

Pacific Healthcare proposes 1-for-5 bonus warrant issue

11 October 2007

PACIFIC Healthcare Holdings has proposed a 1-for-5 bonus warrant issue. This involves the issue of up to 56.16 million warrants to existing shareholders, with each warrant exercisable for one new share at a price of \$0.39. The exercise price is about 11.36 per cent lower than the stock's Oct 10 closing price.

The warrants, which will expire three years from the date of issue, are exercisable six months from the date of listing. Pacific Healthcare will receive gross proceeds of \$21.9 million should all 56.16 million warrants be exercised.

'The bonus warrant issue is to reward shareholders for their continued support and commitment to the group,' said William Chong, CEO of Pacific Healthcare. 'The net proceeds from the subscription of new shares will, at the discretion of the directors, be used for capital expenditure and business expansion plans, particularly in the company's core competencies, working capital for business expansion and/or be used to reduce bank borrowings.'

The proposed warrants and new shares will be issued under the share issue mandate approved earlier this year by shareholders at the company's annual general meeting in April.

Pacific Healthcare has recently stepped up its expansion plans in Asia. It has a 15 per cent stake in Cure Heart, which in turn owns 68 per cent of five heart centres in Bangalore and Goa, India. The group also entered into a 50 per cent joint venture with local doctors in India to establish PacHealth Medical Services, which recently unveiled a one-stop specialist cosmetic and dental services centre in Mumbai.

In China, it operates a diagnostic facility in Shanghai through its subsidiary, Singapore Heart, Stroke & Cancer Centre, and has an effective 10.5 per cent investment stake in the Shanghai Kanglian Hospital. Pacific Healthcare has also acquired a 52.5 per cent stake in Marsa Guer Chained Enterprise Ltd, which owns seven cosmetic and wellness centres in Shenzhen.