

PACIFIC HEALTHCARE HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200100544H)

RESPONSE TO SGX QUERIES REGARDING ANNOUNCEMENT OF 25 FEBRUARY 2016

Pacific Healthcare Holdings Ltd. (the “**Company**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 18 March 2016 regarding the Company’s 2015 full year results (“**FY2015 Results**”).

Query 1: In paragraph 8 of the FY2015 Results, it was mentioned that “Depreciation” expenses declined by 57% due to “disposal of fixed assets relating to Pacific Healthcare Imaging, fully depreciated assets and fixed assets written off”. Please provide details of these “fully depreciated assets” and provide explanation for the write-off of the “fixed assets”.

Response:

The Company assets comprise machinery, equipment and leasehold improvements. It depreciates its assets based on a normal, straight-line depreciation policy. Some of these assets have fully depreciated and hence depreciation expenses would be less than in previous years.

The writing off of fixed assets mainly pertain to the writing off of renovations on Paragon Level 7, the lease of which was terminated during the year (such write off amounting to about S\$900,000) as well as equipment assets relating to the disposal of the Company’s diagnostic & imaging business of about S\$155,000.

Query 2: It was disclosed in the FY2015 Results that “Bad debts written off” amounted to S\$0.6mil. As the amount of S\$0.6mil is significant compared to the Company’s loss before tax of S\$1.68mil, please provide details of these bad debts that were written off and the nature of the underlying transactions of which the bad debts were included.

Response:

Out of this \$0.6mil for 4Q 2015, about \$0.4mil relates to payments and prepayments written off for the Company’s investment in Indonesia (operations of which have since ceased), and another \$0.2mil relates to long-standing invoices from patients that were not able to be collected during the year.

The Board of Directors collectively and individually takes responsibility for the accuracy of the aforesaid replies to the queries raised by the SGX-ST.

BY ORDER OF THE BOARD OF DIRECTORS

Leslie Koh Kok Heng
Interim Chief Executive Officer and Chief Financial Officer
21 March 2016