



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

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**Half-Year Financial Statements Announcement  
For the Period Ended 30 June 2006**

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**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

Pacific Healthcare Holdings Ltd. ("the Company") was incorporated on 26 January 2001 and listed in the Singapore Exchange Securities Trading Limited on the 11 November 2005. The Group's proforma income statement for the financial period ended 30 June 2005 included as comparative information illustrate what the financial results of the Group would have been if the Group had been in existence during the period ended 30 June 2005. The bases of preparation of the proforma financial information can be found in Appendix I, pages I-4 to I-5 of the Company's prospectus dated 27 October 2005 (the "Prospectus").

(in S\$'000)

	GROUP		Change %
	Actual 30.06.2006	Proforma 30.06.2005	
<b>Revenue</b>	29,303	22,523	30.1
Financial income	862	546	57.9
Financial expense	(593)	(539)	10.0
Inventories and consumables used	(6,016)	(4,647)	29.5
Employee benefits expense	(13,661)	(11,053)	23.6
Depreciation of property, plant and equipment	(1,351)	(914)	47.8
Other expenses	(5,359)	(3,871)	38.4
Other (charges)/ credits	(75)	93	n.m.
Share of (loss)/ profit of associates	(20)	125	n.m.
<b>Profit before tax</b>	<u>3,090</u>	<u>2,263</u>	36.5
Income tax expense	(602)	(444)	35.6
<b>Profit for the period</b>	<u>2,488</u>	<u>1,819</u>	36.8
<b>Profit/(loss) attributable to :</b>			
Equity holders of the parent	2,096	1,849	13.4
Minority interests	392	(30)	n.m.
<b>Profit for the period</b>	<u>2,488</u>	<u>1,819</u>	36.8

n.m. : not meaningful

**1(a)(ii) Significant income statement items (with appropriate breakdowns and explanation) for the corresponding period of the immediately preceding financial year**

(in S\$'000)

	<b>GROUP</b>	
	<b>6 months ended</b>	
	<b>Actual</b>	<b>Proforma</b>
	<b>30.06.2006</b>	<b>30.06.2005</b>
<b><u>Financial income</u></b>		
Foreign exchange adjustment loss	(2)	-
Interest income		
- outside parties	93	23
Rental income		
- outside parties	292	73
- related parties	180	323
Others	299	127
	<u>862</u>	<u>546</u>
<b><u>Other (charges)/ credits</u></b>		
Loss on disposal of plant and equipment	-	(1)
(Loss)/gain on associated company <sup>1</sup> / disposal of subsidiary	<u>(75)</u>	<u>94</u>
	<u>(75)</u>	<u>93</u>

**Note:**

- As announced on 4 July 2006, the Group disposed of its remaining 20% stake in Thomson Paediatrics Clinic Pte Ltd. If the Group had accounted for this disposal in the half- year announcement for the period ended 30 June 2006, there would be an additional loss on disposal of S\$187,000.

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

(in S\$'000)	GROUP			COMPANY		
	30.06.2006	31.12.2005	Change %	30.06.2006	31.12.2005	Change %
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash	9,627	10,061	(4.3)	3,403	4,446	(23.5)
Trade and other receivables <sup>1</sup>	14,602	11,375	28.4	8,342	10,858	(23.2)
Inventories	2,404	2,071	16.1	-	-	
<b>Total current assets</b>	<b>26,633</b>	<b>23,507</b>	13.3	<b>11,745</b>	<b>15,304</b>	(23.3)
<b>Non-current assets:</b>						
Investments in subsidiaries	-	-	-	27,719	27,701	0.1
Investments in associates <sup>2</sup>	4,443	8,550	(48.0)	1,544	1,544	-
Other investment	137	120	14.2	360	360	-
Property, plant and equipment	17,433	15,058	15.8	2,304	335	587.8
Goodwill	23,655	22,612	4.6	-	-	-
Other receivables	3,502	3,421	2.4	1,551	1,593	(2.6)
<b>Total non-current assets</b>	<b>49,170</b>	<b>49,761</b>	(1.2)	<b>33,478</b>	<b>31,533</b>	6.2
<b>Total assets</b>	<b>75,803</b>	<b>73,268</b>	3.5	<b>45,223</b>	<b>46,837</b>	(3.4)
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities:</b>						
Short-term borrowings	592	647	(8.5)	389	388	0.3
Trade and other payables	7,866	7,327	7.4	3,690	4,962	(25.6)
Current tax payable	1,497	1,423	5.2	-	-	-
Current portion of long-term borrowings	9,885	8,580	15.2	8,959	7,608	17.8
Current portion of finance leases	1,674	1,506	11.2	-	-	-
<b>Total current liabilities</b>	<b>21,514</b>	<b>19,483</b>	10.4	<b>13,038</b>	<b>12,958</b>	0.6
<b>Non-current liabilities:</b>						
Deferred tax	749	739	1.4	-	-	-
Other payables	1,211	1,506	(19.6)	420	590	(28.8)
Long-term borrowings	4,534	5,019	(9.7)	2,948	3,005	(1.9)
Finance leases	2,220	2,416	(8.1)	-	-	-
<b>Total non-current liabilities</b>	<b>8,714</b>	<b>9,680</b>	(10.0)	<b>3,368</b>	<b>3,595</b>	(6.3)
<b>Total liabilities</b>	<b>30,228</b>	<b>29,163</b>	3.7	<b>16,406</b>	<b>16,553</b>	(0.9)
<b>Equity attributable to equity holders of the parent:</b>						
Share capital	26,965	26,965	-	26,965	26,965	-
Other reserves	(373)	(413)	(9.7)	-	-	-
Retained earnings	13,451	12,501	7.6	1,852	3,319	(44.2)
Minority interests	40,043	39,053	2.5	28,817	30,284	(4.8)
Minority interests	5,532	5,052	9.5	-	-	-
<b>Total equity</b>	<b>45,575</b>	<b>44,105</b>	3.3	<b>28,817</b>	<b>30,284</b>	(4.8)
<b>Total liabilities and equity</b>	<b>75,803</b>	<b>73,268</b>	3.5	<b>45,223</b>	<b>46,837</b>	(3.4)

**Notes:**

1. The increase in trade and other receivables is mainly due to increase in trade receivables which is in line with the increase in revenue, dividend receivable from an associate, sign-on bonus to doctors and amounts due from related parties.
2. The decrease in investment in associates is mainly due to the disposal of 29% of Thomson Paediatrics Clinic Pte Ltd.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities for the current financial period reported on and the corresponding period of the immediately preceding financial.****(a) Amount repayable in one year or less, or on demand****(in S\$'000)**

<b>As at 30.06.2006</b>		<b>As at 31.12.2005</b>	
Secured	Unsecured	Secured	Unsecured
2,066	10,085	1,858	8,875

**(b) Amount repayable after one year****(in S\$'000)**

<b>As at 30.06.2006</b>		<b>As at 31.12.2005</b>	
Secured	Unsecured	Secured	Unsecured
2,498	4,256	2,765	4,670

**(c) Details of collaterals**

As at 30 June 2006, the secured Group borrowings refer to

- assets acquired under hire purchase and finance leases.
- legal mortgage over a director's property which was subsequently discharged.
- term loan extended to our Indian entity. The term loan is secured against an equitable mortgage on land at Survey No. 28 situated at Khajaguda Village, Hyderabad, India and hypothecation of equipment purchased.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**(in S\$'000)**

	<b>GROUP</b>	
	<b>6 months ended</b>	
	<b>Actual</b>	<b>Proforma</b>
	<b>30.06.2006</b>	<b>30.06.2005</b>
<b>Cash flows from operating activities:</b>		
Profit for the period	2,488	1,819
Adjustments for:		
Income tax expense	602	444
Depreciation of property, plant and equipment	1,351	914
Interest income	(93)	(23)
Interest expense	593	539
Loss/ (profit) of associates	20	(125)
Gain on disposal of subsidiaries	-	(94)
Loss on disposal of plant and equipment	-	1
Loss on disposal of associate	75	-
<b>Operating profit before working capital changes</b>	<b>5,036</b>	<b>3,475</b>
Cash - restricted deposits	-	162
Trade receivables and other receivables	(2,502)	(185)
Inventories	(304)	(220)
Trade and other payables	958	(539)
Cash generated from operations	3,188	2,693
Interest paid	(593)	(539)
Interest received	93	23
Income tax paid	(553)	(277)
<b>Net cash from operating activities</b>	<b>2,135</b>	<b>1,900</b>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of plant and equipment	1	9
Payment to the vendors for the acquisition of businesses	(880)	(499)
Purchase of plant and equipment	(2,969)	(373)
Dividend received from associate	611	-
Net increase in investments (goodwill)	(163)	(24)
Proceeds from disposal of associates	2,763	-
Net cash outflow on disposal of subsidiaries / business units	-	(6)
Net cash outflow on acquisition of subsidiaries / business units	(932)	(60)
Net cash used in investing activities	(1,569)	(953)
<b>Cash flows from financing activities:</b>		
(Decrease) / Increase in borrowings	860	(1,751)
Net decrease in finance leases	(737)	(708)
Dividends paid	(1,146)	(159)
Net cash from / (used in) financing activities	(1,023)	(2,618)
Effect of exchange rate changes in consolidating foreign subsidiaries	78	(45)
Net decrease in cash and cash equivalents	(379)	(1,716)
Cash and cash equivalents at beginning of period	9,414	4,061
<b>Cash and cash equivalents at end of period</b>	<b>9,035</b>	<b>2,345</b>

**Cash and cash equivalents in the cash flow statement:**

(in S\$'000)

	Group	
	Actual 30.06.2006	Proforma 30.06.2005
Cash	9,627	4,455
Bank overdraft	(592)	(2,110)
Cash and cash equivalents at end of period	<u>9,035</u>	<u>2,345</u>

**1(d)(i) Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

(in S\$'000)

	Share capital	Foreign exchange translation reserve	Retained earnings	Total	Minority interests	Total equity
<b>Group</b>						
<b>Balance at 1 January 2005</b>	36	(196)	10,502	10,342	1,053	11,395
Current translation differences	-	(11)	-	(11)	2	(9)
Net income and expense recognized directly in equity	-	(11)	-	(11)	2	(9)
Net profit/(loss) for the period	-	-	1,849	1,849	(30)	1,819
Total recognized income and expense for the period	-	(11)	1,849	1,838	(28)	1,810
Dividends paid out to MI	-	-	-	-	(159)	(159)
<b>Balance at 30 June 2005</b>	<u>36</u>	<u>(207)</u>	<u>12,351</u>	<u>12,180</u>	<u>866</u>	<u>13,046</u>
<b>Balance at 1 January 2006</b>	26,965	(413)	12,501	39,053	5,052	44,105
Current translation differences	-	40	-	40	(7)	33
Net income and expense recognized directly in equity	-	40	-	40	(7)	33
Net profit for the period	-	-	2,096	2,096	392	2,488
Total recognized income for the period	-	40	2,096	2,136	385	2,521
Acquisition of a subsidiary	-	-	-	-	95	95
Dividends paid	-	-	(1,146)	(1,146)	-	(1,146)
<b>Balance at 30 June 2006</b>	<u>26,965</u>	<u>(373)</u>	<u>13,451</u>	<u>40,043</u>	<u>5,532</u>	<u>45,575</u>

(in S\$'000)	Share capital	Retained earnings	Total equity
<b>Company</b>			
<b>Balance at 1 January 2005</b>	36	1,476	1,512
Net profit for the period	-	2,037	2,037
Total recognized income for the period	-	2,037	2,037
<b>Balance at 30 June 2005</b>	36	3,513	3,549
<b>Balance at 1 January 2006</b>	26,965	3,319	30,284
Net loss for the period	-	(321)	(321)
Total recognized expense for the period	-	(321)	(321)
Dividends paid	-	(1,146)	(1,146)
<b>Balance at 30 June 2006</b>	26,965	1,852	28,817

**1(d)(ii) Details of changes in the issuer's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition etc since the end of the previous period.**

At the end of the reporting period, there were no outstanding share options.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standards or practice.**

The half-year financial statement on consolidated results for the period ended 30 June 2006 have not been audited or reviewed.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as those applied in the audited financial statements for the year ended 31 December 2005.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, a disclosure on the changes, as well as the reasons for, and the effect of, the changes.**

Other than the adoption of various new/revised Financial Reporting Standards applicable to the Group as listed below including related Interpretations promulgated by the Council on Corporate Disclosure and Governance, which took effect from 1 January 2006, there has been no change in the accounting policies and methods of computation adopted by the Group. The application of the new/revised standards and interpretations has no material impact on the financial statements of the Group.

- INT FRS 104- Determining whether an Arrangement contains a Lease
- Amendments to FRS 1 Presentation of Financial Statements on Capital Disclosures
- Amendments to FRS 39 Financial Instruments: Recognition and Measurement on hedge accounting provision, fair value option and financial guarantee contracts

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends, on the following basis:**

		<b>Group</b>	
		<b>6 months ended</b>	
		<b>30.06.2006</b>	<b>30.06.2005</b>
<b>(a)</b>	<b>Based on weighted average number of ordinary shares in issue (cents)</b>	0.88	0.99
<b>(b)</b>	<b>On a fully diluted basis (cents)</b>	0.88	0.99

The basic and fully diluted earnings per share above have been calculated based on profit attributable to shareholders of S\$2,096,000 (30 June 2005: S\$1,849,000) and the weighted average number of ordinary shares in issue during the financial period of 238,803,046 shares (2005: 186,703,046 shares on proforma basis).

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the current financial period reported on and the corresponding period of the immediately preceding financial year:**

		Group		Company	
		As at 30.06.2006	As at 31.12.2005	As at 30.06.2006	As at 31.12.2005
(a)	<b>Net asset value per ordinary share (cents)</b>	16.77	16.35	12.07	12.68

The net asset value per share of the Group has been calculated based on the shareholders' equity of S\$40,043,000 (31 December 2005: S\$39,053,000) and 238,803,046 shares (2005: 238,803,046 shares). The net asset value per share of the Company has been calculated based on shareholders' equity of S\$28,817,000 (31 December 2005: S\$30,284,000) and issued share capital of 238,803,046 shares (2005: 238,803,046 shares)

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business, including a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

The Group's revenue increased **30.1%** from S\$22.5 million to S\$29.3 million. The increase was attributable to higher foreign patient load in the specialist healthcare division. Revenue from this division grew 46.2% due to a combination of organic growth coupled with contributions from our acquired subsidiary, Singapore Heart, Stroke and Cancer Centre Pte Ltd ("SHSCC"). Revenue from the primary healthcare division grew 8.1% mainly due to contributions from our dentistry unit.

Profit before tax increased **36.5%** in line with the Group's revenue growth.

Profit for the specialist healthcare division grew by 74.5%. The higher growth rate was due to higher contributions from our specialist centres and facilities management unit. Profit for the primary healthcare division decreased 9.7%. The decrease is mainly due to lower margins from our medical general practice unit.

Profit attributable to shareholders increased by **13.4%** from S\$1.8 million to S\$2.1 million after accounting for start-up costs of our specialist centre at 19<sup>th</sup> Floor, The Paragon and the loss on disposal from partial divestment in an associate.

The increase in minority interest was mainly due to SHSCC.

Saved as disclosed in 1(b)(i) above, there are no other significant variances in the balance sheet.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Group did not issue any forecast or a prospect statement for the half-year ended 30 June 2006.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Going forward, the Group seeks to expand its specialist healthcare division, with emphasis on medical cosmetic services, cardiology and dentistry. We will continue with our recruitment of specialists as well as investment in advanced medical technologies. We will also focus on strengthening our marketing and branding efforts in view of the significant contribution of foreign patients to our specialist healthcare division.

We will continue to move forward on the development of our existing start-up investments in China and India.

**11 Dividend**

**(a) Current financial period reported on**

**Any dividend declared for the current financial period reported on?** No

**(b) Corresponding period of immediately preceding financial year**

**Any dividend declared for the corresponding financial period of the immediately preceding financial year?** No

**(d) The date the dividend is payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12 If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for the half-year ended 30 June 2006.

**BY ORDER OF THE BOARD**

**Dr William Chong Lai Leong**  
**Executive Director and Chief Executive Officer**  
**Date: 11 August 2006**