



## **PRESS RELEASE**

18 June 2007

### **RAFFLES MEDICAL GROUP ACQUIRES FULL OWNERSHIP OF RAFFLES HOSPITAL BUILDING**

### **PLACEMENT OF 50 MILLION NEW RAFFLES MEDICAL GROUP SHARES TO TEMESEK HOLDINGS AND QATAR INVESTMENT AUTHORITY**

Raffles Medical Group Ltd (RMG) is pleased to announce that its wholly-owned subsidiary, Raffles Medical Properties Pte Ltd, had on 16 June 2007 entered into a conditional sale and purchase agreement with CapitaLand Raffles Investment Pte Ltd - a wholly-owned subsidiary of CapitaLand Ltd - to acquire the remaining 50 per cent stake in CapitaLand-Raffles Properties Pte Ltd (CRPPL) for a total consideration of S\$66.86 million.

In conjunction with the acquisition, RMG had also undertaken a placement of 50 million new shares in the capital of RMG, raising net proceeds of approximately S\$63 million. RMG has appointed DBS Bank as the placement agent.

The acquisition is a good opportunity for RMG to gain 100 per cent ownership and control of the Raffles Hospital building – which currently houses the key operations of RMG, including a hospital licensed for 380 beds, general and specialist clinics, 12 operating theatres, a 20-bed intensive care unit, a 24 hour emergency care centre, as well as diagnostic imaging and laboratory services.

The location of the Raffles Hospital - the flagship hospital of RMG - is ideal, being situated right in the heart of Singapore's downtown commercial area.

The 100 per cent ownership of CRPPL will give RMG assurance over its continued use of the Raffles Hospital building. RMG will have full flexibility to achieve better operating efficiency by improving or altering the use of various parts of the Raffles Hospital building, and to further develop the building to meet the demands of RMG's growing businesses.

RMG will also have full flexibility to refinance the loans of CRPPL and leverage on CRPPL to fund future strategic acquisitions, when the opportunity arises.

Under the terms of the agreement, Raffles Medical Properties Pte Ltd will acquire Capitaland-Raffles Investment Pte Ltd's 50 per cent equity interest in CRPPL for a consideration of S\$66.86 million, subject to adjustments based on the audited net asset value of CRPPL as at 30 September 2007.

The consideration was arrived at on a willing-buyer willing-seller basis taking into account the S\$215 million valuation of Raffles Hospital dated 15 June 2007.

In conjunction with the acquisition, RMG has placed out 50 million new RMG Shares at S\$1.30 for each placement share. In order to facilitate the placement, RMG's controlling shareholder Raffles Medical Holdings Pte Ltd (RMH) has agreed to lend 50 million RMG shares to RMG.

The new shares have been fully placed with 2 blue chip investors in Singapore and the Middle East.

V-Sciences Investments Pte Ltd, a wholly owned subsidiary of Temasek Holdings (Private) Limited, and Qatar Investment Authority, the investment arm of the Government of Qatar, have each agreed to subscribe for 25 million new shares. Each will own 4.87% of RMG based on its enlarged share capital of 513.5 million shares.

Dr Loo Choon Yong, Executive Chairman of RMG, said this acquisition is a significant milestone for the Group as it enables RMG to develop its flagship facility to its fullest potential and to achieve better operating efficiencies.

He also said that the entry of Temasek Holdings and the Government of Qatar as key investors in the Group would facilitate the overseas expansion of RMG.

Said Dr Loo: “We hope to leverage on their expertise, advice and goodwill to explore the significant healthcare opportunities in the region.”

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