

Raffles Medical Group's Q2 net profit jumps 15.9%

By **CHERYL ONG**

RAFFLES Medical Group's (RMG's) second-quarter net profit was lifted by increased turnover from its hospital and health-care services segments, it said yesterday.

Net profit for the three months ended June 30 jumped 15.9 per cent to \$14.4 million from the corresponding period last year.

"Hospital services and health-care services divisions registered growth of 16.8 per cent and 6.5 per cent respectively," it said.

The group hired new specialists in endocrinology, radiology and orthopaedics and opened a new specialist outpatient centre, Raffles Diabetes and Endocrine, last month.

"Raffles always focuses on curative services, that is medical treatment overseas, and people who seek curative services are usually from the top part of society," noted executive chairman Loo Choon Yong. "It's the most resilient despite any slowing down of economic growth."

Revenue for the period rose 12.9 per cent to a record \$86.8 million. Quarterly earnings per share increased to 2.63 cents, up from 2.31 cents for the same period last year.

Net asset value improved to 75.66 cents as at June 30, up from 71.29 cents as of Dec 31. For the half year,

net profit rose 16 per cent to \$27.9 million on a 12.1 per cent gain in revenue to \$167.9 million.

Dr Loo also said that RMG is working on plans to extend the premises of its Raffles Hospital at North Bridge Road by 102,408 sq ft, at a cost of \$80 million to \$100 million, bringing the total gross floor area to 410,283 sq ft. Construction is set to start by the end of the year, with completion by early 2016.

Separately, he noted that results of the tender of the commercial podium of Thong Sia Building will be made known by the next quarter.

The property, owned by its wholly-owned subsidiary Raffles Medical Management, has eight strata-titled retail and office units ranging in size from 710 sq ft to 8,826 sq ft, priced at between \$2,500 per sq ft (psf) and \$6,000 psf. This prices the units at \$6.5 million to \$35 million, according to Jones Lang LaSalle, which has been appointed the exclusive agent.

Dr Loo said the tender had attracted an "enthusiastic response" from a variety of bidders, including fund managers and property investors. He declined to reveal more details.

The group declared an interim dividend of one cent per share. Its units closed four cents up at \$3.12 yesterday.

✉ ocheryl@sph.com.sg