

Looking Ahead With Our New CEO

As we build on what we do well and share our strengths and resources globally, we will make healthcare better, faster, easier and more affordable for our patients.

Dr Kelvin Loh Chi-Keon

Managing Director and Chief Executive Officer
(From 2020)¹



1. Dr Loh assumed the position of Managing Director and Chief Executive Officer of IHH Healthcare Berhad on 1 January 2020.

Dear Stakeholders,

I am excited and honoured by the opportunity to helm IHH and look forward to working with the many experienced leaders and partners across the Group's international platform. Doing my rounds in our hospitals, one thing is clear to me. IHH is blessed with great people with a big heart for our patients and I am humbled by their genuine care for patients. IHH has been building its business on this foundation of trust and care over the years.

As we build on what we do well and share our strengths and resources globally, we will make healthcare better, faster, easier and more affordable for our patients. We will leverage our international scale with our network of 77 hospitals to accelerate improvements to care locally. Everything we do brings us to one end goal – to earn the trust of the people around us.

Together, and in close counsel with the Board, I will build on former Managing Director and Chief Executive Officer Dr Tan See Leng's legacy and take IHH onto the next phase of growth. I am aware that our stakeholders will want to know my vision and plans for IHH. I will address them by answering your key questions below.



IHH selected you as its Managing Director and CEO after an extensive global search. Tell us a little about yourself.



I started out as a physician before joining the public sector in Singapore, serving in areas such as clinical services development, hospital planning and hospital operations for a decade. Between 2008 when I first joined IHH and 2017, I held various management posts before taking over as CEO for Singapore Operations Division.

The scope of my role included, among other duties, responsibility for IHH's four multi-specialty tertiary hospitals – Mount Elizabeth Orchard, Mount Elizabeth Novena, Gleneagles and Parkway East. In 2017, I assumed leadership of Columbia Asia Group and, as CEO, oversaw its 28 hospitals across four countries, including Malaysia and India, which are also two of IHH's home markets.

Through my experience with these giant healthcare organisations, I honed my skills in building relationships with stakeholders, managing hospital operations, financial management and developing people. I also gained invaluable insights into the healthcare operating contexts in different countries across Asia.



What do you think are the challenges IHH faces today and what are the near-term and longer-term opportunities you see for the Group?



Operating in 10 countries across the world, we are susceptible to currency exchange risks that are exacerbated by macroeconomic factors, including geopolitical tensions. Costs for providing healthcare continue to spiral upwards globally and in the key markets we serve. Meanwhile, competition from rivals in the sector can only accelerate.

However, we believe that the region's growing ageing population and increasing affluence will significantly drive demand for private healthcare as life expectancy, chronic diseases and co-morbidity rise. At IHH, we are readying ourselves.

Given this, we believe that the way to bolster the foundation for strong and sustainable returns to shareholders is to double down on building trust with our patients. We already have leading brands

in the various markets, underpinned by an outstanding reputation for clinical outcomes. We will continue to build on that and make healthcare services more convenient and transparent to our patients.

As part of my refreshed strategy, we will pursue a geographical cluster strategy for growth. This means expanding IHH's established clusters in metro areas to achieve greater economies of scale while delivering better patient services.

We will review our portfolio of assets that will include divesting of under-performing assets outside our focus clusters to redeploy capital to improve returns.

Lastly, we will leverage our international network to achieve stronger synergies by pooling together best practices, and building deep capabilities while amortising the costs over a large international base. Through this, we can also make healthcare better, faster and more cost effective, thereby allowing us to earn the trust of our stakeholders and enabling sustainable growth.

Currently, like every other sector in the economy, we are facing a challenging period because of the COVID-19 pandemic. However, we are well prepared to face this headwind in our stride and have introduced measures such as conducting temperature checks on visitors and enforcing stricter visitation policies. We have also rolled out Business Continuity Plans for staff to ensure the protection and safety of all our people.

As a socially responsible organisation, we are also doing our part to help the larger community in which we operate. We currently offer on-demand coronavirus tests in Malaysia, and are the only private facility accredited by the Singapore Ministry of Health (MOH) to help test and diagnose suspected cases. Such services help public hospitals free up bandwidth to prioritise treatment of infected patients.

In the longer term, IHH will continue to respond to the rising demand for quality private healthcare in its home and growth markets. It will build on its strengths to deepen operating capabilities to deliver long term value to all stakeholders.

Looking Ahead With Our New CEO



What are your ambitions for IHH?



Our vision is “To be the world’s most trusted healthcare services network”. We have to earn the right to ask our stakeholders to trust us. The healthcare industry today is the only industry where people engage services without knowing exactly how much they will be charged and what the outcomes will be. To our patients, trust is knowing that at any price point, they will get better treatment, care and outcomes from our hospitals than elsewhere.

Therefore, we have embarked on a journey to change that through our value-driven outcomes initiative (VDO). VDO will enable us to deliver value-driven care by being upfront to our patients on what to expect from our services, including clinical outcomes, for any

We need to keep deepening our clinical expertise and leveraging innovation and technology. Our growth will remain sustainable as long as we continue to create new growth engines while sharpening our business strategy. We are confident in delivering long-term value for our stakeholders by creating new sustainable growth engines and improving our business model. Read more on our Business Model and Business Strategy on pages 34 and 35, and pages 44 and 45 respectively.



What are your plans to steer IHH towards your envisioned future?



As healthcare providers, we are driven to live up to the trust our patients place in us by providing the best medical care and outcomes.

Vision

To be the world’s most trusted healthcare services network

particular price point. As healthcare service providers, we have to disrupt ourselves to ensure our patients and customers get what is promised. This is vital if we are to earn their trust and be cost-effective at the same time.

We want to be a deeply caring healthcare services company at our core while focusing on being operationally strong and doing right by our patients. By tapping the scale of our business and operating knowledge from markets around the world, we strive to bring best practices to our various markets.

We will create a culture of trust, leverage our international scale to extract synergies and improve our returns on capital employed.

By creating a culture of trust within IHH, we inspire and empower employees to deliver best patient care, which in turn drives sustained value for shareholders.

We are focused on creating the best employee experience by embedding a culture of trust in our workplace. With that, we have to ensure that our people will continue to take exemplary care of our patients and strive to raise the bar in clinical, operational and service excellence.

As an international company, we will also leverage our scale to drive stronger synergies and deliver better patient care. In each of the market we operate, we have the benefit of extracting synergies from a large network consisting of 77 hospitals in 10 countries. This means, we are able to drive greater cost savings for equipment through our global procurement office. As a result, we are able to equip and deepen the services for sub-specialties in our hospitals and deliver higher quality care, yet bend the healthcare cost inflation curve through economies of scale.

In addition to leveraging our international scale to help patients manage healthcare costs, we will use this scale to continually deepen our operating capabilities. We can and will invest in advanced technological capabilities to deliver better care. For example, we are using artificial intelligence to generate accurate and personalised hospital bill estimations for patients. Starting in Singapore at its four hospitals, this system has enabled us to provide 80% accuracy in inpatient bill estimates prior to admission, up from 50% previously. This gives the patient fee transparency and peace of mind to manage their healthcare costs and thus enables us to further build trust, so as to engender strong, sustainable growth.

We are focused on executing our strategy to ensure disciplined integration and consolidation across the Group. By being discerning in our acquisitions and greenfield projects via the geographical cluster strategy to pursue growth, we can focus on assets that complement and are synergistic to our portfolio to achieve higher returns for the business.



What kind of culture should IHH embody as it enters its next phase of growth?



We want a culture that marks us as a high-trust organisation. In their interactions with our stakeholders,

our people represent the IHH spirit. It is important for us to scrutinise the values we promote within the business and identify the ones we want our people to embody when interacting with our various stakeholders.

Our employees are the ones that make a difference as they go about at work to touch lives and transform care. We are focused on creating the best employee experience by nurturing a culture of trust in our workplace. We will provide opportunities for career progression by investing in their development and providing a conducive work and training environment they need to provide the highest quality of care.

By embedding a sense of purpose into our business and putting patients first, we will drive long-term returns for our shareholders. We will create sustainable value for our shareholders by driving stronger synergies across our existing operations and optimising capital structure, while achieving growth and returns on capital.

We have identified five core values in our recent review. They are: putting *Patients First*, showing *Integrity* by always doing the right thing, demonstrating *Empathy* by listening to our people, working better together through *Teamwork*, and championing continuous improvement and innovation to achieve *Excellence*.

A culture epitomising such values will enable us to realise our vision for IHH, thereby fulfilling our raison d'être "To be the world's most trusted healthcare services network".

Dr Kelvin Loh Chi-Keon
 Managing Director and
 Chief Executive Officer

Our Values

1. **Patients First**
We put patient's needs first
2. **Integrity**
We do the right thing
3. **Empathy**
We listen to our people
4. **Teamwork**
We are better together
5. **Excellence**
We champion continuous improvement and innovation