



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

CESSATION OF ASSOCIATED COMPANY, BIRLA-PACIFIC MEDSPA LIMITED

1. Introduction

The Board of Directors of Pacific Healthcare Holdings Ltd. ("the Company") wishes to announce that its shareholding interest in Birla Pacific Medspa Limited ("Birla Pacific") held through its two subsidiaries namely Pacific Healthcare (India) Pte. Ltd. and PacHealth Medical Services Pte. Ltd. has been diluted from 45.95% to 17.16%.

Birla Pacific has initially incorporated as a private limited company in India under the name of Birla-Pacific Medspa Private Ltd. It has subsequently converted into a public limited company in conjunction with its floatation exercise and resumed its current name.

The dilution is consequential to the Board's resolution made on 10 May 2010 to stop subscribing further to the share capital of Birla Pacific during the floatation exercise prior to the Initial Public Offering and subsequent listing and floatation of the entire enlarged share capital on the India Stock Exchange.

Following the dilution, Birla Pacific has ceased to be an associate company of the Company.

2. Financial Effects

The dilution in shareholding interest in Birla Pacific is not expected to have any material impact on the net tangible asset per share and earnings per share of the Group for the current financial year.

3. Interests of the Directors and Controlling Shareholders of the Company

None of the directors or the controlling shareholders of the Company or associates of such directors or substantial shareholders, has any interest, directly or indirectly in the floatation exercise of Birla Pacific.

By Order of the Board

Dr William Chong Lai Leong
Executive Director and Chief Executive Officer
17 January 2011