

# Raffles Medical Q2 profit rises 8.5%

## Foreign patient growth slows but wider network of clinics lifts earnings

By CHIA YAN MIN

A WIDER network of clinics helped lift Raffles Medical Group's second-quarter earnings despite sluggish growth in the number of foreign patients coming here for treatment.

Net profit rose 8.5 per cent to \$15.6 million for the three months ended June 30, from the same period a year earlier, as revenue grew 6.6 per cent to \$92.6 million.

More corporate contracts also lifted the firm's results, it said.

The firm's newest clinic opened last month at Marina Bay Financial Centre, offering a range of medical services including health screening, radiology, and obstetrics and gynaecology.

Including Raffles Hospital in Bugis, Raffles Medical has 80 clinics here, three medical centres in Hong Kong and one in Shanghai.

The firm was also awarded a contract in April to handle pilot licensing examinations for the Civil

Aviation Authority of Singapore.

The firm felt the impact of flagging tourism numbers, executive chairman Loo Choon Yong said at a press conference yesterday.

"The (growth in the number of) foreign patients has been flattish... Besides following the downward trend in tourism numbers, we think it might be partly also due to our strong currency."

About a third of Raffles Medical's patients come from abroad.

The more measured rate of economic growth in Singapore and the region might dampen general health-care demand, but the ageing population means a greater need for reliable health-care services, the company said.

Dr Loo said there is "strong interest" from potential tenants keen on its upcoming five-storey Holland Village commercial property, formerly the POSB Building.

Raffles Medical will occupy about 9,000 sq ft of a total gross floor area of 65,000 sq ft, while the remaining space will be leased



An artist's impression of Raffles Medical's upcoming five-storey Holland Village commercial property, formerly the POSB Building. Other tenants will include DBS Bank and retail and food and beverage outlets. PHOTO: RAFFLES MEDICAL GROUP

to DBS Bank and other retail and food and beverage tenants.

"We hope this will become an added attraction in Holland Village, especially with the Urban Redevelopment Authority's plans to redevelop the old carpark."

The development is expected to be completed in early 2016.

The company is working to finalise plans for its hospital extension project, which will be built adjacent to the existing Raffles Hospital in North Bridge Road.

The extension will add an additional 220,000 sq ft to the present 300,000 sq ft of gross floor area occupied by the hospital, and is also expected to be ready in 2016.

The company's earnings per share rose to 2.81 cents for the second quarter, from 2.63 cents the same time last year.

Net asset value per share also increased to 89.67 cents as at June 30, from 85.31 cents as at Dec 31 last year.

The group is declaring an interim dividend of 1.5 cents per share.

Raffles Medical's shares closed unchanged at \$3.95 yesterday. The results were released before the market opened.

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