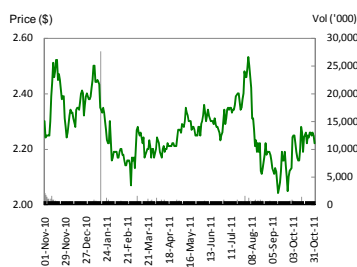



BUY
3Q11 Results**Analyst**

YEAK Chee Keong, CFA
 yeakcheekeong@kimeng.com
 (65) 6433 5730

Price \$2.25
Target \$2.73
ST Index 2,855.77

Historical Chart

Performance	1m	3m	6m
Absolute (%)	0.4	-8.5	-0.9
Relative (%)	-5.9	3.0	10.4

Stock Information

Ticker code	RAFG.SI RFMD.SP
Market cap (US\$m)	957.6
52-week high (S\$)	2.53
52-week low (S\$)	2.04
Shares issued (m)	533.9
6m avg d.vol (US\$m)	0.6
Free float (%)	47
Major shareholders (%)	
Dr Loo Choon Yong, Chairman	(42.6)

Key Indicators

ROE (%)	14.3
Net cash (S\$m)	8.8
NTA (S\$)	0.59
Interest cover (x)	221

Raffles Medical Group

Undaunted by constraints

Event

- Raffles Medical Group (RMG) reported 3Q11 net profit of \$11.8m (+10.4% YoY, +1.4% QoQ) on revenue of \$69.1m (+13.5% YoY, +3.2% QoQ). The results were in line with our expectation. Revenue growth continues to be driven by both higher patient load and revenue intensity. Management is also determined not to let short-term capacity constraints inhibit its business growth. We adjust our target price to \$2.73 following the revision to our DCF valuation model. Maintain BUY.

Our View

- The hospital services and healthcare services divisions registered YoY growth of 14.1% and 8.4%, respectively. Operating margin of 20.9% was marginally lower by 0.6ppt due to the recruitment of new staff, wage increases and start-up costs associated with its Shanghai operations. As RMG enters 4Q, its traditionally strongest season, we expect it to report a better QoQ performance.
- Going by the group's latest estimate, the 102,408-sq-ft expansion of Raffles Hospital will be completed in 2H14, assuming construction starts in 2H12. This is later than the original target of end-2013. Its Specialist Medical Centre at Thong Sia Building would commence operations in 1H13 after the leases for existing tenants expire. In the short term, RMG would be converting 15,000 sq ft of back office space to serve its patients. Management has expressed its determination not to allow space constraints to hamper the growth of its business.
- Management also cautioned that downside risks exist with the sluggish US economy, Eurozone debt crisis and increased competition. Foreign patient growth has slowed down in 3Q11, albeit still higher than local patient growth. We believe that regional demand remains well-supported by rising affluence and a rapidly ageing population.

Action & Recommendation

We cut our FY11-13F net profit forecast by 1.6% to 2.6% and revise our DCF valuation model with extended forecasts and using WACC of 7.6% and terminal growth rate of 2.0%. Our target price is now \$2.73 (previously \$2.80). Maintain BUY.

Year End Dec	2009	2010	2011F	2012F	2013F
Sales (S\$ m)	218.6	239.1	271.7	305.5	348.0
Pre-tax (S\$ m)	45.0	53.1	56.1	64.2	73.8
Net profit (S\$ m)	37.9	45.3	47.4	54.3	62.5
EPS (S cts)	7.30	8.65	8.90	10.16	11.71
EPS growth (%)	19.6	18.5	2.9	14.2	15.3
PER (x)	30.8	26.0	25.3	22.1	19.2
EV/EBITDA (x)	22.8	19.9	18.8	16.6	14.5
Yield (%)	1.3	1.6	1.6	1.6	1.6

SEE APPENDIX I FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

Figure 1: 3Q11 results

S\$m (YE Dec)	3Q11	3Q10	% chg YoY	2Q11	% chg QoQ	9M11	9M10	% chg YoY
Revenue	69.1	60.9	13.5	67.0	3.2	200.5	175.6	14.2
Cost of goods sold	(13.3)	(11.2)	19.4	(12.9)	3.2	(38.5)	(32.4)	19.0
Gross Profit	55.8	49.7	12.2	54.0	3.2	162.0	143.2	13.1
Total SGA	(33.4)	(29.2)	14.4	(31.7)	5.2	(96.7)	(84.6)	14.4
Operating lease expenses	(1.4)	(1.5)	-4.7	(1.5)	-2.8	(4.3)	(5.1)	-15.4
Other operating income	0.0	0.0	n.m.	0.0	n.m.	0.0	0.2	-95.7
Other operating expenses	(4.7)	(4.3)	10.2	(4.6)	2.4	(13.7)	(12.5)	9.7
EBITDA	16.3	14.8	10.1	16.3	-0.1	47.3	41.3	14.5
Depreciation	(1.8)	(1.7)	8.6	(2.0)	-7.1	(5.7)	(5.1)	11.9
EBIT	14.5	13.1	10.3	14.3	0.9	41.6	36.2	14.8
Interest income	0.0	0.1	-100.0	0.0	-100.0	0.2	0.3	-33.1
Interest expense	(0.1)	(0.1)	5.6	(0.1)	8.6	(0.2)	(0.2)	-8.7
EBT	14.4	13.1	9.6	14.3	0.6	41.6	36.3	14.6
Taxation	(2.5)	(2.4)	6.4	(2.6)	-2.5	(7.5)	(6.7)	11.4
Net Profit	11.8	10.7	10.3	11.7	1.2	34.1	29.5	15.3
Equity Holders of Company	11.8	10.7	10.4	11.6	1.4	33.9	30.3	11.8
Minority Interest	0.0	0.1	-25.5	0.1	-26.8	0.2	0.1	20.4

Source: Company data, Kim Eng

Revision of valuation model

We have revised our DCF valuation model with forecasts extended to FY20. Based on RMG's current expansion plan, we assume revenue to grow by double digits at 12.5-14.5% pa from FY11F-14F. Subsequently, we expect revenue growth to moderate to 6.2-9.7% pa, assuming no major expansion plans from FY15F-20F. Our target price is consequently adjusted to \$2.73 after the revisions to our forecasts and valuation model.

Figure 2: Revised DCF valuation model

S\$m (YE Dec)	FY11F	FY12F	FY13F	FY14F	FY15F	FY16F	FY17F	FY18F	FY19F	FY20F
Net Income	47.7	54.5	62.9	70.2	77.7	84.9	91.4	98.3	105.5	113.1
Less: Minority Interest	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.6)
Net Income to Equity Holders	47.4	54.3	62.5	69.9	77.3	84.5	91.0	97.8	105.0	112.5
Add: Dep. & Amort.	7.4	7.5	8.4	10.7	11.2	10.9	10.7	10.5	10.3	10.1
Add: Other Non-Cash Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: After-tax Interest Expense	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Less: Fixed Capital Investments	(113.6)	(35.0)	(35.0)	(20.0)	(6.0)	(6.0)	(7.0)	(7.0)	(7.0)	(7.0)
Less: Working Capital Investments	2.8	3.5	3.6	4.3	3.3	2.8	2.6	2.7	2.8	3.0
FCFF	(55.8)	30.4	39.8	65.1	86.0	92.4	97.4	104.2	111.3	118.9
PV of FCFF	(51.8)	26.3	31.9	48.5	59.6	59.5	58.3	57.9	57.5	57.1
Sum of PV of FCFF	404.8									
Terminal Value	2,160.1									
PV of Terminal Value	1,037.2									
Firm Value	1,442.0									
Less: Net debt/(cash)	(25.1)									
Equity Value	1,467.1									
Diluted no. of Shares	537.2									
Equity Value per Share (\$)	2.731									
Current Price	2.250									
Upside/Downside	21%									
Assumptions										
Equity Weight	0.9		WACC		7.6%					
Debt Weight	0.1		Terminal growth rate		2.0%					
Risk-free Rate	1.77%									
Market Risk Premium	8.40%									
Beta	0.74									
Cost of Equity	8.0%									
Cost of Debt	5.0%									
Effective Tax Rate	15.0%									

Source: Kim Eng estimates, Bloomberg

Figure 3: DCF sensitivity to WACC and terminal growth rate

		WACC						
		5%	6%	7%	7.61%	8%	10%	11%
Terminal Growth Rate	0%	3.66	2.95	2.44	2.20	2.06	1.54	1.36
	1%	4.38	3.38	2.73	2.42	2.26	1.65	1.44
	2%	5.56	4.04	3.13	2.73	2.52	1.78	1.53
	3%	7.94	5.13	3.73	3.17	2.89	1.95	1.65
	4%	15.07	7.31	4.73	3.86	3.45	2.17	1.81

Source: Kim Eng estimates

Profit and loss

YE Dec (\$S\$m)	FY09	FY10	FY11F	FY12F	FY13F
Sales	218.6	239.1	271.7	305.5	348.0
Cost of goods sold	(40.5)	(44.1)	(52.4)	(59.6)	(67.9)
Gross Profit	178.1	195.0	219.3	245.9	280.1
Staff cost	(104.9)	(115.8)	(131.6)	(147.4)	(167.0)
Depreciation	(6.9)	(6.9)	(7.4)	(7.5)	(8.4)
Other Op.Income/(expenses)	(21.0)	(19.4)	(24.2)	(26.9)	(31.0)
Operating Profit	45.3	53.0	56.1	64.2	73.7
Net Interest	(0.2)	0.1	(0.0)	0.0	0.1
Interest Income	0.2	0.4	0.3	0.3	0.4
Interest Expense	(0.4)	(0.2)	(0.3)	(0.3)	(0.2)
Net Investment income/(loss)	0.0	0.0	0.0	0.0	0.0
Net other non-op. JV+Assoc.	0.0	0.0	0.0	0.0	0.0
Net extraordinary	0.0	0.0	0.0	0.0	0.0
Pretax profit	45.0	53.1	56.1	64.2	73.8
Income taxes	(7.0)	(7.6)	(8.4)	(9.7)	(11.0)
Minority Interest	0.2	0.2	0.2	0.3	0.3
Net Profit	37.9	45.3	47.4	54.3	62.5
EBITDA	52.2	60.0	63.5	71.6	82.1
EPS (\$ cts)	7.3	8.7	8.9	10.2	11.7

Source: Company data, Kim Eng estimates

Cash flow

YE Dec (\$S\$m)	FY09	FY10	FY11F	FY12F	FY13F
Operating cash flow	47.2	49.2	59.4	66.6	76.4
Net Profit	38.0	45.5	47.7	54.5	62.9
Depreciation & Amortisation	6.9	7.0	7.4	7.5	8.4
Change in Working Capital	0.6	(2.5)	2.8	3.5	3.6
Others	1.6	(0.7)	1.6	1.2	1.5
Investment cash flow	(3.5)	(3.4)	(113.4)	(34.7)	(34.6)
Net Capex	(3.7)	(3.8)	(113.6)	(35.0)	(35.0)
Change in LT investment	0.0	0.0	0.0	0.0	0.0
Change in other assets	0.2	0.4	0.3	0.3	0.4
Financing cash flow	(13.7)	(12.8)	1.0	(26.5)	(19.8)
Change in share capital	1.3	4.3	12.9	0.0	0.0
Dividends paid	(13.0)	(15.8)	(18.5)	(18.7)	(18.7)
Net change in debt	(2.1)	(1.4)	6.6	(7.9)	(1.1)
Change in other LT liab.	(13.0)	(15.8)	(18.7)	(18.9)	(18.9)
Net cash flow	30.0	33.1	(52.9)	5.4	21.9
Free cash flow	43.5	45.4	(54.2)	31.6	41.4

Source: Company data, Kim Eng estimates

Balance sheet

YE Dec (\$S\$m)	FY09	FY10	FY11F	FY12F	FY13F
Total Assets	336.8	371.8	431.4	469.1	523.5
Current Assets	104.5	138.3	91.9	102.1	129.9
Cash & ST investment	74.4	107.1	54.2	59.6	81.5
Inventories	5.3	5.1	6.5	7.3	8.4
Accounts receivable	24.3	26.1	31.3	35.2	40.0
Others	0.6	0.0	0.0	0.0	0.0
Non-current Assets	232.3	233.5	339.4	367.0	393.5
LT investments	85.0	88.0	197.5	197.5	197.5
Net PPE	146.4	144.3	141.0	168.6	195.1
Others	0.9	1.2	0.9	0.9	0.9
Total Liabilities	86.7	84.8	102.0	103.8	113.9
Current Liabilities	65.2	65.1	84.3	88.1	100.2
Accounts payable	52.0	51.0	60.3	68.6	78.1
ST borrowings	4.5	4.6	13.1	7.3	8.2
Others	8.7	9.5	10.9	12.2	13.9
Long-term liabilities	21.4	19.7	17.7	15.7	13.7
Long-term debts	20.0	18.0	16.0	14.0	12.0
Others	1.4	1.7	1.7	1.7	1.7
Shareholder's equity	249.8	286.4	328.5	364.4	408.6
Paid-in capital	172.7	177.0	189.9	189.9	189.9
Reserve	77.1	109.4	138.6	174.5	218.6
Minority Interest	0.4	0.5	0.8	0.9	1.0

Source: Company data, Kim Eng estimates

Key ratios

YE Dec	FY09	FY10	FY11F	FY12F	FY13F
Growth (% YoY)					
Sales	8.9	9.4	13.6	12.5	13.9
OP	16.9	17.0	5.8	14.5	14.8
EBITDA	15.1	14.8	5.8	12.9	14.6
NP	20.1	19.6	4.8	14.4	15.2
EPS	19.6	18.5	2.9	14.2	15.3
Profitability (%)					
Gross margin	81.5	81.6	80.7	80.5	80.5
Operating margin	20.7	22.2	20.6	21.0	21.2
EBITDA margin	23.9	25.1	23.4	23.4	23.6
Net Profit margin	17.3	18.9	17.5	17.8	18.0
ROA	11.7	12.8	11.8	12.1	12.6
ROE	16.1	16.9	15.4	15.7	16.2
Stability					
Gross debt/equity (%)	0.1	0.1	0.1	0.1	0.0
Net debt/equity (%)	(0.2)	(0.3)	(0.1)	(0.1)	(0.2)
Int. coverage (X)	110.4	221.6	216.8	254.5	355.5
Int. & ST debt coverage (X)	9.2	11.0	4.2	8.5	8.8
Cash flow int. coverage (X)	115.1	205.9	229.8	264.3	368.4
Cash flow int. & ST debt (X)	9.6	10.2	4.4	8.8	9.1
Current ratio (X)	1.6	2.1	1.1	1.2	1.3
Quick ratio (X)	1.5	2.0	1.0	1.1	1.2
Net debt/(cash) (\$S\$m)	(49.9)	(84.6)	(25.1)	(38.3)	(61.3)
Per share data (\$ cts)					
EPS	7.3	8.7	8.9	10.2	11.7
CFPS	9.1	9.4	11.2	12.5	14.3
BVPS	48.0	54.5	61.5	68.2	76.5
SPS	42.1	45.7	51.0	57.2	65.2
EBITDA/share	10.1	11.5	11.9	13.4	15.4
DPS	3.0	3.5	3.5	3.5	3.5

Source: Company data, Kim Eng estimates

SINGAPORE

Stephanie WONG *Head of Research*
Regional Head of Institutional Research
 +65 6432 1451 swong@kimeng.com

- Strategy
- Small & Mid Caps

Gregory YAP
 +65 6432 1450 gyap@kimeng.com

- Conglomerates
- Technology & Manufacturing
- Transport & Telcos

Rohan SUPPIAH
 +65 6432 1455 rohan@kimeng.com

- Airlines
- Marine & Offshore

Wilson LIEW
 +65 6432 1454 wilsonliew@kimeng.com

- Hotel & Resort
- Property & Construction

Anni KUM
 +65 6432 1470 annikum@kimeng.com

- Conglomerates
- REITs

James KOH
 +65 6432 1431 jameskoh@kimeng.com

- Finance & Banking
- Logistics
- Resources

Eric ONG
 +65 6432 1857 ericong@kimeng.com

- Marine & Offshore
- Energy

OOI Yi Tung
 +65 6433 5712 ooiyitung@kimeng.com

- Property & Construction

YEAK Chee Keong, CFA
 +65 6433 5730 yeakcheekeong@kimeng.com

- Retail & Consumer
- Engineering
- Infrastructure

HONG KONG / CHINA

Edward FUNG *Head of Research*
 +852 2268 0632 edwardfung@kimeng.com.hk

- Power
- Construction

Ivan CHEUNG
 +852 2268 0634 ivancheung@kimeng.com.hk

- Property
- Industrial

Ivan LI
 +852 2268 0641 ivanli@kimeng.com.hk

- Banking & Finance

Jacqueline KO
 +852 2268 0633 jacquelineko@kimeng.com.hk

- Consumer Staples

Andy POON
 +852 2268 0645 andypoon@kimeng.com.hk

- Telecom & related services

Samantha KWONG
 +852 2268 0640 samanthakwong@kimeng.com.hk

- Consumer Discretionaries

Alex YEUNG
 +852 2268 0636 alexyeung@kimeng.com.hk

- Industrial

INDIA

Jigar SHAH *Head of Research*
 +91 22 6623 2601 jigar@kimeng.co.in

- Oil & Gas
- Automobile
- Cement

Anubhav GUPTA
 +91 22 6623 2605 anubhav@kimeng.co.in

- Metal & Mining
- Capital goods
- Property

Haripreet BATRA
 +91226623 2606 haripreet@kimeng.co.in

- Software
- Media

Ganesh RAM
 +91226623 2607 ganeshram@kimeng.co.in

- Telecom
- Contractor

INDONESIA

Katarina SETIAWAN *Head of Research*
 +6221 2557 1125 ksetiawan@kimeng.co.id

- Consumer
- Infra
- Shipping
- Strategy
- Telcos
- Others

Ricardo SILAEN
 +6221 2557 1126 rsilaen@kimeng.co.id

- Auto
- Energy
- Heavy Equipment
- Property
- Resources

Rahmi MARINA
 +6221 2557 1128 rmarina@kimeng.co.id

- Banking

Lucky ARIESANDI, CFA
 +6221 2557 1127 lariesandi@kimeng.co.id

- Cement
- Construction
- Pharmaceutical
- Retail

Adi N. WICAKSONO
 +6221 2557 1130 anwicaksono@kimeng.co.id

- Generalist

Arwani PRANADJAYA
 +6221 2557 1129 apranadjaya@kimeng.co.id

- Technical analyst

VIETNAM

Michael Kokalari, CFA *Head of Research*
 +84 838 38 66 36 x 116 michael.kokalari@kimeng.com.vn

- Strategy

Nguyen Thi Ngan Tuyen
 +84 838 38 66 36 x 163 tuyen.nguyen@kimeng.com.vn

- Conglomerates
- Confectionary and Beverage
- Oil and Gas

Ngo Bich Van
 +84 838 38 66 36 x 171 van.ngo@kimeng.com.vn

- Banking
- Insurance

Nguyen Quang Duy
 +84 838 38 66 36 x 162 duy.nguyenquang@kimeng.com.vn

- Industrial
- Property

Trinh Thi Ngoc Diep
 +84 422 21 22 08 x 102 diep.trinh@kimeng.com.vn

- Property & Construction
- Power

Dang Thi Kim Thoa
 +84 838 38 66 36 x 164 thoa.dang@kimeng.com.vn

- Consumer
- Services

Hoang Nam Phu
 +84 838 38 66 36 x 171 phu.hoang@kimeng.com.vn

- Technology & Telecom
- Transport
- Resources

Truong Quang Binh
 +84 838 38 66 36 x 169 quangbinh.truong@kimeng.com.vn

- Pharmaceutical
- Plantation & Fishery

THAILAND

Stephen LOWY *Head of Research*
 + 662 658 6300 x 4760 stephen@kimeng.co.th

Watchara SATITPORNUNUAY
 + 662 658 6300 x 4770 watchara.s@kimeng.co.th

- Retail
- Bank

Puttikul ACKARACHALANONTH
 ▪ Utilities

PHILIPPINES

Luz LORENZO *Head of Research*
 +63 2 849 8836 luz_lorenzo@atr.com.ph

- Strategy

Laura DY-LIACCO
 +63 2 849 8840 laura_dyliacco@atr.com.ph

- Utilities
- Conglomerates
- Telcos

Lovell SARREAL
 +63 2 849 8841 lovell_sarreal@atr.com.ph

- Consumer
- Media
- Cement

Kenneth NERECINA
 +63 2 849 8839 kenneth_nerecina@atr.com.ph

- Conglomerates
- Property
- Ports/ Logistics

Katherine TAN
 +63 2 849 8843 kat_tan@atr.com.ph

- Banks
- Construction

ECONOMICS

Luz LORENZO *Economist*
 +63 2 849 8836 luz_lorenzo@atr.com.ph

- Philippines
- Indonesia

REGIONAL

ONG Seng Yeow
 +65 6432 1832 ongsengyeow@kimeng.com

- Regional Products & Planning

Recommendation definitions

Our recommendation is based on the following expected price performance within 12 months:

+15% and above: BUY

-15% to +15%: HOLD

-15% or worse: SELL

**APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLOSURES
AND
DISCLAIMERS**

This report, and any electronic access to it, is restricted to and intended only for clients of Kim Eng Research Pte. Ltd. ("KER") or a related entity to KER (as the case may be) who are institutional investors (for the purposes of both the Singapore Securities and Futures Act ("SFA") and the Singapore Financial Advisers Act ("FAA")) and who are allowed access thereto (each an "Authorised Person") and is subject to the terms and disclaimers below.

IF YOU ARE NOT AN AUTHORISED PERSON OR DO NOT AGREE TO BE BOUND BY THE TERMS AND DISCLAIMERS SET OUT BELOW, YOU SHOULD DISREGARD THIS REPORT IN ITS ENTIRETY AND LET KER OR ITS RELATED ENTITY (AS RELEVANT) KNOW THAT YOU NO LONGER WISH TO RECEIVE SUCH REPORTS.

This report provides information and opinions as reference resource only. This report is not intended to be and does not constitute financial advice, investment advice, trading advice or any other advice. It is not to be construed as a solicitation or an offer to buy or sell any securities or related financial products. The information and commentaries are also not meant to be endorsements or offerings of any securities, options, stocks or other investment vehicles.

The report has been prepared without regard to the individual financial circumstances, needs or objectives of persons who receive it. The securities discussed in this report may not be suitable for all investors. Readers should not rely on any of the information herein as authoritative or substitute for the exercise of their own skill and judgment in making any investment or other decision. Readers should independently evaluate particular investments and strategies, and are encouraged to seek the advice of a financial adviser before making any investment or entering into any transaction in relation to the securities mentioned in this report. The appropriateness of any particular investment or strategy whether opined on or referred to in this report or otherwise will depend on an investor's individual circumstances and objectives and should be confirmed by such investor with his advisers independently before adoption or implementation (either as is or varied). You agree that any and all use of this report which you make, is solely at your own risk and without any recourse whatsoever to KER, its related and affiliate companies and/or their employees. You understand that you are using this report AT YOUR OWN RISK.

This report is being disseminated to or allowed access by Authorised Persons in their respective jurisdictions by the Kim Eng affiliated entity/entities operating and carrying on business as a securities dealer or financial adviser in that jurisdiction (collectively or individually, as the context requires, "Kim Eng") **which has, vis-à-vis a relevant Authorised Person, approved of, and is solely responsible in that jurisdiction for, the contents of this publication in that jurisdiction.**

Kim Eng, its related and affiliate companies and/or their employees may have investments in securities or derivatives of securities of companies mentioned in this report, and may trade them in ways different from those discussed in this report. Derivatives may be issued by Kim Eng its related companies or associated/affiliated persons.

Kim Eng and its related and affiliated companies are involved in many businesses that may relate to companies mentioned in this report. These businesses include market making and specialised trading, risk arbitrage and other proprietary trading, fund management, investment services and corporate finance.

Except with respect the disclosures of interest made above, this report is based on public information. Kim Eng makes reasonable effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. The reader should also note that unless otherwise stated, none of Kim Eng or any third-party data providers make ANY warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data.

Proprietary Rights to Content. The reader acknowledges and agrees that this report contains information, photographs, graphics, text, images, logos, icons, typefaces, and/or other material (collectively "Content") protected by copyrights, trademarks, or other proprietary rights, and that these rights are valid and protected in all forms, media, and technologies existing now or hereinafter developed. The Content is the property of Kim Eng or that of third party providers of content or licensors. The compilation (meaning the collection, arrangement, and assembly) of all content on this report is the exclusive property of Kim Eng and is protected by Singapore and international copyright laws. The reader may not copy, modify, remove, delete, augment, add to, publish, transmit, participate in the transfer, license or sale of, create derivative works from, or in any way exploit any of the Content, in whole or in part, except as specifically permitted herein. If no specific restrictions are stated, the reader may make one copy of select portions of the Content, provided that the copy is made only for personal, information, and non-commercial use and that the reader does not alter or modify the Content in any way, and maintain any notices contained in the Content, such as all copyright notices, trademark legends, or other proprietary rights notices. Except as provided in the preceding sentence or as permitted by the fair dealing privilege under copyright laws, the reader may not reproduce, or distribute in any way any Content without obtaining permission of the owner of the copyright, trademark or other proprietary right. Any authorised/permited distribution is restricted to such distribution not being in violation of the copyright of Kim Eng only and does not in any way represent an endorsement of the contents permitted or authorised to be distributed to third parties.

Additional information on mentioned securities is available on request.

Jurisdiction Specific Additional Disclaimers:

THIS RESEARCH REPORT IS STRICTLY CONFIDENTIAL TO THE RECIPIENT, MAY NOT BE DISTRIBUTED TO THE PRESS OR OTHER MEDIA, AND MAY NOT BE REPRODUCED IN ANY FORM AND MAY NOT BE TAKEN OR TRANSMITTED INTO THE REPUBLIC OF KOREA, OR PROVIDED OR TRANSMITTED TO ANY KOREAN PERSON. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF SECURITIES LAWS IN THE REPUBLIC OF KOREA. BY ACCEPTING THIS REPORT, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

THIS RESEARCH REPORT IS STRICTLY CONFIDENTIAL TO THE RECIPIENT, MAY NOT BE DISTRIBUTED TO THE PRESS OR OTHER MEDIA, AND MAY NOT BE REPRODUCED IN ANY FORM AND MAY NOT BE TAKEN OR TRANSMITTED INTO MALAYSIA OR PROVIDED OR TRANSMITTED TO ANY MALAYSIAN PERSON. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF SECURITIES LAWS IN MALAYSIA. BY ACCEPTING THIS REPORT, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply if the reader is receiving or accessing this report in or from other than Singapore.

As of 1 November 2011, Kim Eng Research Pte. Ltd. and the covering analyst do not have any interest in Raffles Medical Group.

Analyst Certification:

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

© 2011 Kim Eng Research Pte Ltd. All rights reserved. Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Kim Eng Research Pte. Ltd. Kim Eng Research Pte. Ltd. accepts no liability whatsoever for the actions of third parties in this respect.

Singapore

Kim Eng Securities Pte Ltd
Kim Eng Research Pte Ltd
 9 Temasek Boulevard
 #39-00 Suntec Tower 2
 Singapore 038989

Tel: +65 6336 9090
 Fax: +65 6339 6003

LAU Wai Kwok (sales)
 lauwk@kimeng.com

Stephanie WONG (research)
 swong@kimeng.com

London

Kim Eng Securities (London) Ltd
 6/F, 20 St. Dunstan's Hill
 London EC3R 8HY, UK

Tel: +44 20 7621 9298
 Dealers' Tel: +44 20 7626 2828
 Fax: +44 20 7283 6674

Giles WALSH (sales)
 gwalsh@kimeng.co.uk

Geoff HO (sales)
 gho@kimeng.co.uk

James JOHNSTONE (sales)
 jjohnstone@kimeng.co.uk

New York

Kim Eng Securities USA Inc
 777 Third Avenue, 21st Floor
 New York, NY 10017, U.S.A.

Tel: +1 212 688 8886
 Fax: +1 212 688 3500

Thanh C NGUYEN (sales & trading)
 tnguyen@kesusa.com

Hong Kong

Kim Eng Securities (HK) Ltd
 Level 30,
 Three Pacific Place,
 1 Queen's Road East,
 Hong Kong

Tel: +852 2268 0800
 Fax: +852 2877 0104

Ray LUK (sales)
 rluk@kimeng.com.hk

Edward FUNG (research)
 edwardfung@kimeng.com.hk

Thailand

Kim Eng Securities (Thailand)
Public Company Limited
 999/9 The Offices at Central World,
 20th - 21st Floor,
 Rama 1 Road, Pathumwan,
 Bangkok 10330, Thailand

Tel: +66 2 658 6817 (sales)
 Tel: +66 2 658 6801 (research)

Vikas KAWATRA (sales)
 vkawatra@kimeng.co.th

Indonesia

PT Kim Eng Securities
 Plaza Bapindo
 Citibank Tower 17th Floor
 Jl Jend. Sudirman Kav. 54-55
 Jakarta 12190, Indonesia

Tel: +62 21 2557 1188
 Fax: +62 21 2557 1189

Hariantio LIONG (sales)
 hliong@kimeng.co.id

Katarina SETIAWAN (research)
 ksetiawan@kimeng.co.id

India

Kim Eng Securities India Pvt Ltd
 2nd Floor, The International,
 Plot No.16, Maharishi Karve Road,
 Churchgate Station,
 Mumbai City - 400 020, India

Tel: +91.22.6623.2600
 Fax: +91.22.6623.2604

Vikas KAWATRA (sales)
 vkawatra@kimeng.co.th

Jigar SHAH (research)
 jigar@kimeng.co.in

Philippines

ATR-Kim Eng Securities Inc.
 17/F, Tower One & Exchange Plaza
 Ayala Triangle, Ayala Avenue
 Makati City, Philippines 1200

Tel: +63 2 849 8888
 Fax: +63 2 848 5738

Lorenzo ROXAS (sales)
 lorenzo_roxas@atr.com.ph

Luz LORENZO (research)
 Luz_lorenzo@atr.com.ph

Vietnam

Kim Eng Vietnam Securities Joint
Stock Company
 1st Floor, 255 Tran Hung Dao St.
 District 1
 Ho Chi Minh City, Vietnam

Tel : +84 838 38 66 36
 Fax : +84 838 38 66 39

Vo Doan Trang (sales)
 Trang.vo@kimeng.com.vn

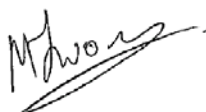
Nguyen Thi Ngan Tuyen (research)
 Tuyen.nguyen@kimeng.com.vn

South Asia Sales Trading

Connie TAN
 connie@kimeng.com
 Tel: +65 6333 5775
 US Toll Free: +1 866 406 7447

North Asia Sales Trading

Eddie LAU
 eddielau@kimeng.com.hk
 Tel: +852 2268 0800
 US Toll Free: +1 866 598 2267



Stephanie Wong
 CEO, Kim Eng Research