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## ACQUISITION OF LAND & EXTENSION OF RAFFLES HOSPITAL

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### 1. INTRODUCTION

The Board of Directors of Raffles Medical Group Ltd (the “**Company**” or “**RMG**”) is pleased to announce that Raffles Hospital Properties Pte Ltd, a wholly-owned subsidiary of Raffles Medical Properties Pte Ltd, which in turn is wholly-owned by the Company, had agreed on 21 January 2014 to acquire from the Singapore Land Authority a land site (“**Adjacent Site**”) adjacent to Raffles Hospital (the “**Acquisition**”) for a purchase consideration of S\$105.2 million (the “**Purchase Consideration**”).

### 2. THE ACQUISITION

#### 2.1 The Property

The Adjacent Site of 1,978.10 m<sup>2</sup> has a plot ratio of 5.6 times. This would yield a gross floor area (“**GFA**”) of 11,077.36 m<sup>2</sup>. This together with the provisional permission obtained from the Urban Redevelopment Authority in July 2010 to increase the plot ratio on Raffles Hospital’s existing land from 4.2 to 5.6, representing an increase in GFA of 9,534.98 m<sup>2</sup> would yield an additional total GFA of 20,612.34 m<sup>2</sup> for RMG. Accordingly, the Company would expand its existing healthcare facilities at North Bridge Road from its present GFA of 28,604.94 m<sup>2</sup> to 49,217.28 m<sup>2</sup>. Both the Adjacent Site and existing Hospital site are 99-year leasehold properties with a coterminous period with effect from 1 March 1979.

#### 2.2 Rationale

The Directors are of the view that the Acquisition is a strategic opportunity for RMG to expand its existing core business of providing medical and healthcare services. The existing Raffles Hospital building currently houses the key operations of RMG, including a tertiary hospital, general and specialist clinics, 12 operating theatres, intensive care unit, a 24-hour emergency care centre, as well as diagnostic imaging and laboratory services. The additional space will be used for expansion of inpatient and outpatient facilities as well as training of doctors, nurses, ancillary staff and research.

#### 2.3 The Project

The total development cost, including the purchase price of the Adjacent Site, construction costs and improvement works to the existing hospital, is estimated to be approximately S\$310.0 million. The construction period is estimated to be about 24 months.

#### 2.4 Funding

The Purchase Consideration will be satisfied in cash, funded by a combination of internal resources and bank borrowings.

**3 FINANCIAL EFFECTS**

The Purchase Consideration of the Adjacent Site represents 6.2% of the Company's market capitalisation of S\$1.7 billion as at 21 January 2014. The Acquisition is not expected to have any material impact on the earnings per share and the net tangible assets per share of the Company for the financial year ended 31 December 2013.

**4 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or the controlling shareholders has any interest (direct or indirect) in the Acquisition, other than through their shareholdings in the Company.

By Order of the Board

Kimmy Goh  
Company Secretary  
22 January 2014