



PACIFIC HEALTHCARE HOLDINGS LTD.
(Co. Regn. No: 200100544H)

FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1) RESULTS

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

1(a)(i) Unaudited Group Income Statement for the first quarter ended 31 March 2014

| GROUP | First Quarter | | |
|--|---------------|----------------|-------------------------|
| | Q1 2014 | Q1 2013 | Increase/ (Decrease) |
| | S\$'000 | S\$'000 | % |
| Revenue | 13,934 | 13,717 | 2 |
| <u>Other items of income</u> | | | |
| Interest income | 31 | 29 | 7 |
| Other income | 2,345 | 148 | 1,484 |
| <u>Items of expense</u> | | | |
| Financial expense | (8) | (66) | (88) |
| Purchases and changes in inventories of consumables and medical supplies | (2,373) | (2,157) | 10 |
| Employee benefits expense | (8,303) | (8,424) | (1) |
| Depreciation and amortisation | (881) | (1,032) | (15) |
| Rental expense | (2,222) | (2,094) | 6 |
| Other expenses | (1,817) | (2,355) | (23) |
| Total expenses | (15,604) | (16,128) | (3) |
| Share of results of associates | 124 | 19 | 553 |
| Profit/(Loss) before tax | 830 | (2,215) | (137) |
| Income tax expense | - | 102 | N.M. |
| Profit/(Loss) for the period | 830 | (2,113) | (139) |
| Attributable to: | | | |
| Owners of the company | 1,100 | (1,703) | (165) |
| Non-controlling interests | (270) | (410) | (34) |
| Profit/(Loss) for the period | 830 | (2,113) | (139) |

NM: Not Meaningful

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

| Statement of Comprehensive Expense | First Quarter | | |
|--|---------------|----------------|-------------------------|
| | Q1 2014 | Q1 2013 | Increase/ (Decrease) |
| | S\$'000 | S\$'000 | % |
| Profit/(Loss) for the period | 830 | (2,113) | (139) |
| <u>Other comprehensive (expense) / income</u> | | | |
| Translation differences relating to financial statements of foreign subsidiaries | 145 | 34 | 326 |
| Total comprehensive expense for the period | 975 | (2,079) | (147) |
| Total comprehensive expense attributable to: | | | |
| Owners of the parent | 1,366 | (1,680) | (181) |
| Non-controlling interests | (391) | (399) | (2) |
| Total comprehensive expense for the period | 975 | (2,079) | (147) |

NM: Not Meaningful

1(a)(ii)

| GROUP | First Quarter | |
|---|---------------|--------------|
| | Q1 2014 | Q1 2013 |
| | S\$'000 | S\$'000 |
| <u>Other income:</u> | | |
| Other income | 2,345 | 148 |
| | 2,345 | 148 |
| <u>Financial expense:</u> | | |
| Interest expense: | | |
| - Bank loans | 7 | 56 |
| - Obligations under finance leases | 1 | 7 |
| - Other interest charges | - | 3 |
| Total interest expense | 8 | 66 |
| <u>Depreciation and amortisation:</u> | | |
| Depreciation of property, plant and equipment | 881 | 1,032 |
| | 881 | 1,032 |

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

1(a)(iii) Additional disclosures

| | Three months ended 31 March | | |
|---|-----------------------------|---------|--------|
| | 2014 | 2013 | % |
| | S\$'000 | S\$'000 | Change |
| Interest income | 31 | 29 | 7 |
| Interest expense | (8) | (66) | (88) |
| Share of results of associates | 124 | 19 | 553 |
| Reversal of doubtful debts | - | 122 | N.M. |
| Goodwill Impairment | - | (613) | N.M. |
| Bad debts written off | (1) | (1) | N.M. |
| Depreciation and amortisation | (881) | (1,032) | (15) |
| Foreign exchange gain/(loss) (net) | (3) | (16) | (81) |
| Overprovision of tax in respect of prior year | - | 102 | N.M. |

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.

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 31/03/2014 | 31/12/2013 | 31/03/2014 | 31/12/2013 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and bank | 3,500 | 4,149 | 461 | 1,063 |
| Short term deposits, restricted in use | - | - | - | - |
| Trade and other receivables | 5,517 | 5,332 | 10,671 | 11,312 |
| Other assets | 1,394 | 1,276 | 348 | 329 |
| Inventories | 2,054 | 2,170 | - | - |
| | 12,465 | 12,927 | 11,480 | 12,704 |
| Non-current assets: | | | | |
| Investments in subsidiaries | - | - | 5,407 | 5,407 |
| Investments in associates | 3,899 | 2,626 | 1,564 | - |
| Other investments | 59 | 180 | - | 360 |
| Property, plant and equipment | 10,651 | 11,301 | 2,203 | 2,354 |
| Other assets | 1,847 | 1,950 | - | - |
| | 16,456 | 16,057 | 9,174 | 8,121 |
| TOTAL ASSETS | 28,921 | 28,984 | 20,654 | 20,825 |
| EQUITY AND LIABILITIES | | | | |
| Current liabilities: | | | | |
| Trade and other payables | 18,575 | 18,818 | 13,157 | 14,887 |
| Other liabilities | 6,482 | 6,862 | 305 | 336 |
| Income tax payable | 35 | 34 | - | - |
| Current portion of borrowings | - | 435 | - | 400 |
| Current portion of finance leases | 214 | 186 | - | - |
| | 25,306 | 26,335 | 13,462 | 15,623 |
| Non-current liabilities: | | | | |
| Deferred tax liabilities | 81 | 81 | - | - |
| Provisions | 1,343 | 1,245 | 699 | 699 |
| Other payables | 750 | 800 | - | - |
| Borrowings | - | - | - | - |
| Finance leases | - | 57 | - | - |
| | 2,174 | 2,183 | 699 | 699 |
| TOTAL LIABILITIES | 27,480 | 28,518 | 14,161 | 16,322 |
| Equity attributable to owners of the company: | | | | |
| Share capital | 62,615 | 62,615 | 62,615 | 62,615 |
| Retained earnings | (56,649) | (57,749) | (56,122) | (58,112) |
| Foreign currency translation reserve | (778) | (1,044) | - | - |
| | 5,188 | 3,822 | 6,493 | 4,503 |
| Non-controlling interests | (3,747) | (3,356) | - | - |
| TOTAL EQUITY | 1,441 | 466 | 6,493 | 4,503 |
| TOTAL EQUITY AND LIABILITIES | 28,921 | 28,984 | 20,654 | 20,825 |

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

Amount repayable in one year or less, or on demand

| As at 31/03/2014 | | As at 31/12/2013 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 214 | - | 621 | - |

Amount repayable after one year

| As at 31/03/2014 | | As at 31/12/2013 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| - | - | 57 | - |

Details of any collateral

As at 31 March 2014, the secured Group borrowings refer to

- assets acquired under finance leases.

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

| GROUP | Q1 2014 | Q1 2013 |
|---|--------------|--------------|
| | S\$'000 | S\$'000 |
| Cash flows from operating activities: | | |
| Profit/(Loss) before tax | 830 | (2,215) |
| Adjustments for: | | |
| Depreciation expense | 881 | 1,032 |
| Interest income | (31) | (29) |
| Interest expense | 8 | 66 |
| Fair value adjustment on financial assets and financial liabilities | 6 | 6 |
| Bad trade receivables written off | 1 | 1 |
| Bad trade receivables recovered | (1) | (3) |
| Goodwill impairment | - | 613 |
| Reversal of doubtful debts | - | (122) |
| Share of results of associates | (124) | (19) |
| Provision for impairment of doubtful debts | 48 | - |
| Write back of Provision | (2,100) | - |
| Unrealised exchange loss, net | 1 | (16) |
| Operating cash flows before changes in working capital | (481) | (686) |
| Trade and other receivables | (397) | (178) |
| Inventories | 115 | 63 |
| Trade and other payables | 781 | 847 |
| Cash flows from operations | 18 | 46 |
| Income tax recovered | 1 | 105 |
| Net cash flows from operating activities | 19 | 151 |
| Cash flow from investing activities: | | |
| Investment in associates | (69) | - |
| Purchase of property, plant and equipment | (127) | (349) |
| Net cash from acquisition of subsidiary | - | 104 |
| Interest received | - | 1 |
| Net cash flows used in investing activities | (196) | (244) |

| GROUP | Q1 2014 | Q1 2013 |
|--|--------------|----------------|
| | S\$'000 | S\$'000 |
| Cash flow from financing activities: | | |
| Repayment of borrowings | (435) | (1,575) |
| Contribution from minority shareholder of a subsidiary | - | 374 |
| Repayment of obligation under finance leases | (30) | (89) |
| Interest paid | (8) | (66) |
| Net cash flows used in financing activities | (473) | (1,356) |
| Net decrease in cash and cash equivalents | (650) | (1,449) |
| Effect of exchange rate changes on cash and cash equivalents | 1 | 1 |
| Cash and cash equivalents at beginning of period | 4,149 | 5,217 |
| Cash and cash equivalents at end of period | 3,500 | 3,769 |
| Cash as disclosed in balance sheet | 3,500 | 3,769 |
| Less: Cash restricted in use | - | - |
| Cash and cash equivalents at end of period | 3,500 | 3,769 |

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 immediately preceding financial year.

| GROUP | Equity, total | Attributable to owners of the parent | | | | | | | Non- controlling interests |
|--|------------------|---|------------------|----------------------|------------------------------|---|--------------------------------------|--|----------------------------------|
| | | Attributab le to owners of the company , total | Share capital | Retained earnings | Other reserve s, total | Other reserves | | | |
| | | | | | | Foreign currency translation reserve | Fair value adjustmen t reserve | Premium paid on acquisitio n of non- controlling interests | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Opening balance at 1 January 2014 | 466 | 3,822 | 62,615 | (57,749) | (1,044) | (1,002) | 5 | (47) | (3,356) |
| Profit for the period | 830 | 1,100 | - | 1,100 | - | - | - | - | (270) |
| Other comprehensive expense for the period | 145 | 266 | - | - | 266 | 266 | - | - | (121) |
| Total comprehensive expense for the period | 975 | 1,366 | - | 1,100 | 266 | 266 | - | - | (391) |
| Closing balance at 31 March 2014 | 1,441 | 5,188 | 62,615 | (56,649) | (778) | (736) | 5 | (47) | (3,747) |
| | | | | | | | | | |
| Opening balance at 1 January 2013 | 4,915 | 4,845 | 53,093 | (47,541) | (707) | (890) | 230 | (47) | 70 |
| Loss for the period | (2,113) | (1,703) | - | (1,703) | - | - | - | - | (410) |
| Other comprehensive income for the period | 34 | 23 | - | - | 23 | 23 | - | - | 11 |
| Total comprehensive expense for the period | (2,079) | (1,680) | - | (1,703) | 23 | 23 | - | - | (399) |
| Closing balance at 31 March 2013 | 2,836 | 3,165 | 53,093 | (49,244) | (684) | (867) | 230 | (47) | (329) |

| COMPANY | Equity, Total | Share Capital | Retained earnings |
|---|---------------|---------------|-------------------|
| | S\$'000 | S\$'000 | S\$'000 |
| Opening balance at 1 January 2014 | 4,503 | 62,615 | (58,112) |
| Profit for the period | 1,990 | - | 1,990 |
| Total comprehensive income for the period | 1,990 | - | 1,990 |
| Closing balance at 31 March 2014 | 6,493 | 62,615 | (56,122) |
| | | | |
| Opening balance at 1 January 2013 | 2,149 | 53,093 | (50,944) |
| Loss for the period | (450) | - | (450) |
| Total comprehensive expense for the period | (450) | - | (450) |
| Closing balance at 31 March 2013 | 1,699 | 53,093 | (51,394) |

- 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

| | 2014 | | 2013 | |
|-----------------|---------------------------|-----------------------|---------------------------|-----------------------|
| | Number of Ordinary Shares | Share Capital S\$'000 | Number of Ordinary Shares | Share Capital S\$'000 |
| As at 1 January | 573,742,933 | 62,615 | 407,994,347 | 53,093 |
| As at 31 March | 573,742,933 | 62,615 | 407,994,347 | 53,093 |

At the end of the reporting period, there were no outstanding share options or warrants.

The Company did not have any treasury shares as at 31 March 2014 and 31 March 2013.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

| | 31/03/2014 | 31/12/2013 |
|---|-------------|-------------|
| Number of issued shares excluding treasury shares | 573,742,933 | 407,994,347 |

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 March 2014 (31 December 2013: Nil) as the Company did not have any treasury shares as at 31 March 2014 and 31 December 2013.

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

The financial statement on consolidated results for the first quarter ended 31 March 2014 have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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.

Accounting policies and methods of computation used in the consolidated financial statements for the quarter ended 31 March 2014 are consistent with those applied in the financial statements for the year ended 31 December 2013.

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

Not applicable.

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

| | First Quarter | |
|--|---------------|--------------|
| | Q1 2014 | Q1 2013 |
| Loss / earnings per ordinary share of the group, after deducting any provision for preference dividends: | | |
| (a) Based on weighted average number of ordinary shares in issue; and | 0.19 cents | - 0.42 cents |
| (b) On a fully diluted basis | 0.19 cents | - 0.42 cents |

The basic and fully diluted earnings per share above has been calculated based on the Group's profit attributable to owners of the company of S\$1,100,000 (31 March 2013: Group's loss attributable to owners of the company of S\$1,703,000) divided by the weighted average number of ordinary shares outstanding during the financial period of 573,742,933 shares (31 March 2013: 407,994,347 shares).

The diluted earnings per share is the same as the basic earnings per share as there were no diluted common share equivalents outstanding during the relevant period.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

| | Group | | Company | |
|------------------------------------|------------|------------|------------|------------|
| | 31/03/2014 | 31/12/2013 | 31/03/2014 | 31/12/2013 |
| Net asset value per ordinary share | 0.25 cents | 0.70 cents | 1.13 cents | 0.42 cents |

The net asset value per ordinary share of the Group has been calculated based on the shareholders' equity of S\$1,441,000 (31 December 2013: S\$2,836,000) and the share capital of 573,742,933 ordinary shares (31 December 2013: 407,994,347 ordinary shares).

The net asset value per share of the Company has been calculated based on the shareholders' equity of S\$6,493,000 (31 December 2013: S\$1,699,000) and the capital of 573,742,933 ordinary shares (31 December 2013: 407,994,347 ordinary shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) 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; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue for the quarter ended 31 March 2014 ("Q1 2014") increased by 2% to S\$13.9m from S\$13.7m when compared to the corresponding period of last year ("Q1 2013").

Rental expenses increased by 6% from S\$2.0m to S\$2.2m due to rental revisions at both Singapore as well as our overseas operations. However, overall operating expenses were lower by S\$0.5m or 3% in Q1 2014. The reduction in operating expenses were due to on-going cost containment initiatives.

For Q1 2014, the Group recorded a profit attributable to shareholders of S\$1.1m as compared to a loss of S\$1.7m in Q1 2013. The improvement is attributed to (i) higher associated income contribution by S\$0.1m from the acquisition of two nursing homes in February 2014 and (ii) the write back of S\$2.1m from the provision for a failed joint venture as disclosed in the Offer Information Statement dated 20 August 2013.

While the cash and bank balance declined to S\$3.5m as of 31 March 2014 (mainly as a result of the repayment of borrowings) the Company has no bank debt.

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

The Group did not issue any forecast or a prospect statement.

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

While demand for dental and medical services continues to be strong, the increase in wages continues to drive costs upwards. Nonetheless, the Group remains committed to adding to its roster of specialists for scale and breadth of service. The addition of new doctors will drive growth in both patient and facilities revenues for 2014.

The two nursing homes acquired in end-February 2014 will contribute positively in the subsequent reporting periods. The company will be opening two renal dialysis centres in the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared 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.

No dividend has been declared or recommended for the quarter ended 31 March 2014.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii).

14. Confirmation pursuant to Rule 705 (5) of the Listing Manual

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Group and the Company for the period ended 31 March 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr William Chong Lai Leong
Executive Director and Acting Chief Executive Officer
12May 2014