

RMG begins work on Holland V project

Q2 earnings and revenue up; growth in foreign patients' volume flattish

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RAFFLES Medical Group (RMG) turned in an 8.5 per cent increase in net profit to S\$15.61 million for the second quarter ended June 30 as revenue was bol-

stered by a higher patient load from its expanding clinic network.

Revenue inched up 6.6 per cent to S\$92.6 million while earnings per share worked out to 2.81 Singapore cents, up from 2.63 Singapore cents previously. Operating profit for the quarter rose 6.3 per cent to S\$18.73 million.

For the six months, net profit was up 8.2 per cent to S\$30.17 million and reve-

nue climbed 7.3 per cent to S\$180.15 million.

At a media briefing yesterday, executive chairman Loo Choon Yong said that construction work on its five-storey commercial building in Holland Village has commenced, with the property drawing a lot of interest from potential tenants. "There's a lot of enquiries. Some could be relocation from crowded areas without carpark...they may

want to move to a newer place," Dr Loo said, adding however that it will select the right mix of tenants.

RMG estimates a return on asset (without gearing) of 4-5 per cent, based on rental projections when the property comes onstream in 1Q16.

The company has also submitted plans for its extension of Raffles Hospital to the authorities and hopes to break ground in

Raffles Medical Group

	Q2 2014 — (\$\$million) —	Q2 2013	Y-O-Y % CHANGE
Revenue	92.60	86.82	6.6
Net profit	15.61	14.39	8.5
Earnings per share	2.81¢	2.63¢	6.8

4Q14. The development, on a site adjacent to the hospital, will add an additional 220,000 sq ft to the existing 300,000 sq ft of gross floor area.

Meanwhile, the growth in the volume of foreign patients has been "flattish" this year, in line with the weak growth in tourist arrivals to Singapore and the strong Singapore dollar, he said. Typically, a third of RMG's patients are from overseas.

"We view this set of re-

sults as in-line with our expectations as 2H is traditionally RMG's stronger half," wrote OCBC Investment Research analyst Andy Wong in a note yesterday.

The group is declaring an interim dividend of 1.5 Singapore cents per share, up half a cent from the corresponding period last year.

Shares in RMG closed at S\$3.95 yesterday, unchanged.