOSALS

The Proposed Disposals are good opportunities 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 DISPOSALS

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

4.1 Consideration

4.1.1 The aggregate consideration for the Sale Shares is S\$4.19 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 PHIPL and PSECPL.

4.2 Conditions Precedent under the Agreements

Pursuant to the terms of the Agreements, the Proposed Disposals are conditional upon:-

4.2.1 the approval of directors of the Company and the Purchaser for the entering into of this Agreements and any transactions contemplated by this Agreements and other related transactions as may be required in relation thereto

4.2.2 the clearance by the SGX-ST of the circular of the Vendor in relation to the disposal of the Sale Shares (if necessary);

4.2.3 the approval of the shareholders of the Vendor being obtained for the disposal of the Sale Shares on the terms and subject to the conditions of this Agreement (if necessary); and

4.2.4 all applicable governmental or regulatory approvals being obtained, including but not limited to any Singapore Exchange Securities Trading Limited ("**SGX-ST**") requirements, for the sale of the Sale Shares to the Purchaser prior to Completion.

In addition to the above, the proposed disposal of PSECPL is conditional upon:-

4.2.5 in principle approval from the management of Paragon in writing, whether in the form of a letter or an email, relating to the transfer or novation of the lease agreement or the signing of a fresh lease agreement for the lease of whole of the 12th level of Paragon including the limited space on the 11th level of Paragon currently occupied by PSECPL by the Purchaser.

4.3 Completion under the Agreements

The Completion date will be 2 business days after the conditions precedent to the Agreements has been fulfilled, or such other date as may be agreed in writing between the Company and the Purchaser.

5. FINANCIAL EFFECTS

- 5.1 The financial effects of the Proposed Disposals 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 Disposals. The financial effects of the Proposed Disposals set out below have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2013 ("FY2013").

5.1.1 Net tangible assets ("NTA")

The effects of the Proposed Disposals on the audited consolidated NTA per share of the Group as at 31 December 2013, assuming that the Proposed Disposals had been effected on 31 December 2013, are summarised below:

	Before the Proposed Disposals	After the Proposed Disposals
Consolidated NTA ⁽¹⁾ (S\$'000)	466	3,338
Number of shares ('000)	573,743	573,743
Consolidated NTA per share (cents)	0.08	0.58

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 Disposals on the audited consolidated EPS of the Group for FY2013, assuming that the Proposed Disposals had been effected at the beginning of FY2013, are summarised below:

	Before the Proposed Disposals	After the Proposed Disposals
Profit (Loss) attributable to equity holders of the Company (S\$'000)	(8,791)	(5,851)
Weighted average number of Shares ('000)	478,975	478,975
Basic EPS (cents)	(1.84)	(1.22)

5.2 Other financial information

Based on the latest announced audited consolidated financial statements of the Group for FY2013, the net asset value attributable to the Sale Shares is approximately S\$3.16 million. Accordingly, the excess of the proceeds for the Proposed Disposals over the net asset value attributable to the Sale Shares will be approximately S\$1.03 million.

6. RULE 1006

- 6.1 The relative figures in relation to the Proposed Disposals 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 FY2013, being the latest announced audited consolidated financial statements of the Group as at the date of the Agreements, are as follows:

Rule 1006(a)	Net asset value of the Sale Shares, compared with the Group's net asset value	-1300% (negative number) ⁽¹⁾
Rule 1006(b)	Net profits attributable to the Sale Shares, compared with the Group's net profits	27.52% ⁽¹⁾
Rule 1006(c)	Consideration received for the Proposed Disposals compared with the Company's market capitalisation ⁽²⁾	24.33%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable
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

Notes:

- (1) As the relative figures computed under Rule 1006(a) and Rule 1006(b) exceed 20%, the Proposed Disposals are considered a major transaction under Chapter 10 of the Listing Manual.
- (2) Using the weighted average market price on 15 January 2015, being the market day immediately preceding the date of the Agreements, the Group's market capitalization calculated based on the total number of issued shares excluding treasury shares is approximately S\$17.2 million.

- 6.2 As the relative figures computed under Rule 1006(a) and Rule 1006(b) exceed 20%, the Proposed Disposals are considered a major transaction under Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposals are subject to the approval of the shareholders of the Company as an extraordinary general meeting ("**EGM**") to be convened.

7. EGM AND CIRCULAR

Pursuant to Rule 1014 of the Listing Manual, the Company has to obtain shareholders' approval for the Proposed Disposals. A circular containing further details on the Proposed Disposals and enclosing a notice of EGM in connection therewith will be despatched to the shareholders in due course.

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 Disposals.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposals. 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 Disposals 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
16 January 2015