



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

**DISPOSAL OF SINGAPORE HEART, STROKE & CANCER CENTRE PTE LTD
("SHSCC")**

Pacific Healthcare Holdings Ltd. ("PHH" or the "Company") refers to its statement on 28 February 2009, in which it referred to the dispute with its joint-venture partner, Dr Michael Lim Chun Leng ("Dr Lim") in the Singapore Heart Stroke and Cancer Centre Pte Ltd ("SHSCC").

The Company wishes to provide the following update on the settlement of the dispute:

1. On 6 December 2005, PHH acquired a 51% stake in SHSCC through its special purpose vehicle, Pacific Heart Stroke and Cancer Centre Pte Ltd ("PHSCC") from Dr Lim and his wife Wendy Huang Yuzhu ("Mrs Lim").
2. Sometime in mid 2006, SHSCC expanded its business into China by operating a diagnostic facility at the Shanghai Kanglian Hospital ("SKH"), in which Dr Lim and Mrs Lim are effectively the controlling shareholders with a combined stake of 68.5% in Prestige Healthcare Investments Pte Ltd ("Prestige"), which has a 70% stake in the SKH. PHH has a 11% stake in Prestige. SKH was later renamed St Michael Hospital.
3. On 16 January 2009, Dr Lim had resigned as Consultant of SHSCC for health reasons, details of which were not provided but which in any case is private and confidential.
4. The parties referred their disputes to the Singapore Mediation Centre for resolution by way of mediation.

The Company wishes to announce that by the Settlement Agreement ("Agreement") reached through mediation and signed on 29 July 2009, Pacific Heart Stroke and Cancer Centre Pte Ltd ("PHSCC"), its wholly owned subsidiary, will dispose of its entire 51% stake in SHSCC to Dr Lim. Upon the completion on 31 July 2009, SHSCC shall cease to be a subsidiary of the Group. The details and the settlement amount shall remain confidential, in accordance with the terms and conditions of the Agreement.

By Order of the Board

Dr William Chong Lai Leong
Executive Director and Chief Executive Officer
Date: 31 July 2009

SUBMITTED BY DR WILLIAM CHONG LAI LEONG, EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER ON 31 JULY 2009, TO THE SGX-ST