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## ACQUISITION OF PROPERTY AT 100 TAMAN WARNA, SINGAPORE 276405

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### 1. INTRODUCTION

The Board of Directors of Raffles Medical Group Ltd (the “**Company**”, together with all its subsidiaries, collectively the “**Group**”) wishes to announce that Asian HealthCare Capital Management Pte. Ltd. (“**AHCM**”), a wholly-owned subsidiary of RMG Capital Pte. Ltd., which in turn is wholly-owned by the Company, has on 13 December 2013 entered into a sale and purchase agreement (“**SPA**”) with DBS Bank Ltd. (“**DBS Bank**”) to acquire the property (the “**Property**”) at 100 Taman Warna, Singapore 276405 (the “**Acquisition**”) for the purchase consideration of S\$54.8 million (the “**Purchase Consideration**”).

### 2. THE ACQUISITION

#### 2.1 The Property

The Property has a land area of 1,942.3 square meters, and is located at the junction of Taman Warna and Holland Avenue, within the Holland Village residential, shopping, and food and beverage belt. The Property is adjacent to Holland Village MRT Station.

The Property sits on 99-year leasehold land, of which 72 years of tenure remains.

#### 2.2 Rationale

The Directors believe that the Acquisition is a strategic opportunity for the Company to expand its core business of providing healthcare and medical services. The Property is situated at an attractive location and will provide a good catchment of local and expatriate patients.

The Company intends to redevelop the Property, through AHCM, into a 5-storey commercial building comprising five (5) above-ground levels, one (1) basement level, and two (2) levels of basement car parks (the “**Redevelopment**”). The proposed Redevelopment will achieve a gross plot ratio of 3.00, which represents a floor area of 62,720 square feet.

Following its Redevelopment, the Company intends to lease approximately 9,000 square feet of space on the first and fifth levels of the Property, for use as outpatient medical and specialist clinics. Additionally, pursuant to the SPA, DBS Bank shall lease 4,500 square feet of space on the first and second levels of the Property for its banking operations. The Company intends to lease out the remaining leasable areas of the Property to retail shops and food and beverage outlets.

It is estimated that the cost of Redevelopment, which comprises, *inter alia*, construction costs, development premium, stamp duty, property tax and interest expenses, will amount to approximately S\$65 million.

## 2.3 Purchase Consideration

The Purchase Consideration was arrived at on a “willing-buyer and willing-seller” basis, after taking into account current market prices of properties in the vicinity and an assessment of the Property’s redevelopment potential.

A deposit of S\$5.48 million, being ten per cent (10%) of the Purchase Consideration, has already been paid by the Company to DBS’s solicitors on 13 December 2013. The balance of the Purchase Consideration will be paid on completion, which is expected to take place on 29 January 2014.

## 2.4 Funding

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

## 3. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The Acquisition constitutes a non-discloseable transaction for the purposes of Chapter 10 of the Listing Manual, as the computed figures under Rule 1006 of the Listing Manual (disclosed below) fall below five per cent (5%).

Based on the latest announced audited consolidated financial statements of the Group for the financial year ended 31 December 2012 (“**FY2012**”), the relative figures for the Acquisition (the “**Relative Figures**”) computed on the bases of assessment pursuant to Rule 1006 of the Listing Manual are as follows:

Rule	Bases	Computation (S\$’000)	
1006(a)	Net asset value (“NAV”) of the assets to be acquired, compared with the Group’s NAV	This basis of computation is not applicable to an acquisition of assets.	
1006(b)	Net profits attributable to the assets acquired, compared with the Group’s net profits	This is not applicable as the Property is acquired for redevelopment and is not immediately operational for business.	
1006(c)	Aggregate value of the Purchase Consideration, compared with the Company’s market capitalisation, based on the total number of issued shares excluding treasury shares	Market Capitalisation of the Group on 13 December 2013	1,711,288
		Purchase Consideration	54,800
		Relative Figure	3.2%
1006(d)	Number of equity securities issued by the issuer as consideration for the acquisition, compared with the number of equity securities previously in issue	This basis of computation is not applicable as no equity securities will be issued.	

#### **4. FINANCIAL EFFECTS**

The Purchase Consideration represents 3.2% of the Company's market capitalisation as at 13 December 2013. The Acquisition is not expected to have any material impact on the earnings per share or net tangible assets per share of the Company for the financial year ended 31 December 2012.

#### **5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

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

#### **6. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA is available for inspection at the Company's registered office during normal business hours for a period of three (3) months from the date of this announcement.

By Order of the Board

Kimmy Goh  
Company Secretary  
16 December 2013