



PACIFIC HEALTHCARE HOLDINGS LTD

(Incorporated in the Republic of Singapore)

Company Registration No. 200100544H

DISPOSAL OF ENTIRE INTEREST IN PACIFIC HEALTHCARE LIMITED

1. Introduction

The Board of Directors of Pacific Healthcare Holdings Ltd. (the “**Company**”) and its subsidiaries (“**the Group**”) wishes to announce that the Company has on 23 May 2014 entered into a Share Transfer Agreement with Health Gold Holdings Limited to dispose of its entire shareholdings in Pacific Healthcare Limited (“**PHHK**”) at a total cash consideration of S\$734,594 (“**the Disposal**”).

2. Background of PHHK

PHHK is a wholly-owned subsidiary of the Company, incorporated in Hong Kong with an issued and paid-up share capital of HK\$18,750,000. The principal activities of PHL are investment holding and the provision of management services.

PHHK holds 75% of the total issued and paid up share capital of Pacific Kang Ying Healthcare Limited (“**PKY**”) and 100% of the total issued and paid up share capital of Asia Summit International Limited (“**ASI**”). Both PKY and ASI are investment holding companies incorporated in Hong Kong.

PKY owns 70% of the total issued and paid up share capital of Shen Zhen Marsa Pacific Chain Enterprise Limited (“**Marsa**”), a company incorporated in The People’s Republic of China (“**PRC**”) with principal activities of provision of skin care and medical aesthetic services and sales of skin care products through a chain of six (6) outlets in Shen Zhen, PRC.

3. Rationale for the Disposal

The Company entered into the medical and wellness market in PRC through PHHK, PKY, ASI and Marsa in 2007. These investments have been loss-making since inception and the outlook for this business in the PRC remains challenging.

The Company had been placed on the SGX Watch-List on 5 June 2013 and as part of its turnaround plan, these loss making subsidiaries will be divested.

The Disposal proceeds will be used to satisfy the Company's general corporate and working capital purposes. Following the Disposal, Management will focus on its core specialist healthcare business in Singapore and South-East Asia.

PHHK has negative net asset value based on the Unaudited Financial Statements of PHHK as at 31 March 2014. The sale consideration was arrived at arm's length, on a willing-buyer-willing-seller basis.

4. Financial Effects

The Disposal is expected to have a positive impact on the net tangible assets per share and earnings per share of the Company for the financial year ending 31 December 2014.

5. Relative figures computed based on Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual ("the Listing Manual")

The relative figures computed based on the applicable bases under Rule 1006 are either negative or less than 5%.

6. Interest of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has an interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

By Order of the Board

Wong Yee Kong (Andrew)
Chief Executive Officer
23 May 2014