

Singapore

ADD (no change)

Consensus ratings*: Buy 3 Hold 5 Sell 0

Current price:	S\$1.01
Target price:	S\$1.16
Previous target:	S\$1.20
Up/downside:	14.9%
CGSI / Consensus:	-2.2%
Reuters:	RAFG.SI
Bloomberg:	RFMD SP
Market cap:	US\$1,396m
	S\$1,876m
Average daily turnover:	US\$0.79m
	S\$1.06m
Current shares o/s:	1,860m
Free float:	43.0%

*Source: Bloomberg

Key changes in this note

- Reduce FY24F EPS by 0.6%.
- Reduce FY25F EPS by 2.4%.
- Introduce FY26F estimates.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-1	-3.8	-31.3
Relative (%)	-1.4	-6.3	-27.9

Major shareholders	% held
Dr. Loo Choon Yong	49.1
Global Alpha Capital Management	7.9

Analyst(s)



TAY Wee Kuang
T (65) 6210 8604
E weekuang.tay@cgsi.com

Raffles Medical Group

Normalisation of profitability in 2H23

- 2H23 net profit of S\$30.3m brought FY23 net profit to S\$90.2m, in line at 104.4%/101.3% of our/Bloomberg consensus' estimates.
- EBITDA margins have normalised towards pre-Covid (i.e. FY19) levels, as treatment of Covid-19 becomes part of business-as-usual clinical practice.
- Lower TP to S\$1.16, pegged at 13x FY25F EV/EBITDA (5-year mean) as RFMD. Maintain Add on strong net cash position to position for growth.

Decline in profitability of healthcare services in 2H23...

With most of its remaining Covid-19-related project revenue (i.e. management of Covid-19 facility) tapering off in 1H23, RFMD saw its healthcare services revenue decline 45.6% yoy/32.6% hoh in 2H23. EBITDA margins also declined 34.7% pts yoy/26.8% pts hoh to 15.2% in 2H23, which we think is a normalised margin level for the segment compared to pre-Covid-19 levels of 5.8%-11.8% in FY17-19, as the segment had previously included its lower margin insurance services segment. Since 1H23, RFMD has disclosed its insurance services segment separately with the adoption of SFRS(I) 17 for insurance contracts. The normalised EBITDA margins also suggest that the EBITDA and margin contribution from RFMD's management of the Transitional Care Facility (TCF) in Singapore Expo (Covid-19 facility previously) is likely to have declined, in our view.

...accompanied with margins recovery for its hospital services

On the other hand, RFMD's hospital services segment saw EBITDA margin expand to 20.1% in 2H23 from 9.8% in 1H23. Given the slower pick up in revenue from China (+6.3% hoh) where RFMD has been operating two gestating hospitals (Shanghai and Chongqing), we think that the margin improvement suggests better contribution from its Singapore hospital operations. The segment, which had included contribution from Covid-19 lab tests, had observed depressed EBITDA margins of 8.1%-15.9% since 2H21 after Singapore moved away from extensive Covid-19 testing, as well as nursing additional gestational losses arising from the opening of its Shanghai hospital in FY22.

Reiterate Add; well-positioned for overseas expansion

We adjust our FY24F/25F EPS downwards by 0.6%/2.4% to take into account margin compression from higher insurance services expenses despite higher revenue estimates. We maintain our Add call as we think RFMD's net cash position (ex. lease liabilities) of S\$272.9m in FY23 (up from S\$180.1m in FY22), allows RFMD to explore both greenfield and brownfield expansion overseas, given limited opportunities for organic growth in Singapore. RFMD has also maintained its guidance to pay out up to 50% of its profit as dividend to balance between growth and returns to shareholders. Re-rating catalysts: a stronger revenue momentum in China that will accelerate turnaround of its gestating hospitals, and lower loss ratio from its insurance business. Downside risks include prolonged losses from gestating hospitals in China and a lower-than-expected patient load at its Singapore hospital.

Financial Summary	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Revenue (S\$m)	822.9	706.9	707.6	738.9	771.5
Operating EBITDA (S\$m)	252.9	153.2	136.5	143.3	150.4
Net Profit (S\$m)	143.1	90.1	78.9	83.7	90.5
Core EPS (S\$)	0.084	0.049	0.042	0.045	0.049
Core EPS Growth	79.2%	(42.4%)	(12.8%)	6.0%	8.1%
FD Core P/E (x)	11.99	20.75	23.80	22.44	20.76
DPS (S\$)	0.038	0.024	0.020	0.020	-
Dividend Yield	3.76%	2.38%	1.98%	1.98%	0.00%
EV/EBITDA (x)	6.86	10.83	12.11	11.04	10.00
P/FCFE (x)	28.15	11.34	32.44	16.52	15.50
Net Gearing	(15.2%)	(22.5%)	(22.4%)	(27.7%)	(33.1%)
P/BV (x)	1.85	1.83	1.77	1.69	1.62
ROE	15.9%	8.9%	7.6%	7.7%	8.0%
% Change In Core EPS Estimates			(0.62%)	(2.36%)	
EPS/Consensus EPS (x)			0.94	0.92	

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Normalisation of profitability in 2H23

Plans for overseas expansion ►

In China, RFMD continues to remain focused on turning around its two gestating hospitals (i.e. Shanghai and Chongqing). Management has continued to target EBITDA breakeven in FY25F, which we think will require revenue from China to grow by c.S\$10m p.a. in FY24F and FY25F from S\$59.3m in FY23. Management shared during its analyst briefing on 26 Feb that RFMD is making headway in getting brand recognition for both expats and the local community within the cities.

Apart from turning around its two gestating hospitals in China, RFMD has also entered into a management contract with the owners of American International Hospital (AIH) in Ho Chi Minh City to manage the hospital while RFMD seeks regulatory approval for its intended acquisition of a controlling stake in the hospital. RFMD is also exploring opportunities to extend its presence beyond Ho Chi Minh City to other cities such as Hanoi.

As of 18 Jan 24, RFMD has also acquired the remaining 49% stake in its subsidiary, RSM Ltd, Japan, for a total cash consideration of c.S\$367k. RSM Ltd holds a 100% equity interest in Zui Wai Kai Medical Corporation, which primarily operates RFMD's Osaka clinic. Concurrently, RFMD is looking to expand its footprint in Japan by exploring options to open one clinic in Fukuoka and Tokyo respectively. Nevertheless, we do not expect such expansion to be hefty in capex.

Figure 1: 2H23 results comparison

FYE Dec (\$m)	2H23	2H22 (restated)*	2H22	yoy % chg	1H23	hoh % chg	Comments
Revenue	336.2	413.2	384.2	-18.6%	370.8	-9.3%	2H23 saw revenue decline 18.6% yoy/9.3% hoh after most Covid-19 related services tapered off in 1H23.
Other operating income	8.2	1.1	1.1	661.3%	8.5	-2.8%	
Inventories and consumables	(28.9)	(29.7)	(29.7)	-2.7%	(29.0)	-0.1%	
Purchased and contracted services	(17.4)	(15.6)	(35.7)	11.2%	(15.3)	13.4%	
Insurance service expenses	(72.4)	(49.5)	-	46.3%	(60.9)	18.9%	
Net reinsurance expenses	(2.2)	(5.9)	-	-62.5%	(1.1)	95.2%	
Staff costs	(144.4)	(141.4)	(145.6)	2.1%	(157.1)	-8.1%	Staff costs as a % to revenue has declined due to SFRS(I)17 as revenue has been restated higher to take into gross insurance contract amount compared to net insurance contract amount previously.
EBITDA	57.8	128.3	129.1	-55.0%	95.0	-39.2%	
EBITDA margin (%)	17.2%	31.0%	33.6%	-13.9% pts	25.6%	-8.4% pts	Margin compression observed in 2H23 highlights the margins accretive nature of Covid-19-related projects that RFMD had undertaken.
Depreciation and amortisation	(18.6)	(19.0)	(19.6)	-2.1%	(18.4)	1.1%	
Impairments	(0.2)	(17.5)	(17.6)	-98.9%	(0.2)	-9.6%	
Operating lease expenses	(0.8)	(0.8)	(1.0)	-5.8%	(0.8)	1.7%	
Other operating expenses	(20.3)	(25.4)	(26.6)	-19.9%	(19.7)	3.2%	
EBIT	39.1	109.2	109.5	-64.2%	76.6	-48.9%	
EBIT margin (%)	11.6%	26.4%	28.5%	-16.8% pts	20.7%	-9.0% pts	
Finance income	5.2	2.2	2.2	142.0%	4.5	15.4%	RFMD continues to generate net finance income given its strong net cash position.
Finance expense	(3.4)	(3.4)	(3.4)	-0.8%	(2.7)	23.5%	
Pretax profit	41.0	108.0	108.2	-62.0%	78.4	-47.7%	
Tax expense	(10.3)	(24.4)	(24.5)	-57.7%	(18.0)	-42.6%	
Net profit (PATMI)	30.3	83.7	83.8	-63.8%	59.9	-49.4%	

SOURCES: CGSI RESEARCH, COMPANY REPORTS

*restated as a result of SFRS(I) 17

Figure 2: 4Q23/FY23 results comparison

FYE Dec (\$m)	4Q23	4Q22	% chg yoy	3Q23	% chg qoq	Remarks
Revenue	174.6	195.5	-10.7%	161.6	8.0%	Revenue improved 8.0% qoq, indicating the normalisation of healthcare demand.
Profit after tax	18.3	45.7	-60.1%	12.4	47.4%	

FYE Dec (\$m)	FY23	FY22	% chg yoy	Prev. FY23F	% of	Bloomberg Consensus	% of	Remarks
Revenue	706.9	822.9	-14.1%	695.8	101.6%	705.6	100.2%	FY23 revenue in line at 101.6%/100.2% of our/Bloomberg consensus' FY23F estimates.
PATMI	90.1	143.1	-37.0%	86.3	104.4%	89.0	101.3%	FY23 PATMI in line at 104.4%/101.3% of our/Bloomberg consensus' FY23F estimates as we have expected the decline in contribution from Covid-19-related services.

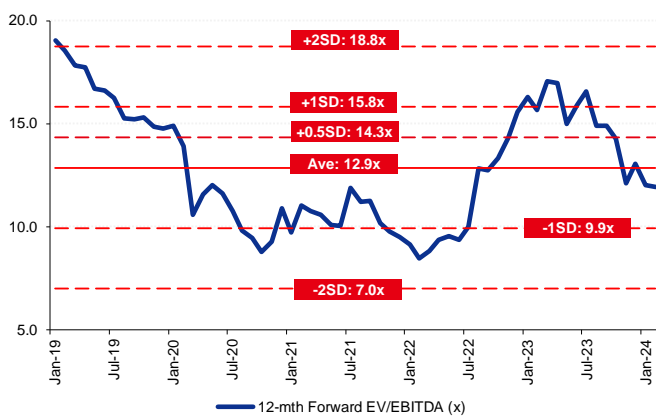
SOURCES: CGSI RESEARCH, COMPANY REPORTS

Figure 3: Earnings revision

S\$m	New			Old			% change		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY23F	FY24F	FY25F
Revenue	707.6	738.9	771.5	684.9	708.6	N.A.	3.3%	4.3%	N.A.
Other operating income	10.0	10.0	10.0	10.0	10.0	N.A.	0.0%	0.0%	N.A.
Operating expenses	(475.5)	(491.8)	(508.6)	(592.2)	(608.5)	N.A.	-19.7%	-19.2%	N.A.
EBIT	96.4	102.4	108.8	102.8	110.1	N.A.	-6.2%	-7.0%	N.A.
EBIT margins (%)	13.6%	13.9%	14.1%	15.0%	15.5%	N.A.	-1.4% pts	-1.7% pts	N.A.
EBITDA	136.5	143.3	150.4	142.0	150.1	N.A.	-3.8%	-4.5%	N.A.
EBITDA margins (%)	19.3%	19.4%	19.5%	20.7%	21.2%	N.A.	-1.4% pts	-1.8% pts	N.A.
Core net profit	78.9	83.7	90.5	79.3	85.6	N.A.	-0.5%	-2.2%	N.A.
Core EPS (Scts)	4.24	4.50	4.87	4.27	4.61	N.A.	-0.6%	-2.4%	N.A.
No. of shares	1,859.4	1,859.4	1,859.4	1,857.2	1,857.2	N.A.	0.1%	0.1%	N.A.

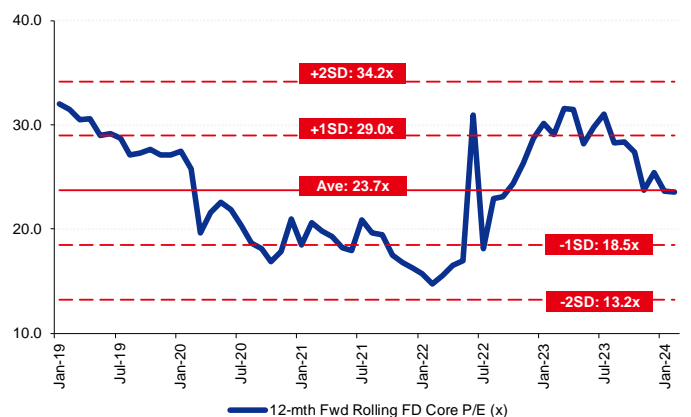
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 4: RFMD 12-mth Fwd Rolling EV/EBITDA (x)



SOURCES: CGSI RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 5: RFMD 12-mth Fwd Rolling Core P/E (x)



SOURCES: CGSI RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 6: Peers comparison (as of 26 Feb 24)

Company	Bloomberg Ticker	Price Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	Core P/E (x)		P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY24F	CY25F	CY24F	CY25F	CY24F	CY25F	CY24F	CY25F	CY24F	CY25F
Raffles Medical Group	RFMD SP	ADD	1.01	1.16	1,396	23.8	22.4	1.8	1.7	7.6%	7.7%	12.0	11.0	2.0%	2.0%
Regional Hospitals															
IHH Healthcare Bhd	IHH MK	Add	6.19	7.70	11,411	26.0	23.3	1.8	1.7	7.2%	7.7%	11.2	10.1	1.3%	1.5%
KPJ Healthcare	KPJ MK	Add	1.67	1.87	1,526	28.9	26.7	2.9	2.8	10.5%	10.7%	9.6	9.2	2.1%	2.3%
Bangkok Chain Hospital	BCH TB	Add	21.60	26.40	1,502	29.7	24.6	3.8	3.5	13.3%	15.0%	15.5	13.5	1.7%	2.0%
Bumrungrad Hospital	BH TB	Hold	235.00	255.00	5,208	25.7	24.5	6.8	6.0	29.1%	26.0%	17.9	17.2	1.9%	2.0%
Bangkok Dusit Med Service	BDMS TB	Add	29.50	33.50	13,071	31.1	29.3	4.6	4.3	15.6%	15.2%	19.2	18.4	1.9%	1.9%
Chularat Hospital	CHG TB	Reduce	2.90	2.88	889	25.9	22.3	4.4	4.3	17.1%	19.5%	17.4	15.6	3.0%	3.5%
Praram 9 Hospital	PR9 TB	Add	18.70	20.00	410	23.3	21.3	2.7	2.5	12.3%	12.2%	11.5	10.6	1.7%	1.9%
Ramkhamhaeng Hospital	RAM TB	Reduce	30.75	38.50	1,029	24.0	20.9	1.8	1.7	7.5%	8.4%	18.6	16.2	2.5%	2.5%
Medikaloka Hermina	HEAL IJ	Add	1265	1800	1,235	26.6	21.6	4.2	3.7	16.7%	18.1%	0.8	0.6	0.7%	1.5%
Mitra Keluarga Karyasehat	MIKA IJ	Hold	2640	2800	2,406	33.6	29.5	5.8	5.2	18.0%	18.5%	20.5	17.8	1.6%	1.6%
Simple average						27.4	24.4	3.9	3.5	14.7%	15.0%	13.9	12.6	1.8%	2.0%

DATA AS AT 26 FEB 24

SOURCES: CGSI RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS

ESG in a nutshell

Refinitiv ESG Scores

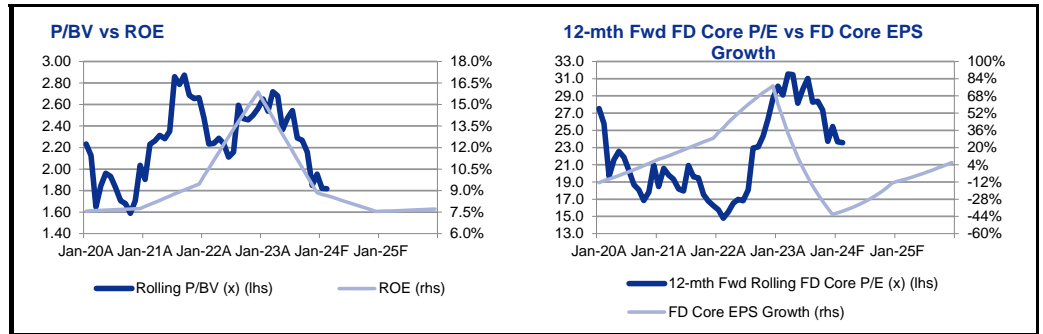
C ESG Score	A+ ESG Controversies Score	C ESG Combined Score	C+ ESG Environment Pillar Score	B- ESG Social Pillar Score	C- ESG Government Pillar Score
----------------	-------------------------------	-------------------------	------------------------------------	-------------------------------	-----------------------------------

RFMD scored a combined ESG score of C from Refinitiv in 2022, with a C+ for Environmental (E), B- for Social (S) and C- for Governance (G); The low G pillar score, penalised due to board composition and tenure may be unwarranted, as we think the experience of the board has allowed the organisation to maintain a consistent set of operational principles, especially with the leadership role its founders still play. Given that it operates within the highly regulated healthcare industry in Singapore, RFMD is held to strict operating standards. During the Covid-19 pandemic, RFMD's support of the government's Covid-19 initiatives by providing quality healthcare services (such as community vaccinations, air border screening and management of Covid19 treatment facilities) would also not have been captured in the standard ESG scoring.

<p>Keep your eye on</p> <p>In our view, RFMD's high staff turnover rate – 32% in FY21 and 36% in FY22 (based on RFMD's sustainability report 2022) – may reflect more of an industry trend rather than a systemic trend observed by RFMD. We do note that RFMD has also increased its average training hours per employee from 2021 to 2022, likely to integrate newer staff, rising from 11.7 hours per employee in 2021 to 19.3 hours per employee in 2022. However, it has discontinued its disclosure of injury rate since FY21.</p>	<p>Implications</p> <p>We believe the implications of high staff turnover and injury rates would have been reflected in higher staff costs and hospital capacity issues. As such, we have not considered the further impact of higher staff turnover rates in our valuation of RFMD.</p>
<p>ESG highlights</p> <p>When ranked against four other global peers accessed by Refinitiv, RFMD has a lower ESG score than its European peers but higher than its Asian and US peers. We think the varying healthcare policies to provide the minimum quality of care by different governments could have resulted in the underlying differences between various healthcare players when it comes to ESG.</p>	<p>Implications</p> <p>Investors could be willing to ascribe a higher premium to RFMD's valuations if its ESG scoring were to improve, in our view. However, we have not factored this into our valuations of RFMD.</p>
<p>Trends</p> <p>RFMD's ESG score improved in 2022 by a subgrade from C in FY21 to C+ in FY22, as its Governance pillar score improved from D+ to C- to offset the decline of its Environmental pillar score from C+ to C. Its Social pillar remained constant at C. We think its lack of disclosures is the reason behind a lower ESG score for RFMD.</p>	<p>Implications</p> <p>RFMD operates in a resource-intensive industry, which could continue to weigh on its ESG scores. We believe this is an issue also faced by its peers and we have not factored in any ESG discounts in our valuation of RFMD as a result.</p>

SOURCES: CGSI RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Total Net Revenues	830.9	723.6	717.6	748.9	781.5
Gross Profit	406.0	331.5	326.3	344.0	362.6
Operating EBITDA	252.9	153.2	136.5	143.3	150.4
Depreciation And Amortisation	(57.4)	(37.5)	(40.1)	(40.9)	(41.6)
Operating EBIT	195.5	115.8	96.4	102.4	108.8
Financial Income/(Expense)	(4.1)	3.7	6.0	6.3	8.7
Pretax Income/(Loss) from Assoc.	0.0	0.0	0.0	0.0	0.0
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (pre-EI)	209.6	119.9	102.5	108.7	117.5
Exceptional Items					
Pre-tax Profit	191.3	119.4	102.5	108.7	117.5
Taxation	(48.0)	(28.3)	(23.6)	(25.0)	(27.0)
Exceptional Income - post-tax					
Profit After Tax	143.3	91.1	78.9	83.7	90.5
Minority Interests	(0.2)	(0.9)	0.0	0.0	0.0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	143.1	90.1	78.9	83.7	90.5
Recurring Net Profit	156.8	90.5	78.9	83.7	90.5
Fully Diluted Recurring Net Profit	156.8	90.5	78.9	83.7	90.5

Cash Flow

(\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
EBITDA	252.9	153.2	136.5	143.3	150.4
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(28.7)	85.3	(53.1)	(3.1)	(5.7)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	5.3	(3.3)	0.0	0.0	0.0
Net Interest (Paid)/Received	(4.1)	3.7	6.0	6.3	8.7
Tax Paid	(29.1)	(49.5)	(23.6)	(25.0)	(27.0)
Cashflow From Operations	196.2	189.4	65.9	121.4	126.4
Capex	(25.0)	(20.5)	(20.0)	(20.0)	(20.0)
Disposals Of FAs/subsidiaries	0.2	0.5	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	2.0	7.6	12.0	12.2	14.7
Cash Flow From Investing	(22.8)	(12.4)	(8.0)	(7.8)	(5.3)
Debt Raised/(repaid)	(106.6)	(11.4)	0.0	0.0	0.0
Proceeds From Issue Of Shares	6.0	7.4	0.0	0.0	0.0
Shares Repurchased	(24.3)	(5.7)	0.0	0.0	0.0
Dividends Paid	(52.0)	(70.7)	(44.6)	(37.2)	(37.2)
Preferred Dividends					
Other Financing Cashflow	(6.8)	(5.1)	(6.0)	(6.0)	(6.0)
Cash Flow From Financing	(183.7)	(85.5)	(50.6)	(43.2)	(43.2)
Total Cash Generated	(10.3)	91.5	7.3	70.5	78.0
Free Cashflow To Equity	66.8	165.6	57.9	113.7	121.2
Free Cashflow To Firm	180.3	183.1	63.9	119.6	127.1

SOURCES: CGSI RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Total Cash And Equivalents	253	344	350	420	498
Total Debtors	194	80	153	159	166
Inventories	13	12	12	12	13
Total Other Current Assets	0	48	48	48	48
Total Current Assets	460	485	562	640	726
Fixed Assets	739	768	750	731	711
Total Investments	273	246	246	246	246
Intangible Assets	20	19	17	15	13
Total Other Non-Current Assets	5	10	10	10	10
Total Non-current Assets	1,037	1,044	1,023	1,003	981
Short-term Debt	19	26	26	26	26
Current Portion of Long-Term Debt					
Total Creditors	224	211	235	245	256
Other Current Liabilities	83	143	143	143	143
Total Current Liabilities	326	379	404	414	425
Total Long-term Debt	77	82	82	82	82
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	56	15	15	15	15
Total Non-current Liabilities	133	97	97	97	97
Total Provisions	8	8	8	8	8
Total Liabilities	467	484	509	519	530
Shareholders' Equity	1,015	1,028	1,062	1,109	1,162
Minority Interests	15	16	16	16	16
Total Equity	1,030	1,044	1,078	1,125	1,178

Key Ratios

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Revenue Growth	13.7%	(14.1%)	0.1%	4.4%	4.4%
Operating EBITDA Growth	52.4%	(39.4%)	(10.9%)	4.9%	5.0%
Operating EBITDA Margin	30.7%	21.7%	19.3%	19.4%	19.5%
Net Cash Per Share (S\$)	0.08	0.13	0.13	0.17	0.21
BVPS (S\$)	0.55	0.55	0.57	0.60	0.62
Gross Interest Cover	31.06	19.11	16.14	17.14	18.20
Effective Tax Rate	25.1%	23.7%	23.0%	23.0%	23.0%
Net Dividend Payout Ratio	43.8%	49.3%	47.1%	44.4%	NA
Accounts Receivables Days	78.68	70.82	60.21	77.01	77.02
Inventory Days	11.37	11.90	11.22	10.63	10.80
Accounts Payables Days	205.0	202.2	208.4	216.4	218.4
ROIC (%)	30.7%	17.5%	16.5%	16.7%	18.5%
ROCE (%)	18.7%	11.0%	9.2%	9.4%	9.7%
Return On Average Assets	10.9%	5.8%	4.7%	4.8%	4.9%

Key Drivers

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Inpatient admission volume	17,571.0	18,449.6	19,372.1	20,340.7	N/A
Revenue per patient bed (S\$)	10,899.1	11,029.9	11,162.3	11,296.2	N/A

SOURCES: CGSI RESEARCH, COMPANY REPORTS

DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CGS International. Reports relating to a specific geographical area are produced and distributed by the corresponding CGS International entity as listed in the table below.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS International.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CGS International may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CGS International has no obligation to update this report in the event of a material change to the information contained in this report. CGS International does not accept any obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CGS International, its affiliates and related corporations shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS International disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CGS International considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS International or any of its affiliates to any person to buy or sell any investments.

CGS International, its affiliates and related corporations and/or their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS International, its affiliates and their respective related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS International or its affiliates may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS International may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CGS International entity as listed in the table below. The term "CGS International" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS International Securities Pte. Ltd. and its affiliates, subsidiaries and related corporations.

Country	CGS International Entity	Regulated by
Hong Kong	CGS International Securities Hong Kong Limited	Securities and Futures Commission Hong Kong
Indonesia	PT CGS International Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn. Bhd.)	Securities Commission Malaysia
Singapore	CGS International Securities Singapore Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS International Securities Hong Kong Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS International Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

Other Significant Financial Interests:

(i) As of February 26, 2024 CGS International has a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) Raffles Medical Group

(ii) Analyst Disclosure: As of February 27, 2024, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. Neither CGS International nor any of its affiliates make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS International nor any of its affiliates nor their related corporations shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS International's clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report. The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Restrictions on Distributions

Australia: Despite anything in this report to the contrary, this research is provided in Australia by CGS International Securities Singapore Pte. Ltd. ("CGS SG") and CGS International Securities Hong Kong Limited ("CGS HK"). This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS SG and CGS HK do not hold, and are not required to hold an Australian financial services license. CGS SG and CGS HK rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CGS HK which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS HK. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CGS HK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CGS HK. CHK does not make a market on other securities mentioned in the report.

Indonesia: This report is issued and distributed by PT CGS International Sekuritas Indonesia ("CGS ID"). The views and opinions in this research report are our own as of the date hereof and are subject to change. CGS ID has no obligation to update its opinion or the information in this research report. This report is for private circulation only to clients of CGS ID. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CGS International is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS International acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is distributed in Malaysia by CGS International Securities Malaysia Sdn. Bhd. (formerly known as CGS-CIMB Securities Sdn. Bhd.) ("CGS MY") solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS MY, at Level 29, Menara Aras Raya, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS MY has no obligation to update, revise or reaffirm its opinion or the information in this research report after the date of this report.

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued and distributed by CGS SG. CGS SG is a capital markets services licensee under the Securities and Futures Act 2001. Accordingly, it is exempted from the requirement to hold a financial adviser's licence under the Financial Advisers Act, 2001 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. CGS SG is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS SG, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983 in respect of any matters arising from, or in connection with this report. CGS SG has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS SG directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS SG accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS SG is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 34 of the FAA (obligation to disclose product information);
- (b) Section 36 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 45 (obligation on disclosure of interest in specified products), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are related to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS SG is exempt from Section 36 of the FAA, the recipient will also not be able to file a civil claim against CGS SG for any loss or damage arising from the recipient's reliance on any recommendation made by CGS SG which would otherwise be a right that is available to the recipient under Section 36 of the FAA.

CGS SG, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this research report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS SG, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS SG does not make a market on the securities mentioned in the report.

South Korea: This report is issued and distributed in South Korea by CGS International Securities Hong Kong Limited, Korea Branch ("CGS KR") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS International is not registered with the Spanish Comisión Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

Thailand: This report is issued and distributed by CGS International Securities (Thailand) Co. Ltd. ("CGS TH") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS TH has no obligation to update its opinion or the information in this research report.

Corporate Governance Report (CGR): ([Thai CGR and Anti-Corruption of Thai Listed Companies - Click here](#))

The disclosure of the survey result of the Thai Institute of Directors Association (“IOD”) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS TH does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is also being distributed by CGS International Securities UK Ltd. (“CGS UK”). CGS UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 53 New Broad Street, London EC2M 1JJ. The material distributed by CGS UK has been prepared in accordance with CGS International’s policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as “relevant persons”). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons. This material is categorised as non-independent for the purposes of CGS UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

United States: This research report is distributed in the United States of America by CGS International Securities USA, Inc, a U.S. registered broker-dealer and an affiliate of CGS MY, CGS SG, CGS ID, CGS TH and CGS HK and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS International Securities USA, Inc. (“CGS US”) is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US.

CGS-CIMB Securities (USA) Inc. does not make a market on other securities mentioned in the report.

CGS US has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS US has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CGS US neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

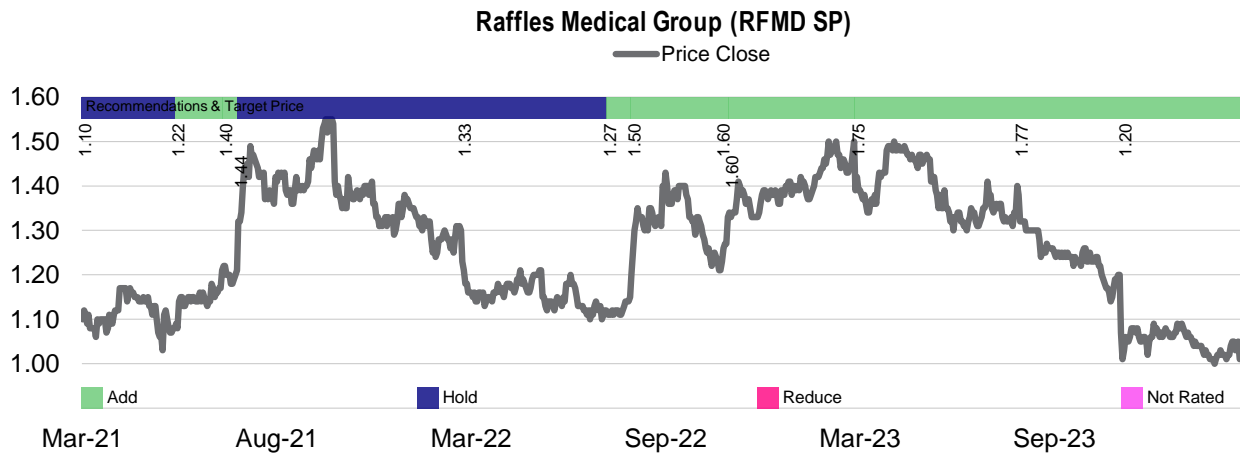
United States Third-Party Disclaimer: If this report is distributed in the United States of America by Raymond James & Associates, Inc (“RJA”), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS International Securities Pte. Ltd. (“CGSI”). CGSI is not an affiliate of RJA. This report is distributed solely to persons who qualify as “U.S. Institutional Investors” or as “Major U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US or RJA.

<https://raymondjames.com/InternationalEquityDisclosures>

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2023		
636 companies under coverage for quarter ended on 31 December 2023		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.5%	1.3%
Hold	22.5%	0.0%
Reduce	10.1%	0.2%

Spitzer Chart for stock being researched (2 year data)



Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.