
PURCHASE OF PROPERTY AT ORCHARD ROAD FOR A SPECIALIST MEDICAL CENTRE

The Board of Directors of Raffles Medical Group Ltd wishes to announce that on 18 February 2011 it had successfully tendered for the 7 storey freehold podium/commercial block of Thong Sia Building (Property) at 30 Bideford Road in Singapore for a purchase consideration of S\$92.08 million. The tender was submitted by a wholly-owned subsidiary, Raffles Medical Management Pte Ltd on 31 January 2011.

Thong Sia Building is a 26-storey commercial cum residential building located in the prime Orchard Road belt. The podium/commercial block currently consists of 7 storeys of showrooms and offices.

The freehold strata floor area of the Property is 42,668 square feet, and the Property will be purchased with existing tenancies, most of which will expire in 2012 and 2013.

The Group intends to establish a Specialist Medical Centre at the Property. When fully established, the Centre would have the following services and facilities: A 24-hour Emergency Care Centre, Health Screening Centre, Radiology and Imaging Centre, Medical Laboratory, Fertility Centre, Cancer Centre, Dental Centre and clinics for Obstetrics and Gynaecology, Paediatrics, Cardiology, General Surgery, Orthopaedic Surgery, Ophthalmology, ENT Surgery, Dermatology and Medical Aesthetics.

1% of the purchase price had been paid and the balance of the 10% of the purchase price will be paid on 25 February 2011. The sale and purchase of the Property is expected to be completed and the balance of the purchase price paid on or before 29 April 2011.

The purchase will be financed with a combination of internal funds and bank borrowings.

The purchase price of the Property represents 8.2% of the Company's market capitalisation as at 18 February 2011. The net profits attributable to the Property on an annual basis is approximately S\$2 million. For illustrative purposes, had the Property been purchased on 1 January 2010, it would not have had 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 2010.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect in the foregoing, save through interests in the Company.

By Order of the Board

Tay Kim Choon Kimmy
Sok Lee Chandran
Company Secretaries
21 February 2011