

Raffles Medical Q1 profit up 15.7%

■ BY MELISSA HO

STRONG growth in hospital and health-care services boosted first-quarter profit by 15.7 per cent to \$10.6 million at Raffles Medical Group.

Revenue was similarly robust, increasing 14.7 per cent to a record \$64.4 million for the three months to March 31.

Revenue from hospital services jumped 15 per cent, while the health-care division saw sales rise by 14.4 per cent.

Earnings per share rose from 1.74 cents a year ago to 1.96 cents, while net asset value per share was 56.58 cents, up from 54.46 cents as of Dec 31.

Executive chairman Loo Choon Yong said at a briefing: "We are optimistic (about these percentages). For the rest of this year, I don't think we will have any difficulty growing."

Dr Loo said Raffles Hospital's foreign patient load rose by 15 per cent in the quarter, mirroring the boom in Singapore's health tourism sector.

He added that it makes sense for Raffles Medical to expand its



The group aims to expand its hospital premises (above) in North Bridge Road to improve on existing clinical services and develop new facilities. ST FILE PHOTO

operations in this area.

To cope with demand, the group has just completed the purchase of a seven-storey freehold podium block of Thong Sia Building in Bideford Road.

It was bought for \$92.8 million, which works out to be about \$2,160 per sq ft. The podium block is part of a commercial and residential building.

The 42,668 sq ft space will be turned into a specialist medical centre, complete with full outpatient services. It is expected to open next year.

But Dr Loo said it will not provide inpatient services due to the intensive manpower requirements and high costs that would be involved.

Strategically located in the Orchard Road area, the specialist medical centre is expected to ca-

ter to mostly foreign patients.

Dr Loo said: "When (the centre) is completed, we expect it would service about 30,000 to 40,000 patients a year."

A further \$10 million or so will be spent on medical equipment, he added.

Raffles Medical is also aiming to add 102,408 sq ft of space to Raffles Hospital in North Bridge Road.

This expansion of premises will allow it to improve on existing clinical services and develop new facilities.

The firm is expected to submit its formal application for the expansion to the Urban Redevelopment Authority by the third quarter.

Raffles Medical shares closed three cents higher at \$2.24 yesterday.