

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

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

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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**

The Group’s revenue in Q4 2015 decreased by 31% as compared to Q4 2014. For the full financial year 2015, the group’s revenue decreased by 14% from \$52.9m to \$45.7m. The decrease was mainly attributable to general decline in medical tourism and the cessation of certain specialist practices during the year.

Other income decreased by 11% from \$5.3m to \$4.7m mainly due to one-off income from write-off of payables and gain from disposal of a subsidiary in financial year 2014. In current financial year 2015, the Group recognised a gain on disposal of business and assets relating to Pacific Healthcare Imaging of \$2.1m.

Rental expense for Q4 2015 decreased by 23% from \$2.3m to \$1.8m due to termination of lease rental for Level 7 at Paragon in mid-October 2015.

Overall operating expenses for Q4 2015 and full financial year 2015 were lower than last year 2014 due to the reduction of impairment of plant and equipment in the current financial year compared to the previous year, the departure of a few doctors and continued operational cost-saving measures adopted by the Group.

Depreciation expenses for Q4 2015 and full financial year 2015 declined by 58% and 57% respectively due to disposal of fixed assets relating to Pacific Healthcare Imaging, fully depreciated assets and fixed assets written off.

The Group income tax for the year is relating to taxable profits from one of its subsidiary, Pacific Healthcare Nursing Home.

Overall, the Group results improved by 49% to net loss of \$1.9m as compared to last year’s net loss of \$3.8m in last year.

## **Balance sheet**

As at 31 December 2015, the Group non-current assets decreased by \$1.9m to \$5.1m mainly due to decrease in property, plant and equipment of \$0.6m as a result of depreciation charged and assets disposed, offset by new assets additions during the financial year, and amortisation of doctors sign-on bonus.

Current assets decreased by \$3.1m from \$14.9m as at 31 December 2014 to \$11.8m as at 31 December 2015 mainly due to improvement in trade receivables collection, and reduction in deposit due to termination of lease rental for Level 7 at Paragon. The cash and bank balances declined by \$0.1m from \$2.7m as at 31 December 2014 to \$2.6m as at 31 December 2015.

Total liabilities reduced by \$2.5m from \$21.4m to \$18.9m. In November 2015, the Group obtained working capital term loan from a financing company and bearing interest at 2.8%p.a.

## **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 and Asian 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 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 be robust and is generally operating at high bed utilization rates. This business continues to provide a stable source of revenue and profitability for the Group. The Group's restructuring plan, centered on the disposal or operational turnaround of its loss-making facilities, is still on track. On 3 August 2015, the Group sold its imaging business to Lifescan Imaging Pte Ltd. certain other business segments, such as day surgery, are slated for structural redevelopment aimed at growing its market potential.

The Company is pending receipt and completion of an exit offer.

By Order of the Board

Leslie Koh Kok Heng  
Chief Financial Officer and Interim Chief Executive Officer  
25 February 2016