

# Raffles Medical posts full-year net of \$45m

By LINETTE LIM

RAFFLES Medical Group, which announced its full-year financial results yesterday, has also unveiled plans to establish a specialist medical centre in the Orchard Road area.

The healthcare group posted a 19.5 per cent increase in net profit to \$45.3 million for the full year ended Dec 31, 2010.

It attributed the improved performance to “a higher patient load, wider range of medical specialties, continued improved operating efficiencies, and the recruitment of more specialist consultants”.

Revenue grew 9.4 per cent to \$239.1 million, on the back of positive revenue contributions from all its divisions.

Earnings per share was 8.65 cents, up from 7.3 cents in 2009.

Group net asset value per share was 54.46 cents, compared with 48.04 cents a year earlier.

Cash and cash equivalents stood at \$107.14 million as at Dec 31, compared with \$74.09 million a year ago.

The group said yesterday that it has successfully tendered for the seven-storey freehold commercial block of Thong Sia Building, which it will be converting into a new specialist centre.

Jones Lang LaSalle – which brokered the tender – said the vendor was locally incorporated company Meng Iwa.

Located at 30 Bideford Road, the 42,668 sq ft property will be purchased at \$92.08 million.

“The purchase price of the property represents 8.2 per cent of the company’s market capitalisation as at Feb 18, 2011,” said the group.

It added that the annual net profits attributable to the property is about \$2 million.

To be financed with a combination of internal funds and bank borrowings, the purchase is expected to be completed on or before April 29.

Raffles Medical Group executive chairman Loo Choon Yong expects the new specialist centre –



**Expanding:** The group will be converting Thong Sia Building into a new specialist centre

which will be operational from “sometime next year” – to see 100,000 patients in its first year.

He also said he is not concerned that the new centre would cannibalise the group’s existing businesses, as “the overall pie is growing”.

Earlier, the group had announced that it will expand Raffles Hospital by 102,408 sq ft.

To accommodate the group’s expansion, Dr Loo said they will be looking to increase headcount by 25 per cent across the board.

As at Dec 31, 2010, the group has a net cash position of \$84.6 million. A final dividend of 2.5 cents per share has been proposed.

“The investment in the new specialist medical centre at Orchard Road, together with the expansion of Raffles Hospital, is a vote of confidence by the group in the bright prospects of Singapore healthcare,” said Dr Loo.

Raffles Medical’s shares gained two cents to close at \$2.16 yesterday.