



PACIFIC HEALTHCARE HOLDINGS LTD.
(Company Registration No: 200100544H)

DISPOSAL OF SHARES IN PACIFIC ELDERCARE AND NURSING PTE LTD

1. Introduction

Pursuant to Rule 1010 of the Singapore Exchange Securities Trading Limited Listing Manual, the Board of Directors of Pacific Healthcare Holdings Ltd. (the "**Company**", together with its subsidiaries, collectively the "**Group**") wishes to announce that on 14 February 2015, it has agreed with Entrust Healthcare Pte. Ltd. ("**Entrust**") to divest 5.97% of its shareholdings, amounting to 185,000 shares (the "**Sale Shares**") in Pacific Eldercare and Nursing Pte. Ltd. ("**PEN**") to Entrust (the "**Disposal**") at a total cash consideration of S\$185,000 (the "**Consideration**").

2. Background of PEN

PEN was incorporated in Singapore with an issued and paid up share capital of S\$2,300,000 comprising 2,300,000 shares. The principal activities of PEN include the formation, operation and management of nursing homes. Upon completion of the acquisition described in the announcement released by the Company on 21 February 2014, and the subscription by Entrust for an additional 800,000 ordinary shares in PEN for an aggregate consideration of S\$800,000, the Company's shareholdings' percentage in PEN was 25.97%. Upon completion of the Disposal, the Company's shareholding percentage in PEN will be 20% and Entrust will own the remaining 80% of the issued and paid up share capital of PEN.

3 The Disposal Consideration

The Consideration for the Disposal was arrived at after arm's length negotiations between the Company and Entrust, and on a "willing buyer and willing seller" basis.

4. Rationale for the Disposal

The rationale for the Disposal is the streamlining of the shareholders' interests in the Group's eldercare businesses.

5. Financial Effects

- 5.1 The financial effects of the Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the completion of the Disposal. The financial effects of the Disposal set out below have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2013 ("**FY2013**").

5.1.1 Net tangible assets ("NTA")

The effects of the Disposal on the audited consolidated NTA per share of the Group as at 31 December 2013, assuming that the Disposal had been effected on 31 December 2013, are summarised below:

	Before the Disposal	After the Disposal
Consolidated NTA ⁽¹⁾ (S\$'000)	466	681
Number of shares ('000)	573,743	573,743
Consolidated NTA per shares (cents)	0.08	0.12

Note:

(1) NTA is computed based on total assets less total liabilities and intangible assets.

5.1.2 Loss per Share ("LPS")

The effects of the Disposal on the audited consolidated LPS of the Group for FY2013, assuming that the Disposal had been effected at the beginning of FY2013, are summarised below:

	Before the Disposal	After the Disposal
Profit (Loss) attributable to equity holders of the Company (S\$'000)	(8,791)	(8,576)
Weighted average number of Shares ('000)	478,975	478,975
Basic EPS (cents)	(1.84)	(1.79)

5.2 Based on the latest announced consolidated financial statements of the Group for the 9 month period ended 30 September 2014 ("**9M2014**"), the net asset value attributable to the Sale Shares is approximately S\$139,000. Accordingly, the excess of the proceeds for the Disposal over the net asset value attributable to the Sale Shares will be approximately S\$46,000.

6. Rule 1006

- 6.1 The relative figures in relation to the Disposal computed on the applicable bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), based on the Group's latest announced consolidated financial statements for 9M2014, being the latest announced consolidated financial statements of the Group as at the date of the Disposal, are as follows:

Rule 1006(a)	Net asset value of the Sale Shares, compared with the Group's net asset value	11%
Rule 1006(b)	Net profits attributable to the Sale Shares, compared with the Group's net profits	-4%
Rule 1006(c)	Consideration received for the Disposal compared with the Company's market capitalisation ⁽¹⁾	1.01%
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable

Note:

- (1) Using the weighted average market price on 13 Feb 2015, being the market day immediately preceding the date of the Disposal, the Group's market capitalization calculated based on the total number of issued shares excluding treasury shares is approximately S\$18.4million.

- 6.2 As the relative figures under Rule 1006 exceed 5%, but does not exceed 20%, the Disposal constitutes a discloseable transaction as defined in Rule 1010.

7 Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8 Interest of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company or any of their respective associates 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
14 February 2015