



**FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q3 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

1(a)(i) Unaudited Consolidated Statement of Comprehensive Income for the first quarter ended 31 March 2016

<b>Group</b>	<b>1Q 2016 S\$'000</b>	<b>1Q 2015 S\$'000</b>	<b>Increase/ (Decrease) %</b>
<b>Revenue</b>	8,715	12,178	(28)
<b><u>Other items of income</u></b>			
Interest income	11	31	(65)
Other income	218	1,889	(88)
<b><u>Items of expense</u></b>			
Financial costs	(13)	(1)	N.M.
Purchases and changes in inventories of consumables and medical supplies	(1,525)	(2,139)	(29)
Employee benefits expenses	(5,325)	(7,483)	(29)
Depreciation expense	(260)	(392)	(34)
Rental expenses	(1,594)	(2,253)	(29)
Other expenses	(1,363)	(1,416)	(4)
Share of results of associates	51	174	(71)
<b>(Loss)/Profit before tax</b>	<b>(1,085)</b>	<b>588</b>	<b>(284)</b>
Tax expense	(50)	(44)	N.M.
<b>(Loss)/Profit for the period</b>	<b>(1,135)</b>	<b>544</b>	<b>(309)</b>
<b>Other comprehensive (loss)/ income</b>			
Currency translation differences	(2)	32	N.M.
<b>Total comprehensive (loss)/income for the period</b>	<b>(1,137)</b>	<b>576</b>	<b>(297)</b>
<b>Total comprehensive (loss)/ income attributable to:</b>			
Equity holder of the Company	(1,223)	455	(369)
Non-controlling interests	86	122	(30)
<b>Total comprehensive (loss)/ income for the period</b>	<b>(1,137)</b>	<b>577</b>	<b>(297)</b>

N.M. Not meaningful

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

1(a)(ii) (Loss)/Profit for the period include the following:

Group	First Quarter		
	1Q 2016 S\$'000	1Q 2015 S\$'000	Increase/ (Decrease) %
Interest income	11	31	(65)
Interest expenses	(13)	(1)	N.M.
Loss on change of interest in an associate	(162)	0	N.M.
Bad debts written off	(9)	(55)	(84)
Provision for allowance for doubtful debts	(209)	(104)	101
Forfeiture of deposits received for the proposed disposal of subsidiaries	0	1,700	N.M.
Depreciation expense	(260)	(392)	(34)

N.M. Not meaningful

**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	
	31/3/2016	31/12/2015	31/3/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	2,799	2,610	707	33
Trade and other receivables	1,925	4,527	1,333	912
Deposits	2,281	2,233	837	826
Other assets	365	433	56	73
Inventories	1,022	1,177	-	-
	8,392	10,980	2,933	1,844
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	2,206	2,206
Investments in associates	1,099	1,310	474	474
Other investments	-	-	-	-
Property, plant and equipment	3,322	3,657	218	278
Other assets	25	71	-	-
	4,446	5,038	2,898	2,958
<b>TOTAL ASSETS</b>	<b>12,838</b>	<b>16,018</b>	<b>5,831</b>	<b>4,802</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities:</b>				
Trade and other payables	12,277	13,386	13,598	12,603
Other liabilities	1,792	2,848	705	686
Income tax payables	302	252	-	-
Borrowings	637	135	500	-
Provision	617	893	317	317
	15,625	17,514	15,120	13,606
<b>Non-current liabilities:</b>				
Deferred tax liabilities	29	29	-	-
Borrowings	558	590	-	-
	587	619	-	-
<b>TOTAL LIABILITIES</b>	<b>16,212</b>	<b>18,133</b>	<b>15,120</b>	<b>13,606</b>
<b>Equity attributable to equity holders of the Company:</b>				
Share capital	62,615	62,615	62,615	62,615
Retained earnings	(63,833)	(62,612)	(71,904)	(71,419)
Reserves	(575)	(573)	-	-
	(1,793)	(570)	(9,289)	(8,804)
Non-controlling interests	(1,581)	(1,545)	-	-
<b>TOTAL EQUITY</b>	<b>(3,374)</b>	<b>(2,115)</b>	<b>(9,289)</b>	<b>(8,804)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,838</b>	<b>16,018</b>	<b>5,831</b>	<b>4,802</b>

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

	As at 31/3/2016		As at 31/12/2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	637	-	135	-
Amount repayable after one year	558	-	590	-

Details of collateral

(i) Term loan from financing institution

This loan is secured by personal guarantee of a director of a subsidiary, Pacific Healthcare Nursing Home Pte. Ltd.

(ii) Shareholders' loan

This loan is secured by fixed and floating charge over assets of the Company.

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

<b>Group</b>	<b>1Q 2016 S\$'000</b>	<b>1Q 2015 S\$'000</b>
<b>Loss before Tax</b>	(1,085)	589
<u>Adjustments for:</u>		
Allowance for impairment of doubtful receivables:	209	104
Depreciation expense	260	392
Fair value adjustment on financial assets and liabilities	-	4
Gain on disposal of an associates	-	(4)
Loss/(Gain) on disposal of plant and equipment	34	(19)
Interest income	(11)	(31)
Interest expense	13	1
Loss on change of interest in an associate	162	-
Share of results of associates	(51)	(174)
Write-off of trade receivables	9	55
Unrealised exchange (gain)/loss	(2)	(1)
<b>Operating loss before changes in working capital</b>	(462)	916
Inventories	155	127
Receivables	(2,430)	(809)
Payables	2,450	(1,078)
<b>Cash generated from operations</b>	(287)	(844)
Interest paid	(13)	(1)
Income tax refunded	-	40
<b>Net cash used in operating activities</b>	(300)	(805)
<b>Cash flows from investing activities:</b>		
Dividend income from associates	100	-
Proceed from change of interest in an associate	-	185
Purchase of plant and equipment	(26)	(84)
Proceeds from disposal of plant and equipment	67	19
<b>Net cash flows generated from investing activities</b>	141	120
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	(30)	-
Proceed from borrowings	500	-
Contribution from non-controlling interest of a subsidiary	-	(8)
Capital contribution from non-controlling interest	-	15
Dividend paid to non-controlling interest	(122)	(346)
<b>Net cash flows generated from/ (used in) financing activities</b>	348	(339)
<b>Net increase/(decrease) in cash and cash equivalents</b>	189	(1,024)
Cash and cash equivalents at beginning of year	2,610	3,235
<b>Cash and cash equivalents at end of period</b>	<b>2,799</b>	<b>2,211</b>

**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**

GROUP	Equity, total	Attributable to equity holders of the Company							Non-controlling interests
		Attributable to equity holders of the Company, total	Share capital	Accumulated losses	Other reserves, total	Other reserves			
						Reserve of disposal group classified as held for sale	Foreign currency translation reserve	Premium paid on acquisition of non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Opening balance at 1 January 2016</b>	(2,115)	(570)	62,615	(62,612)	(573)	-	(526)	(47)	(1,545)
(Loss) / Profit for the period	(1,135)	(1,221)	-	(1,221)	-	-	-	-	86
<u>Other comprehensive loss</u>									
Foreign currency translation	(2)	(2)	-	-	(2)	-	(2)	-	-
<b>Total comprehensive (loss)/profit for the period</b>	(1,137)	(1,223)	-	(1,221)	(2)	-	(2)	-	86
Dividend paid to non-controlling interests	(122)	-	-	-	-	-	-	-	(122)
<b>Closing balance at 31 March 2016</b>	<b>(3,374)</b>	<b>(1,793)</b>	<b>62,615</b>	<b>(63,833)</b>	<b>(575)</b>	<b>0</b>	<b>(528)</b>	<b>(47)</b>	<b>(1,581)</b>
<b>Opening balance at 1 January 2015</b>	510	1,828	62,615	(60,254)	(533)	(281)	(205)	(47)	(1,318)
Profit for the period	545	455	-	455	-	-	-	-	90
<u>Other comprehensive expense</u>									
Foreign currency translation	32	0	-	-	-	(2)	2	-	32
<b>Total comprehensive income for the period</b>	577	455	-	455	-	(2)	2	-	122
Dividend paid to non-controlling interests	(360)	-	-	-	-	-	-	-	(360)
<i>Changes in ownership interest in subsidiary</i>									
Shares issued to non-controlling interests	15	(2)	-	(2)	-	-	-	-	17
<b>Closing balance at 31 March 2015</b>	<b>742</b>	<b>2,281</b>	<b>62,615</b>	<b>(59,801)</b>	<b>(533)</b>	<b>(283)</b>	<b>(203)</b>	<b>(47)</b>	<b>(1,539)</b>

Company	Total Equity	Share Capital	Accumulated losses
	S\$'000	S\$'000	S\$'000
<b>Opening balance at 1 January 2016</b>	(8,804)	62,615	(71,419)
Loss and total comprehensive loss for the period	(485)	-	(485)
<b>Closing balance at 31 March 2016</b>	<b>(9,289)</b>	<b>62,615</b>	<b>(71,904)</b>
<b>Opening balance at 1 January 2015</b>	1,785	62,615	(60,830)
Profit and total comprehensive income for the period	2,056	-	2,056
<b>Closing balance at 31 March 2015</b>	<b>3,841</b>	<b>62,615</b>	<b>(58,774)</b>

- 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.**

	2016		2015	
	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	573,742,933	62,615
As at 31 March	<b>573,742,933</b>	<b>62,615</b>	<b>573,742,933</b>	<b>62,615</b>

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

- 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.**

	31/3/2016	31/12/2015
Number of issued shares excluding treasury shares	573,742,933	573,742,933

There are no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

- 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.**

Not applicable as there were no treasury shares issued by the Company.

- 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 by the Company's auditor.

- 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 2016 are consistent with those applied in the financial statements for the year ended 31 December 2015.

- 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	
	1Q 2016	1Q 2015
(Loss)/Gain per ordinary share of the group, after deducting any provision for preference dividends:		
Basic earnings per share <sup>(1)</sup>	-0.21 cents	0.08 cents
On a fully diluted basis <sup>(1)</sup>	-0.21 cents	0.08 cents

<sup>(1)</sup> Computed based on the net loss attributable to owners of the parent company divided by the weighted average number of ordinary 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	
	31/3/2016	31/12/2015	31/3/2016	31/12/2015
Net asset value per ordinary share <sup>(1)</sup>	-0.59 cents	-0.37 cents	-1.62 cents	-1.53 cents

<sup>(1)</sup> Computed based on the shareholders' equity divided by number of ordinary share of 573,742,933 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.**

**Income statement**

Group revenue in 1Q 2016 decreased from \$12.2m to \$8.7m compared to 1Q 2015. The 28% fall in revenues is attributable to the general decline in medical tourism for the period, as well as the departure or cessation of certain specialist practices within the Group during 2015.

Other income decreased by 88% from \$1.9m to \$0.2m mainly due to the \$1.7m one-off forfeiture of deposits received for the proposed disposal of subsidiaries in 1Q 2015.

Rental expenses for 1Q 2016 decreased by 29% from \$2.3m to \$1.6m due to termination of lease rental for Level 7 at Paragon in mid-October 2015.

Overall operating expenses were reduced due to tighter cost controls in all areas including consumables and salaries which reduced by 29% and 29% respectively. The reduction in operating expenses was in line with the reduction in revenue.



Compared to the 1Q 2015 profit before tax of \$0.6m, the Group's loss before tax of \$1.1m in 1Q 2016 represents a decline in profitability of \$1.7m. This decline in profitability can mainly be attributed to the recognition of the one-off forfeiture of deposits of \$1.7m received for the proposed disposal of subsidiaries, recorded as other income in 1Q 2015.

#### **Balance sheet**

The Group cash and bank balances as at 31 March 2016 stood at \$2.8m as compared to \$2.6m as at 31 December 2015. The Group had current assets of \$8.4m as at 31 March 2016, compared to \$11m as at 31 December 2015. The reduction in current assets can mainly be attributed to the reduction in trade and other receivables from \$4.5m to \$1.9m, as a result of collections received after the end of the previous period.

Total liabilities reduced by \$1.9m from \$18.1m to \$16.2m. Current liabilities were also reduced from \$17.5m as at 31 December 2015 to \$15.6m as at 31 March 2016 mainly as a result of smaller trade and other liabilities (where the overall reduction was about \$2.2m), but increased of borrowings by \$0.5m in 1Q 2016 which resulted from the drawdown of a shareholders' loan, from which an agreement was for an aggregate principal amount of \$3.0m.

**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.**

The overall environment for the specialist medical business is likely to remain challenging in 2016 as medical tourism is impacted by the relatively strong Singapore dollar compared to regional currencies.

Notwithstanding, despite the cessation of some specialist practices during FY2015, the Group remains focused on certain key specialist and general practices catering to international and Singapore-based clients of which the Group believes it has a competitive advantage. The Group believes that the continued focus on quality healthcare will enhance its overall market position in these practice areas.

The nursing home business continues to provide a stable source of revenue and profitability for the Group.

The Company has received a delisting offer proposal (the "Delisting Proposal") from one of its shareholders and is currently undergoing the preparation of a joint proposal to its independent shareholders. An announcement of the Delisting Proposal was made on 26 April 2016 titled "*Joint Announcement - Directed Delisting of Pacific Healthcare Holdings Ltd*".

**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/recommendeded for the quarterly period ended 31 March 2016.

**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 that the issuer has procured undertakings from all its directors and executive officers**

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720 (1) of the Listing Manual.

**15. Negative assurance confirmation of interim financial results pursuant to Rule 705(5) of the listing manual.**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company for the three months ended 31 March 2016 presented in this announcement, to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Koh Kok Heng, Leslie  
Chief Executive Officer  
12 May 2016