

PACIFIC HEALTHCARE HOLDINGS LTD
(Company Registration Number: 200100544H)
(Incorporated in Singapore on 26 January 2001)

Quarterly Update Pursuant to Rule 1313(2) of the Listing Manual

The Board of Directors (the “Board”) of Pacific Healthcare Holdings Ltd. (the “Company”) refers to the announcement dated 5 June 2013 in relation to the Company being placed on the watch-list. Pursuant to Rule 1313(2) of the Listing Manual which requires the Company to provide a quarterly update on its financial situation, including its future direction, or other material development that may have significant impact on its financial position, the Board wishes to provide the following update on the Company and its subsidiaries (the “Group”).

Financial Updates

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.

Financial Updates - continued

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.

Update on Future Direction and Other Material Development

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*".

By Order of the Board

Koh Kok Heng, Leslie
Chief Executive Officer
12 May 2016