

# Care. For good.

Building trust among our stakeholders is a critical foundation of our strategy. Doing greater good by our patients, our people, the public and our planet, we build strong and sustainable growth.

## Strategic Report

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# Chairman's Statement



The lessons learnt in the past 10 years are invaluable in propelling us towards creating a sustainable future – for our patients, our people, the public and our planet. Sustainability is how we put into action our philosophy of touching lives and transforming care.

**Tan Sri Mohd Azlan Hashim**  
Non-Executive Chairman

## Dear Stakeholders,

For better or worse, 2022 has been a year of inflection points.

Around the world, countries have adapted to living with COVID-19. Consequently, the biggest and most welcome change has been the reopening of borders and easing of pandemic-related restrictions.

The gradual return to a pre-pandemic way of life has made a direct impact on IHH. Our hospitals have seen an uptick in demand for elective procedures among both local and foreign patients. The recovery of our core business of hospital and healthcare services runs in tandem with the tapering off COVID-19-related services.

The second inflection point – one of concern to all – is global inflation and rising interest rates. This has driven up business costs, including salaries and energy costs, across our operations. The global economic slowdown is compounded by looming risks of economic recessions in the US and Europe, tightening financial conditions, further straining of US-China relations and the Russia-Ukraine conflict, among others.

Even in the face of volatility and lull of recent years, we have remained undeterred, building momentum and strengthening our core operations behind the scenes. IHH has a balanced focus on improving financial returns as well as driving sustainable growth led by a well-rounded strategy. Our vision is fortified by our strong financial position, robust cash flow, operational resilience – and most importantly, a motivated and dedicated workforce.

In short, we have every reason to strive forward with confidence.

## Sustainability at The Heart of All We Do

Aligned with the IHH aspiration to 'Care. For Good.', we unveiled the Group's 2025 Sustainability Goals in September 2022. Sustainability is integral to our business and our purpose of touching lives and transforming care.

We have laid out clear, measurable and time-bound goals to drive positive change for our Patients, our People, the Public and our Planet. These are aligned to the United Nations Sustainable Development Goals.

The setting of these goals reflects the evolution of the global sustainability landscape. Bursa Malaysia has also

enhanced sustainability reporting requirements, with emphasis on climate change.

To that point, one of our key goals is to cap carbon emissions by 2025 at the baseline levels of 2022 while continuing to grow our business. More ambitiously, we target to achieve Net-Zero by 2050. These aspirations are bold in our industry. However, we are determined to stay the course and set the standard for counterparts who share similar hopes. This is the right way forward.

To meet our 2025 goal, we are exploring decarbonisation initiatives such as reducing energy consumption, switching to renewable energy and reducing plastic use. We are also preparing our climate-related disclosures to meet recommendations set by the Task Force on Climate-Related Financial Disclosures, and working towards charting a science-based pathway towards Net-Zero by 2050.

Our sustainability goals were derived with the input of IHH's stakeholders. We hold your needs and views in high regard in our decision-making process.

Across 2022, we conducted a group-wide materiality assessment exercise to identify top-of-mind issues for key stakeholders. In the process, we refined existing issues, uncovered new ones and highlighted our priorities. More detailed information is outlined in Our Material Matters page 42.

It is crucial to recognise that sustainability is a journey. We are taking progressive, measurable steps towards achieving long-term goals by identifying (and fulfilling) interim targets. We are thankful to have you along on this paramount endeavour.

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## Chairman's Statement

We have intensified efforts to create the necessary support mechanisms to encourage total well-being, particularly for frontline clinical professionals. These mechanisms include 24/7 counselling across the group and programmes designed to improve employee health and wellness.



### Putting People First

The integral role played by healthcare teams in the management of COVID-19 and in delivering other equally important core patient services can never be overstated. However, the last two years have taken a toll.

There is currently a global shortage of nurses. Pandemic burnout, compassion fatigue and early retirement are among the reasons behind high turnover rates.

More than ever, we need to ask, "How do we shape a culture that defines our purpose and core values? How do we create a corresponding environment that will be embraced by our people?" Only by putting our values into daily action can we ensure that IHH continues to groom and retain exceptional talent.

As a trusted healthcare provider, we have always put patients first. While this has not changed, the pandemic has unveiled the long unspoken. To reliably provide patients the best outcomes and experience, healthcare institutions must first ensure the safety and physical and mental well-being of its staff so they can in turn deliver their best at work.

At IHH, we have intensified efforts to create the necessary support mechanisms to encourage total well-being, particularly for frontline clinical professionals. These mechanisms include 24/7 counselling across the group and programmes designed to improve employee health and wellness.

### Exceptional Governance Fosters Trust

Since its formation, the IHH Board has been committed to the highest standards of corporate governance. We recognise the fundamental role that our practices and processes play in ensuring the organisation creates sustainable growth and delivers value to stakeholders.

We have a comprehensive set of policies and systems – ranging from boardroom diversity and anti-corruption measures to code of conduct and investor relations policies – and continually look at ways to uphold the integrity of the organisation.

One such example is the Group's Whistleblowing Policy, which is designed to empower individuals to raise concerns and disclose information about malpractice or other wrongdoings. Now, whistleblowers can access a third-party portal or hotline to make their report anonymously and is fully

confidential. The use of an independent portal lends greater peace of mind and confidence in reporting.

### Delivering Results

IHH will continue to follow the dividend policy, whereby not less than 20% of the Group's profit after tax and minority interests, excluding exceptional items, shall be distributed to shareholders.

Despite challenges in the past year, the board declared a first and final dividend of 7 sen per share for Bursa shareholders, a 17% increase compared to a year ago. The dividend payment will be made to shareholders on 28 April 2023. IHH payouts are in Malaysian Ringgit to shareholders trading on Bursa Malaysia and in Singapore dollars to shareholders trading on the Singapore Exchange.

### Lending a Hand to the Türkiye Community

I would be remiss to neglect mentioning the recent earthquake that has devastated the southeastern part of Türkiye. The Group has since donated USD2.0 million towards rescue efforts. Our operations there, namely the Acibadem hospitals, are also extending medical care and support in the affected region.

As a Group, we are doing our best to support our Acibadem colleagues, ensuring their safety as they render humanitarian and healthcare assistance. We had a staff donation drive in our key markets that will go towards supporting the needs of those affected, including medical care, emergency shelter, first aid and food via Acibadem Healthcare.

### Board and Management Changes

On the back of a successful year, I'd like to express gratitude to all members of the Board for their support and direction. As with every growing organisation, changes within the Board and senior management are inevitable.

This year, we bade farewell to Takeshi Saito, Dr Farid bin Mohamad Sani and Tunku Alizakri bin Raja Muhammad Alias who resigned as non-independent, non-executive Board members. We also welcomed Tomo Nagahiro, Bryan Lim and Mohd Shahazwan bin Mohd Harris to our Board of Directors.

After more than three years at the helm, Dr Kelvin Loh has resigned as IHH Healthcare's Managing Director and CEO, and relinquished his position on the Board. Kelvin has steered IHH through the massive challenges posed by COVID-19. We wish him all the best for his future endeavours.

In the interim, we established a Board Committee known as the Transition Committee (TC) on 30 March 2023. The TC shall serve as a temporary Board Committee until the new Group Chief Executive Officer is appointed.

### The Next Decade

2022 was momentous for IHH. We rang in our 10<sup>th</sup> year as a listed company and took stock of the milestones we have achieved.

It is evident that our strong fundamentals and sound strategy have spurred the growth and evolution of IHH over the last decade. The lessons learnt provide the wisdom for us to chart our future.

The road ahead will undoubtedly bring forth new challenges along with opportunities. We are sowing the seeds every day to seize the growth to come, meet uncertainties with strength and confidence – and most importantly, deliver sustainable value to all our stakeholders.

Whether you are a patient, clinical partner, employee, shareholder, member of the management team or fellow Board member, I sincerely thank you for your invaluable contributions. Your unwavering support and trust keep all of us going.

















### Tan Sri Mohd Azlan Hashim

Non-Executive Chairman






















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# Market Outlook

The easing of COVID-19 restrictions and steady growth of patient volume are counterbalanced by challenges in the larger operating environment such as inflation and nursing shortages. However, we expect headwinds to be short-term and remain committed to delivering on our promise to grow sustainably and ‘Care. For Good.’

Trend	Impact to Group	Our Response	Link to Strategy	Link to Principal Risk
<b>Current Trends</b>				
<b>Economic landscape</b>	<p>The global economic slowdown has continued and is expected to persist through 2023. Short-term headwinds, such as elevated inflation, higher energy prices and rising interest rates, have contributed to higher operating costs across all markets.</p> <p>However, the underlying demand for private healthcare underpinned by long-term megatrends is intact. The growth trajectory remains strong following the reopening of international borders and easing of restrictions, putting IHH back in firm recovery.</p>	<p>Medical inflation is a global challenge faced by all healthcare providers, and one which we are tackling quickly.</p> <p>We will do so through delivering Value-Driven Outcomes (VDO), which provides better or similar medical clinical outcomes at a lower cost. This is done through measuring activities, consumables and time spent on each procedure and eliminating any superfluous elements to reduce bill size for patients.</p> <p>In addition to managing the effects of rising operating costs, the Group has applied MFRS 129, <i>Financial Reporting in Hyperinflationary Economies</i> for its component entities whose functional currency is the Turkish Lira. Türkiye is considered a hyperinflationary economy under MFRS 129 starting from April 2022.</p>	  	  
<b>Nursing talent shortage</b>	<p>With the long-drawn pandemic a push factor, many healthcare professionals around the world experienced burnout and consequently left the industry. There is now a tight labour supply, particularly in nursing. This has resulted in rising cost of recruitment and retention of healthcare staff.</p>	<p>IHH's operations have stayed resilient despite the tight labour market. Our operations and all-round performance have continued to meet the highest standards.</p> <p>Most notably, five IHH nurses in Singapore won the prestigious Ministry of Health Nurses' Merit Award 2022, demonstrating noble dedication to their vocation amidst challenges.</p> <p>Financially, the Group is also in a position of strength. At the end of 2022, net operating income excluding MFRS 129 and exceptional items grew 4% to RM1.7 billion.</p> <p>True to our aspiration to 'Care. For Good.', we have worked hard to make IHH a joyful and fulfilling place for our people to build their careers. We were named by Forbes as one of the World's Best Employers in 2022. At the same time, we were heartened to have celebrated our employees' long-standing efforts at the annual Long Service and Golden Years' Service Awards. A total of 714 recipients met service milestones, including 38 who have rendered over 30 years of service.</p>	  	 
<b>COVID-19 normalisation</b>	<p>As the first touchpoints in disease outbreaks, epidemics and pandemics, healthcare providers must be nimble and act swiftly in the best interest of public health and safety.</p> <p>As COVID-19 becomes endemic, there has been a sharp drop in demand for pandemic-related services.</p> <p>There has also been a fast-growing and prevailing demand for the core services in the hospital and healthcare segment. Inpatient occupancy rates and foreign patient volumes have steadily increased in this post-COVID world.</p>	<p>IHH's growth cluster strategy in home markets like Malaysia and Türkiye has been timely in meeting the increased demand in the core hospital services.</p> <p>Our Group's operational resilience and strong financial position are also key to the seamless transition in evolving our services across markets.</p> <p>In China in particular, we have continued to provide heightened COVID-19 support in light of recent surges in COVID-19 cases. Volunteers are also on standby to serve where they are needed.</p>	   	

## Market Outlook

Trend	Impact to Group	Our Response	Link to Strategy	Link to Principal Risk
<b>Long-Term Trends</b>				
<b>Shifting preference to digitally enabled, convenient and seamless clinician-patient interactions</b>	<p>With the proliferation of wearables and importance of preventive healthcare, consumers have increasingly tapped on technology to track their wellness and fitness. Also, the emerging generation of adult digital natives need no introduction and assimilation to telemedicine.</p> <p>At the same time, the digital age has enabled healthcare providers to streamline and consolidate operations to maximise economies of scale.</p>	<p>In our ongoing digital transformation, IHH has spearheaded several initiatives:</p> <ul style="list-style-type: none"> <li>IHH has launched a consumer-centric mobile application called MyHealth360 in Singapore. The one-stop platform is designed to streamline patients' healthcare journey and will allow patients to make appointments, estimate bill size, obtain their laboratory results and more.</li> <li>In Hong Kong, the My Gleneagles SmartHealth application has integrated functions of PanopticAI for users to measure vital signs such as heart rate, blood pressure and respiratory rate. This comes on the back of Gleneagles Hospital Hong Kong's free online consultation service and medication delivery during the pandemic.</li> <li>Mount Elizabeth Novena Hospital in Singapore recently upgraded its robotics surgical system to enhance patient safety.</li> <li>IHH co-led a funding round with Us2.ai that uses machine learning to provide complete and accurate cardiac measurements in under two minutes.</li> <li>We have invested in Series B and C funding for Asian Digi health platform Doctor Anywhere.</li> <li>IHH has launched an internal Innovation Portal to facilitate sharing of innovation projects and provide staff with access to digital health companies and relevant research and market reports.</li> </ul>	  	 
<b>Greater demand for transparency</b>	<p>Transparency of care plan and costs continue to be of importance to patients who are increasingly proactive in managing their health.</p>	<p>We have been steadfast in driving our Value-Driven Outcomes (VDO) over the last few years, which have allowed us to deliver better or similar clinical outcomes for patients with more efficient use of resources and hence lower cost. The VDO programme will be expanded to all our markets by 2025 and will cover more procedures.</p> <p>We have also launched the customised in-house Cerebral Plus (C+) Hospital Information System across all Gleneagles and Pantai hospitals in Malaysia. Doctors and patients will be connected on a single integrated platform to access medical records through C+.</p> <p>Our AI-powered billing estimation tool is also key in trust establishment between IHH and our patients. Now integrated within the MyHealth360 app, the bill estimation has an accuracy of over 80 percent and will continue to improve with time.</p>		 
<b>Geopolitical tensions</b>	<p>As a multinational organisation, IHH's business risk is heightened with geopolitical tensions. Ongoing conflicts in Europe and some parts of Asia have resulted in disruption of supply chains and rising commodity and energy prices.</p>	<p>We hedge our risks by focusing on geographical cluster growth. With economies of scale in the same cluster and/or region, IHH reaps efficiencies in costs.</p> <p>Refer to Financial Review page 60 for more information.</p> <p>We are also cognisant of the importance of growing all markets, rather than overemphasising on specific regions, and sharing best practices between countries. This helps us refine business and operating models.</p>	 	
<b>Public-private partnership</b>	<p>COVID-19 has cemented the importance of public-private partnerships in caring for public health. There is room for these partnerships to grow as we jointly work to improve population health.</p>	<p>In April 2022, IHH called for continued public-private partnerships in Malaysia healthcare system so that the country can better navigate future uncertainties.</p> <p>Later in the year, IHH Malaysia signed an MoU with the Ministry of Health Malaysia to provide free radiotherapy and radiosurgery to cancer patients in government hospitals.</p> <p>We will continue to seek and drive collaborations that will create a lasting and positive impact on the community.</p>	  	 
<b>Sustainable healthcare practices</b>	<p>At IHH, sustainability is an important cornerstone of our future and commitment to care for good. With a contribution of about 5% of the world's emission rates, healthcare providers urgently need to start incorporating sustainable practices that benefit stakeholders of the world and create long-term value for all.</p>	<p>We have listed clear, measurable goals and launched or participated in related initiatives:</p> <ul style="list-style-type: none"> <li>IHH has committed to capping carbon growth and achieving net-zero emissions by 2050.</li> <li>We are turning IHH hospitals into green hospitals. In Türkiye, Acibadem Atasehir Hospital is now a LEED Gold Certified green building. The hospital has implemented a host of green features including storage and treatment of drainage and rain water and energy-saving lighting.</li> <li>We have supported national-level sustainability initiatives such as a collaboration with Zero Waste Malaysia at the Zero Waste Festival 2022.</li> <li>We organise events to raise awareness of environmental sustainability among employees and other stakeholders.</li> <li>We use public-facing platforms such as our IHH Healthcareinsider webinars to generate constructive conversations on various topics related to our business.</li> </ul>	  	 

Please refer to our Operations Review starting on Page 54 to see how these trends have impacted each of our home and key markets.

# Business Model

With 83 hospitals in 10 countries, IHH is a global healthcare network with extensive reach and influence. Our modus operandi lies in the fervent push for new heights of excellence and innovative frontiers that elevate the healthcare delivery model; we can do so at scale and with optimal efficiencies due to our presence in multiple geographies.

We continually build on our strengths and share our best practices across markets so that healthcare becomes better, faster, convenient and more affordable for patients and communities at large. We have an exceptional track record of delivering positive clinical outcomes and long-term value for our stakeholders.

+ Value generated  
 = Value preserved  
 - Value eroded

## Our Assets

### Financial Capital

IHH enjoys a robust financial profile in all markets and is well-positioned for long-term growth. Our strong cash flow, most recently supported by the recovery of “brick-and-mortar” hospital services, allows us to access ready capital and make investments that are earnings accretive, prudent and strategic.

### Manufactured Capital

Our network of hospitals, clinics and ancillary service centres in 10 countries provide highly regarded integrated healthcare services to patients far and wide. We are known purveyors of excellent care and are supported by medically advanced technologies and equipment.

### Human Capital

IHH brims with high-performing contributors. Our Board and members of senior management are equipped with extensive industry knowledge and expertise to establish a comprehensive clinical framework, ensuring patients are optimally cared for.

Our staff in both clinical and non-clinical settings possess the necessary skills and competencies to deliver value.

We have a multi-prong talent retention strategy that includes competitive remuneration and training and development opportunities.

### Intellectual Capital

Our clinical know-how, expertise in healthcare operations and growing suite of innovative solutions and digital assets form the core of our intellectual capital. They also jointly support optimal health outcomes and the care experience.

Our proprietary bill estimation solution FeeAdvisor.ai has been deployed in our hospitals in Malaysia and Singapore and Gleneagles Hong Kong Hospital. It is also integrated with our healthcare app MyHealth360.

Across all markets, our healthcare brands are renowned for excellence and prestige. These brands include Gleneagles, Mount Elizabeth, Pantai, Parkway, Fortis Healthcare, Acibadem and Prince Court.

### Social and Relational Capital

We proactively establish and maintain positive relationships with our key stakeholders that include patients, employees, physicians, business partners and various governments and communities.

### Natural Capital

We are highly committed to environmental sustainability, prioritising the efficient consumption of resources and appropriate management of waste generated.

## How We Create Value

### Our Business

#### Primary Care

Day-to-day outpatient services including treatment of common illnesses, routine check-ups, vaccinations, preventive care and patient education.

#### Secondary and Tertiary Care

Specialist consultations, local surgeries, emergency care, laboratory services, diagnostics and acute treatments.

#### Quaternary Care

Advanced medical care involving high-intensity complex surgeries (like organ transplants) requiring highly trained surgeons and best-in-class intensive care units and facilities.

#### Complementary Ancillary Services

Comprehensive diagnostics, analytical laboratory testing, therapeutic radiology, physiotherapy, integrated rehabilitation and advanced molecular diagnostics.

### Our Strategy



#### Trust

The belief and confidence of our stakeholders in IHH is the cornerstone of sustained growth.



#### Synergy

Our network of 83 hospitals in 10 countries allows the Group to reap efficiencies, scale up best practices and build deep operating capabilities.



#### Growth

We are powered by five growth engines (see page 36) to generate higher returns for all stakeholders.



#### Sustainability

We are focused on doing right by our patients, our people, the public and our planet – in short, ‘Care. For Good.’.

## Delivering Value to Our Stakeholders

- Group revenue
- Net income
- Declared dividends
- Share price
- Return on Equity



- Number of hospitals, medical centres and medical clinics
- Capital expenditures on medical equipment
- Financial investments into upgrading works



- IHH CEO and CFO were voted top three for the Healthcare and Pharmaceutical sector in Asia (ex-Mainland China) at the Institutional Investor’s 2022 All-Asia Executive Rankings
- Five nurses in Singapore won the prestigious Ministry of Health Nurses’ Merit Award 2022
- 714 long service awardees in 2022



- More affordable care
- Improvement in clinical quality indicators



- Patient satisfaction scores
- Engagement activities for our clinical teams
- Safeguards in place to protect patients’ data and privacy



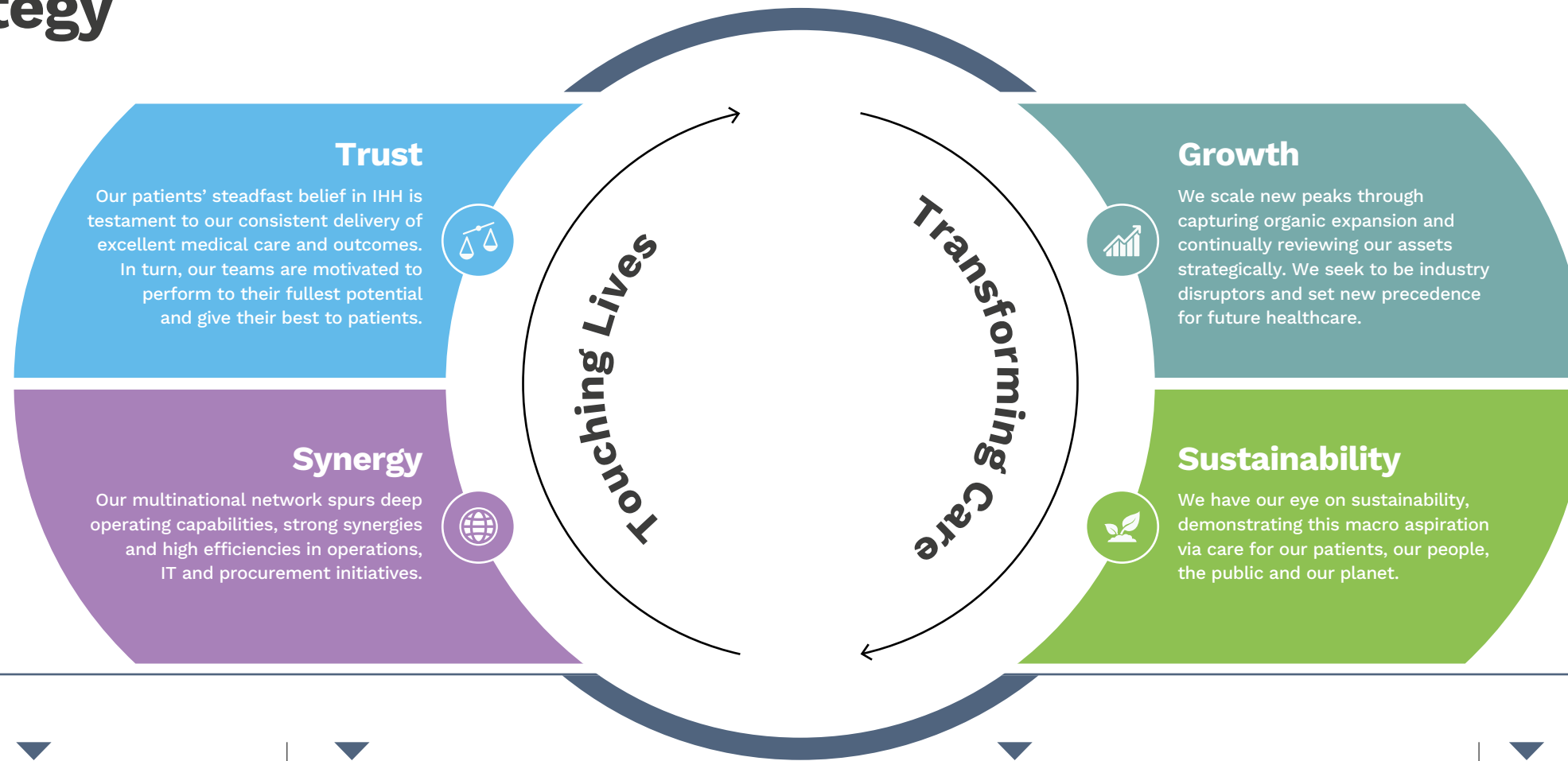
- Waste minimisation efforts
- Appropriate hazardous waste management
- Energy efficiency efforts



## Value Generated, Preserved or Eroded

# Business Strategy

Our core pillars of Trust, Synergy, Growth and Sustainability jointly support our vision to be the world's most trusted healthcare services network. They are the foundation of our action plans to stay resilient and responsive in an ever-evolving healthcare landscape.



## Five Growth Engines

### Recover from COVID-19

Patient volume and bed occupancy are expected to continue increasing, reaching or surpassing pre-pandemic levels. We have made plans to increase the number of beds in Malaysia, India, Hong Kong and Türkiye to boost operations capacity and continue investing in building capabilities to better serve returning healthcare consumers.

### Strategy in Action

As pandemic restrictions eased and borders reopened around the world, we tapered off COVID-19 medical services in 2022, which made up 4% of the fiscal year's revenue.

In this rebound period, occupancy rates and patient volumes have exceeded pre-pandemic levels in some of the markets we operate.

### Achieve Organic Growth

We will continue our path of capital-efficient growth through boosting bed occupancy and continually optimise utilisation of existing resources.

We commenced construction of a new seven-storey medical block for Pantai Hospital Penang in August 2022. Also, IHH celebrated the opening of the 300-bed Acibadem Atasehir Hospital in Türkiye in September 2022.

### Acquire Strategic Assets

With a healthy balance sheet and strong cash flows, we look to opportune acquisitions based on our cluster strategy in existing and/or adjacent markets.

Several capital reallocations took place in FY2022.

- **Malaysia:** IHH entered into an agreement to divest IMU for RM1.35 billion. The divestment was completed on 31 March 2023.
- **Türkiye:** The Group acquired Ortopedia Hospital in Adana and Kent Hospital in Izmir, Türkiye to strengthen Acibadem's cluster and service offerings for patients.
- **Greater China:** On 27 February 2023, the Group completed the divestment of its effective 49% stake in Gleneagles Hospital Chengdu with Perennial Health.

### Develop Our Laboratory Business

IHH aims to be the world's top medical laboratory services provider. Our brands are well recognised in markets like Malaysia, Singapore, India and Türkiye, and we will leverage our leading position to further grow this segment in the coming years.

Our laboratories in four markets (Malaysia, Singapore, India and Türkiye) conducted a total of 92.0 million tests in this fiscal year, with further growth on the horizon.

### Drive Digital Transformation and Innovation

We are in the depths of digital transformation to develop an ecosystem that connects patients seamlessly between online and in-person health management.

As part of our digital transformation, IHH launched MyHealth360 in Singapore. The mobile application makes our patients' healthcare journey from offline to online seamless, convenient and transparent.

To enhance cardiovascular care, IHH co-led the Series A funding round for Us2.ai, the developer for an AI echocardiography software.

We also participated in the Series C1 round for the digital health platform Doctor Anywhere.

# Stakeholder Engagement

IHH is a world-leading healthcare provider. This is a position we would not have reached without the input of all our key stakeholders – senior management, patients, doctors, nurses and employees, investors and shareholders, accreditation bodies, regulators, local communities, intermediaries, suppliers and service providers, academia and students.

The voices of stakeholders lead our decision-making process and are mapped against the backdrop of IHH’s business objectives. Through numerous engagements across the year, we collaboratively cultivate the long-term growth and success of the Group.

Stakeholder Group	Stakeholder Profiles	Key Expectations	IHH’s Response	Methods and Frequency of Engagement
<b>Senior Management</b> 	Our governance structure places Senior Management just below the Board of Directors. Members of Senior Management are strategic decision makers in economic, environmental and social matters.	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Talent attraction and retention</li> <li>Succession planning</li> <li>Operational performance</li> <li>Sustainable growth</li> </ul>	Resources and support systems are in place so Senior Management can lead teams to the best of their abilities. This has a direct impact on enhancing IHH reputation and performance.	<ul style="list-style-type: none"> <li>Monthly IHH operations meeting</li> <li>Quarterly Board meetings</li> <li>Quarterly Board Audit Committee meeting</li> <li>Quarterly Board Risk Management Committee meeting</li> <li>Monthly Board Steering Committee meeting</li> <li>Board Nomination Committee meetings as required</li> </ul>
<b>Patients</b> 	Patients are among our most valued stakeholder groups and their clinical outcomes is our greatest priority. We seek to build trust and loyalty among patients by giving them the most exemplary healthcare experience.	<ul style="list-style-type: none"> <li>Top-quality care and patient experience</li> <li>Improved health awareness and knowledge</li> <li>Cost-effectiveness</li> <li>Patient privacy and data protection</li> <li>Convenience and accessibility</li> </ul>	On top of delivering excellent patient care services, we conducted satisfaction surveys to better understand and enhance our performance.	<ul style="list-style-type: none"> <li>Consultations as required</li> <li>Patient satisfaction surveys conducted throughout the year</li> <li>Admission and discharge processes</li> <li>Patient education and family conferences as required</li> </ul>
<b>Doctors, Nurses and Employees</b> 	This group forms the frontline of service delivery and is critical to daily operations both in clinical and non-clinical environments. We are committed to creating a conducive and safe workplace that prioritises our people’s total well-being, and empowers them to perform optimally.	<ul style="list-style-type: none"> <li>Staff and doctor engagement/ feedback sessions</li> <li>Positive workplace culture and conducive work environment</li> <li>Career development and training</li> <li>Quality improvement sharing and celebration across the Group</li> <li>Embarking on innovative approaches to inspire idea generation at work</li> </ul>	We engage in open dialogue with employees via town hall meetings to address their concerns and feedback. Employees have access to training and development programmes to improve skills and knowledge and support career growth.	<ul style="list-style-type: none"> <li>Annual Town Hall meeting</li> <li>Annual focus group sessions</li> <li>Annual/Bi-annual employee engagement survey</li> <li>Weekly physician’s meetings</li> <li>Annual Quality Summit</li> <li>IHH DEIB (Diversity, Equity, Inclusion &amp; Belonging) Global Summit 2022</li> <li>IHH TRUST Nursing Leadership Symposium</li> </ul>
<b>Investors and Shareholders</b> 	As providers of capital funding, our investors and shareholders fuel the development of IHH operations in all regions. The IHH Group performance and reputation translate into value for this stakeholder group.	<ul style="list-style-type: none"> <li>Continued operational growth and financial sustainability</li> <li>Clear and transparent reporting</li> <li>Strong Corporate Governance framework</li> <li>Effective and timely shareholder engagement</li> <li>Succession planning</li> </ul>	We proactively foster trust between IHH and our investors and shareholders. Their investment decisions and interest in the Group are dependent on the financial and non-financial performance of IHH.	<ul style="list-style-type: none"> <li>Annual General Meeting (AGM)</li> <li>Extraordinary General Meeting (EGM) as required</li> <li>Ongoing investor conferences, site visits and ad hoc events with investors, engagement sessions with sell-side and buy-side analysts</li> <li>Ongoing non-deal roadshows</li> <li>Corporate website announcements</li> </ul>
<b>Accreditation Bodies</b> 	Accreditation bodies like the Malaysia Society for Quality in Health (MSQH) and Joint Commission International (JCI) assess and ensure that IHH’s healthcare services and education meet rigorous accreditation requirements and standards.	<ul style="list-style-type: none"> <li>Regular audits and verifications</li> <li>Meeting international benchmarks</li> </ul>	Regular audits and inspections are conducted to evaluate IHH’s performance and identify improvement areas.	<ul style="list-style-type: none"> <li>Triennial JCI audit and inspection</li> <li>Annual MSQH surveillance audit</li> <li>MSQH certification inspection conducted every four years</li> <li>Triennial NABH certification audit</li> <li>MQA audit as required</li> <li>Biennial SETARA assessment</li> <li>Annual Malaysia Research Assessment (MyRA)</li> </ul>
<b>Regulators</b> 	Regulators assess IHH operations and ensure compliance with relevant laws and regulations. We communicate frequently with this stakeholder group to keep up to date with the latest regulatory requirements.	<ul style="list-style-type: none"> <li>Compliance</li> <li>Regulatory reform relating to hospital planning</li> <li>Employee and patient safety</li> </ul>	Regular inspections and audits are conducted to ensure compliance with the relevant laws and requirements.	<ul style="list-style-type: none"> <li>Formal correspondence and meetings as required</li> <li>Hospital visits as required</li> <li>Biennial audit and inspection by the Ministry of Health</li> </ul>



## Stakeholder Engagement


Stakeholder Group	Stakeholder Profiles	Key Expectations	IHH's Response	Methods and Frequency of Engagement
<b>Local Communities</b> 	Local communities are the main beneficiaries of our Corporate Responsibility (CR) initiatives, which include improving public health awareness.	<ul style="list-style-type: none"> <li>Improved accessibility to healthcare services</li> <li>Increased public awareness of healthcare</li> <li>Education opportunities for disadvantaged, aspiring healthcare professionals</li> <li>Funding for community projects</li> </ul>	We conduct health and education programmes to promote the well-being of local communities.	<ul style="list-style-type: none"> <li>Ongoing programmes for free medical treatment</li> <li>Health awareness initiatives</li> <li>Scholarships and professorships are endowed and carried out in perpetuity</li> <li>Sponsorships and donations</li> </ul>
<b>Intermediaries</b> 	Intermediaries are third-party representatives that assist IHH in providing healthcare or related services across our hospitals and clinics. They include insurance companies, corporate customers and third-party administrators.	<ul style="list-style-type: none"> <li>At the service level – timeliness of the guarantee letter issuance from intermediaries</li> <li>The cost of healthcare in private hospitals, especially in medical treatment packages and services</li> </ul>	We strengthen relationships with intermediaries through frequent engagement such as via referral letters and talks. This ensures the smooth operations of our healthcare functions.	<ul style="list-style-type: none"> <li>Daily Guarantee Letter/Referrals</li> <li>Health talks, forums and Continuing Medical Education (CME) carried out monthly or every two months</li> <li>Process and service improvements carried out monthly, quarterly or when required</li> <li>Hospital empanelment/renewal as required</li> <li>Claim and charges review meeting as required</li> </ul>
<b>Suppliers and Service Providers</b> 	Suppliers and service providers support our operations by providing the essential quality provisions. Ethics and professionalism are top-of-mind in our relationship with this stakeholder group to maintain a transparent and sustainable supply chain.	<ul style="list-style-type: none"> <li>Cost-effectiveness</li> <li>Fair and transparent negotiations</li> <li>Value proposition, price and quality</li> </ul>	We are fair and transparent in our tender processes and in evaluating providers' service performance.	<ul style="list-style-type: none"> <li>Vendor presentations and product demonstrations</li> <li>Knowledge updates on product information conducted at least twice a year</li> <li>Tender briefings</li> <li>Tender clarification sessions</li> <li>Regular price negotiations with vendors for new and existing purchases</li> </ul>
<b>Academia</b> 	Our medical educators are tasked with nurturing the next generation of healthcare professionals. The Group strives to provide the optimum environment and resources for academia, so they can deliver top-quality education.	<ul style="list-style-type: none"> <li>Research and development</li> <li>Strong relationship with Partner Schools/Universities</li> <li>Education financing, teaching and learning support</li> <li>Industry partnership</li> <li>Students' welfare and emotional support</li> <li>Strong relationship with residents and community</li> </ul>	The IHH environment allows academia to exchange ideas and information on the latest clinical developments and research. We also provide a platform for community engagements.	<ul style="list-style-type: none"> <li>Biannual Town Hall meeting</li> <li>Faculty meeting every two months</li> <li>Quarterly dean meeting</li> <li>Biennial Staff Barometer Survey</li> </ul>
<b>Students</b> 	IMU students are the future of healthcare. We help them develop into highly skilled professionals by providing a high-quality environment and curriculum and other learning opportunities.	<ul style="list-style-type: none"> <li>Top-notch education with affordable fees</li> <li>Acquisition of the highest knowledge, skills and competency upon graduation and throughout career</li> </ul>	To provide our IMU students with world-class education and support, we continually ensure the conduciveness of their learning environment and keep abreast of the latest industry developments.	<ul style="list-style-type: none"> <li>Regular monitoring of teaching and learning activities</li> <li>Quarterly meeting with Students' Representative Council</li> <li>I-Barometer survey on student satisfaction</li> <li>Mentor-mentee system</li> <li>Programme Director briefing to all classes every semester</li> </ul>

# Our Material Matters

We are meticulous in identifying and evaluating material sustainability matters that are of interest to our business and its stakeholders. This biannual exercise helps us articulate the tangible areas that impact the Group’s ability to create long-term value. These material matters, as listed below, are also integral in supporting the delivery of our strategy.

## Our Sustainability Pillars and Material Matters


<b>Patients</b> Empowering Our Patients	<b>People</b> Shaping the Best Place to Work	<b>Public</b> Nurturing a Healthier Society	<b>Planet</b> Protecting Our Planet
Quality of Care and Patient Stewardship <ul style="list-style-type: none"> <li>Clinical Excellence</li> <li>Operational Excellence</li> <li>Service Excellence</li> <li>Value-Driven Outcomes</li> <li>Transparency</li> </ul> Healthcare Digitalisation (Accessibility/Convenience) Data Privacy and Security	Employee Safety and Total Well-Being People Engagement and Talent Development Diversity and Inclusion	Antimicrobial Stewardship Reducing Disease Burden Corporate Responsibility	Energy Management Waste Management

 Please refer to our Sustainability Report for descriptions on each of these material matters, as well as key metrics and actions taken to manage them.

## Materiality Assessment Exercise

In early 2022, we conducted a comprehensive materiality assessment exercise to identify the sustainability matters that are most important to our stakeholders. A six-step process was used to develop the materiality matrix.

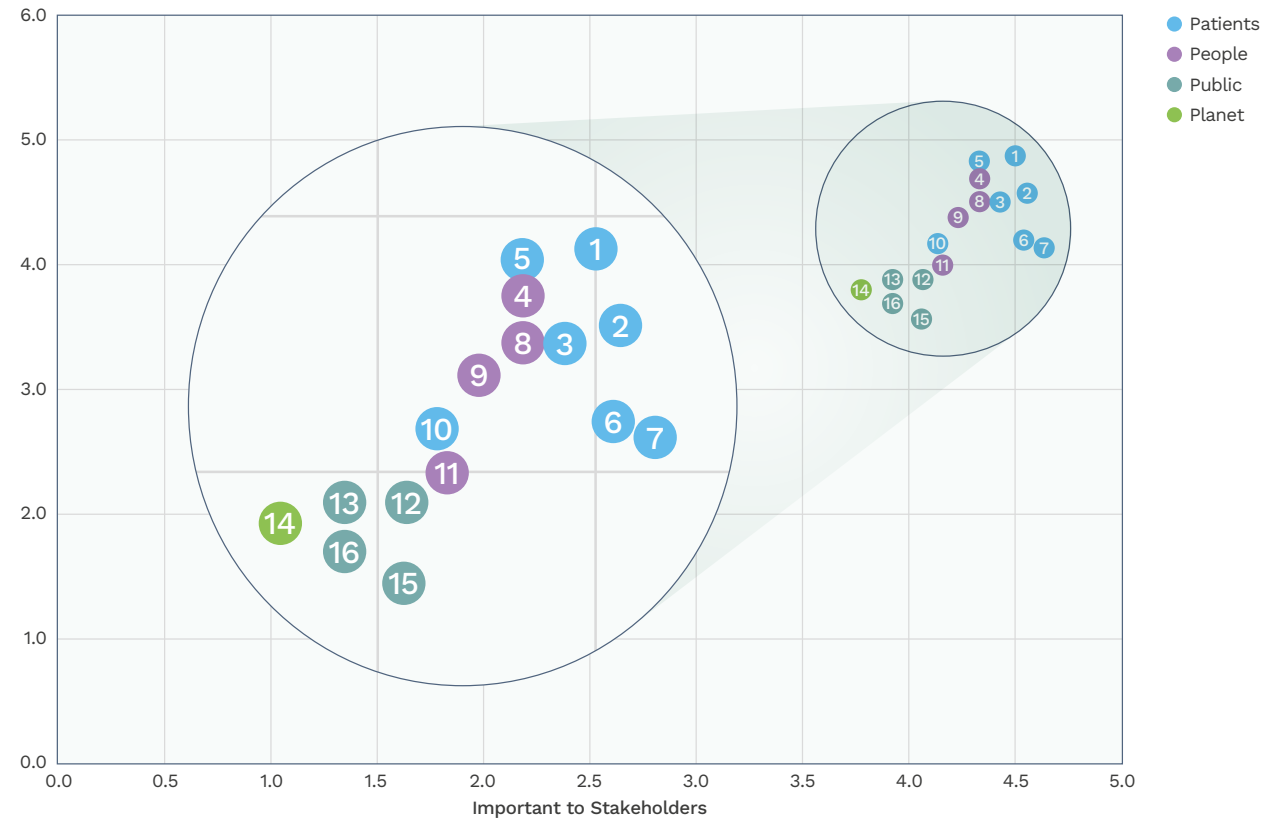


 Please refer to our Sustainability Report for more information.

## Our Material Matters

### Materiality Matrix

Important to IHH Healthcare



- 1 Clinical Excellence
- 2 Operational Excellence
- 3 Service Excellence
- 4 Employee Safety & Total Well-being
- 5 Data Privacy and Security
- 6 Value-Driven Outcomes (VDO)
- 7 Transparency
- 8 People Engagement
- 9 Talent Development
- 10 Healthcare Digitalisation (Accessibility/Convenience)
- 11 Diversity
- 12 Antimicrobial Stewardship
- 13 Corporate Responsibility
- 14 Carbon Footprint + Environmental Stewardship
- 15 Reducing Disease Burden
- 16 Private Public Partnerships (PPP)

Four of our top five material matters – clinical excellence, operational excellence, service excellence and data privacy and security – fall under the Patient Pillar. This signifies IHH’s unwavering focus on ensuring that the organisation’s work towards sustainability goals will not in any way compromise the top-notch care that IHH hospitals have come to be known for.

Employee Safety & Total Well-being also placed high on the list. Meeting the well-being needs of our people is of paramount importance not just for optimal patient care, but also cultivating a healthy workplace that everyone is proud to be part of. We are committed to stay engaged with employees and support them as we steadily return to pre-pandemic levels of clinical workloads.



Please refer to our Sustainability Report for more information.

# Risk Management

Managing risk is an integral part of our business strategy and drives stronger, more sustainable strategies to achieve long-term growth and profitability. A collaborative risk culture with clearly defined ownership and accountability for risk management at all levels serves as the foundation for IHH Healthcare’s robust risk management framework.

### Risk Management Framework

The Board has overall responsibility for risk governance and provides oversight of risk management systems and internal controls implemented by Group management within all business units and functions.

The Audit Committee (AC) and Risk Management Committee (RMC) oversee the design and effectiveness of the Risk Management framework and policies.

The AC and RMC examine and recommend the Group’s degree of risk appetite and tolerance to the Board while actively highlighting, evaluating, and monitoring the Group’s key business risks.

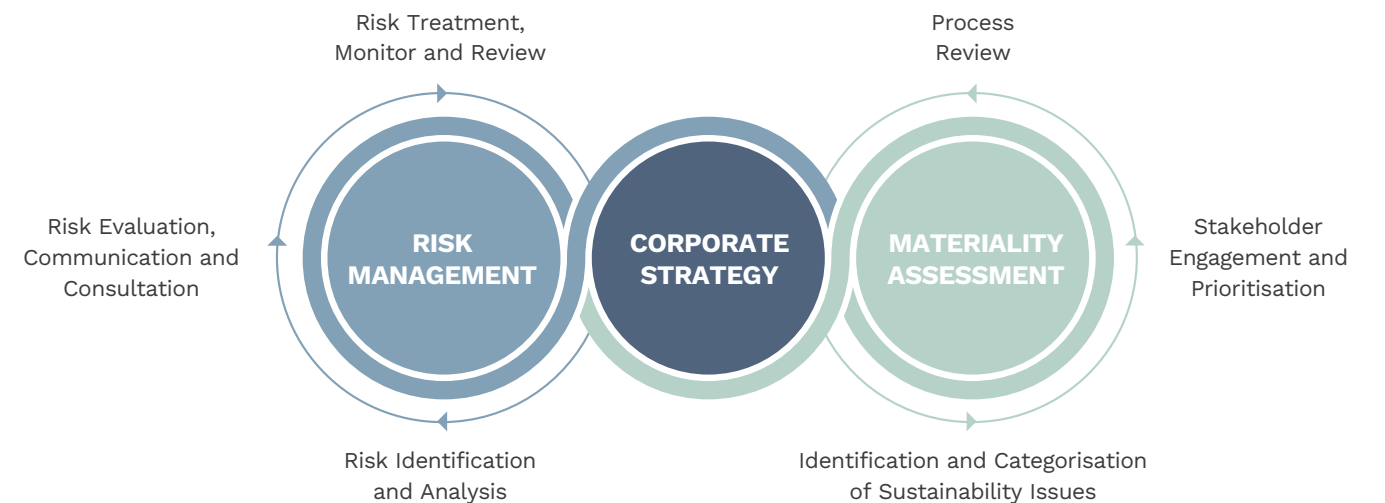
The AC also assists the Board in fulfilling its statutory and fiduciary responsibilities by ensuring a sound and robust internal control framework is implemented throughout the Group.

The AC further ensures that the framework is implemented effectively to improve the Group’s ability to meet our strategic goals.

An Enterprise Risk Management (ERM) framework is deployed at the Group level and strategic business units. This framework provides a systematic process for the Group and our business units to identify, assess and mitigate key business risks in a proactive and timely manner, with quarterly updates to the RMC.

Our Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Audit Committee Report and Risk Management Committee Report are described in more detail on pages 86 to 112.

### Integration of Risk Management and Material Matters



The Group faces an evolving landscape of environmental, social and governance-related (ESG) risks and opportunities that have the potential to significantly impact our business performance and sustainability.

Through stakeholder engagement and materiality assessments, the Group regularly reviews and assesses our ESG risks – including the risk dimension of missed opportunities – that exist or may be emerging in our business environment. Sustainability has been integrated into our ERM framework, where matters that are critical to the Group are assessed and managed based on defined risk rating criteria

of likelihood and impact. This approach allows us to compare sustainability issues with other business risks, and prioritise resources to manage risks. For more information on material sustainability matters, refer to page 42.






Furthermore, the Group acknowledges that climate change increasingly poses significant financial risk to our business. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world. We are aiming to align with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations on climate-related financial disclosures by

2025 to enable us to effectively evaluate climate-related risks, make better-informed decisions on capital allocation and improve our short-, medium- and long-term strategic planning capabilities.




Across our business units, we manage key risks through responses needed to counter threats and take advantage of opportunities. To ensure our Risk Management framework and processes are sound and effective, and that the risk implication of any change in strategy is identified, assessed and documented, annual risk reviews and risk attestations are carried out with independent assurance. Refer to page 113 for more on our risk management strategy.

# Principal Risks

With a well-designed risk management system, the Group is able to identify, track, and mitigate the principal risks associated with our operations. This system enables the Group to make well-informed decisions and ensures that all risks are managed in a way that is consistent with expectations and returns.

Key Area	Principal Risk Factor	Description	Mitigation Measures	Material Matters	Trend
<b>Strategic</b>		In the countries where we operate, we are subject to political, economic, and social developments, conditions, and adverse global economic conditions induced by heightened geopolitical conflicts.	<p>The Group's key mitigating strategy involves diversifying our business model and geographic focus. In doing so, we can spread out exposure to different markets, reducing overall risk.</p> <p>By being present in multiple countries, the Group is able to better mitigate the effects of political instability and market volatility in each of those countries. Our monitoring efforts continue for countries facing political uncertainty to ensure any adverse effects are understood and mitigated where possible.</p> <p>In order to mitigate some of the global inflationary pressures arising from geopolitical situations, we seek to improve volumes further and implement appropriate price adjustments and cost optimisation.</p>	<ul style="list-style-type: none"> <li>Quality of Care and Patient Stewardship</li> <li>Employee Safety and Total Well-being</li> </ul>	↑
<b>Cyber and Technology</b>		<p>Information Technology (IT) systems are used to support the Group's business in each market, including the handling and storage of personal and confidential information. Cyber-attacks and security breaches may result in disruptions to business activities and may also subject the respective markets to penalties and legal action should such breaches result in violating any regulations.</p> <p>Even as the Group strives to build a trust culture, leakage of personal and confidential data would cause reputational damage and adversely affect revenue.</p>	<p>We have established a central Cybersecurity Centre of Excellence (COE) to oversee all units' handling of cyber risks. It also provides as an internal shared service to support countries in monitoring networks and systems, conduct vulnerability assessments and penetration tests and respond to cybersecurity incidents.</p> <p>To drive the culture of upholding Data Privacy, we have developed and implemented the Group Personal Data Protection governance framework to guide Data Protection regulatory compliance and Data Protection best practices.</p> <p>As an added measure, the Group maintains insurance coverage to mitigate against the various cybersecurity risks. However, there can be no guarantee that all costs and losses will be fully covered.</p>	<ul style="list-style-type: none"> <li>Data Privacy and Security</li> </ul>	↔
<b>Environmental, social, and governance (ESG)</b>		<p>The ESG landscape especially concerning regulations and investors' expectations is evolving at a rapid pace.</p> <p>As such, there could be new changes or requirements that emerge in the near future which may pose a challenge to the Group.</p>	<p>The Group is highly committed towards ESG and have taken actionable measures to amplify good practices which help us drive towards achieving our sustainability goals.</p> <p>The Group has set concrete, short-term, and medium-term sustainability goals of which the implementation progress is tracked and closely monitored by the Board.</p> <p>The Sustainability Committee chaired by MD &amp; CEO has also been established to ensure better alignment and sustainability implementation across markets.</p>	All identified Material Matters as indicated on page 42 in the Annual Report	↑
<b>Financial</b>		<p>The Group has experienced an increase in the inflation trend globally. Türkiye's hyperinflation can pose a challenge to the Group's financial performance, as it can create uncertainty and make it difficult to accurately forecast costs and revenues.</p> <p>The healthcare supply chain is experiencing a rise in input costs due to inflation at the global level. If this trend continues, the Group may have to choose between passing on the increased costs to patients or maintaining affordability of healthcare and ensuring adequate access to patient care.</p>	<p>The Group continues to monitor market and pricing trends, while working on minimising costs through efficiency and productivity improvements in affected countries.</p> <p>We purchase most drugs on agreed-rate contracts and actively negotiate with suppliers to maintain the prices or obtain additional discounts from distributors through consolidation of purchases at the Group level.</p> <p>However, despite an increase in the input prices, most markets were able to make appropriate price adjustments.</p>	<ul style="list-style-type: none"> <li>Quality of Care and Patient Stewardship</li> <li>Energy Management</li> <li>Waste Management</li> <li>Employee Safety and Total Well-being</li> </ul>	↑
<b>People and Culture</b>		<p>With reopening of economies and borders around the world, the Group faces challenges in nursing retention and recruitment to meet the surge in patient volume arising from the return of local patients as well as foreign patients from medical tourism.</p> <p>Prolonged nursing shortage may have severe implications on the quality of care delivered to patients in which patient experience and safety could be compromised.</p>	<p>We have designed a holistic Talent and Human Resource strategy 2023-2025 to address acute nursing shortages. Among the key initiatives in 2022 included salary review and adjustment, enhanced medical benefits, new development programmes and introduction of flexible working arrangements.</p> <p>Operationally, mitigating strategies such as job redesign and digitalisation are deployed to improve patient care and experience.</p>	<ul style="list-style-type: none"> <li>Quality of Care and Patient Stewardship</li> <li>People Engagement and Talent Development</li> <li>Employee Safety and Total Well-being</li> </ul>	↑

Trend indicates change in pre-mitigation risk level over the year:

 Pre-mitigation risk increased  
  Pre-mitigation risk remained unchanged  
  Pre-mitigation risk decreased

# Growing with Purpose

We aim to touch lives and transform care by providing exemplary service to our patients, anchored on a continuous focus on clinical, operational, and service excellence.

## Performance Review

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# Management Discussion and Analysis

2022 has been a year of steady recovery and growth. With strong cash flows, operational resilience and continued focus on our ‘Care. For Good.’ strategy, we are well-placed to deliver better care and value to our patients.

## Dear Stakeholders,

After two years of managing the challenges as well as riding on the opportunities from the COVID-19 pandemic, 2022 has been a springboard year launching us back into the bustle of our core business.

The return of local and foreign patients to IHH hospitals have put us on an accelerated path of operational recovery while COVID-related businesses gradually eased back. Inpatient admission and bed occupancy continue to be on the rise; revenue per inpatient admission has also grown across most markets and long-term megatrends remain positive for the healthcare sector.

For the full year of 2022, the Group’s revenue increased by 5% to RM18.0 billion. However, EBITDA declined 5% to RM4.1 billion. Profit after tax and minority interest (“PATMI”) excluding exceptional items decreased 13% to RM1.4 billion mainly due to higher net finance costs and debit adjustments relating to the application of MFRS 129, *Financial Reporting in Hyperinflationary Economies*. The Group’s profitability decreased as compared to 2021, as the prior year had significant COVID-19 related revenues with higher margins. Although EBITDA and PATMI excluding exceptional items were lower than FY2021, it has increased by 22% and 50% respectively as compared to FY2019. Return on Equity (“ROE”) was 6.4% as at end-December 2022 (7.6% excluding impairment recognised on the Group’s assets in China).

For 2023, we are surging ahead with good momentum through our growth engines – achieving organic growth by improving bed occupancy and adding new beds in existing facilities, acquiring strategic assets, developing the laboratories business into a new core business for the Group and driving innovation and digital transformation

initiatives. We move and adapt ceaselessly in a shapeshifting world to deliver care at the highest level possible.

Even as our strategy and growth plans evolve across the years, we have held on to the most important constant: trust. The belief that our patients and stakeholders have in our institutions has been a guiding light in the ways in which we create sustainable value.

We follow through with our actions with meaningful intent and stride, allowing us to meet the aspirations we have set for our strategy to ‘Care. For Good.’

## Build a Stronger Tomorrow

A key focus was pivoting back to a new normal with reopening of borders and medical tourism returning to our flagship hospitals and strengthening our core business. After all, a stable and healthy core is essential to our ability to grow and scale sustainably.

Our pace was fuelled by a combination of organic expansion and strategic acquisitions. The former includes the opening of Acibadem Atasehir Hospital in Türkiye in September 2022 and the building of a new medical block at Pantai Hospital Penang in Malaysia which allows us to enhance our healthcare offerings and meet the needs of the markets. The latter – Acibadem acquired Ortopedia Hospital in Adana and the Kent Health Group in Izmir, Türkiye – accelerates our growth and reinforces the Group’s cluster strategy.

At the same time, by ramping up capacities and capabilities, we are able to swiftly capitalise on the rebound in medical tourism, which is expected to grow beyond

**RM18.0b**

Revenue

**RM1.5b**

Net Income

**15.09**

Earnings per share excluding exceptional items (sen)



## IHH Excellence

- Asia’s Outstanding Companies Poll 2022 by Asiamoney – Most Outstanding Company in Malaysia (Healthcare Sector)
- MSWG ASEAN Corporate Governance Award 2021
- Forbes’ World’s Best Employers 2022

Read more of our Awards and Accreditation on page 22.

## Management Discussion and Analysis

pre-pandemic levels. Our hospitals and medical centres, which provide a comprehensive range of medical specialties and allied health services, are well-equipped to serve the needs of our patients far and wide.

As a leading global healthcare provider, we also have a duty to strengthen ties and actively collaborate with our stakeholders within the wider healthcare network. As an example, public-private partnerships have been critical for public health throughout the COVID-19 pandemic. Private hospitals, such as those of IHH, supported government-led vaccination programmes globally.

Collaborations within our healthcare networks have also helped us broaden patient access to quality and affordable care. In April 2022, we launched a tripartite partnership between Pantai Premier Pathology, Prudential Malaysia and Astra Zeneca to provide genomic testing for cancer patients.

In addition, IHH Malaysia inked a Memorandum of Understanding (MoU) with the Ministry of Health Malaysia to fully sponsor radiotherapy and radiosurgery treatment for 500 patients at government hospitals. This initiative is an extension of IHH's longstanding 'Life Renewed' programme that has helped more than 2,000 underserved patients in Malaysia with free or subsidised medical treatment since 2012.

### Innovate for Better Outcomes

At IHH, our drive to innovate stems from constantly asking "How can we do better by our patients?". To that end, we stay on top of new medical technologies and processes to push our organisation and the healthcare industry forward as a whole.

Some ground-breaking solutions we introduced this fiscal year included CAR T-cell therapy in Singapore, a targeted cancer treatment with better results than chemotherapy. Also, our team of

doctors at Gleneagles Global Hospitals Parel, a leading transplant centre in Mumbai and Western India, performed Asia's first bilateral total arm transplant.

Singapore's Mount Elizabeth Novena Hospital will be the first private hospital in Southeast Asia to offer proton therapy treatment, a highly precise cancer treatment, when construction of the treatment centre is completed in 2023.

### Transform to Thrive

Being nimble in an increasingly volatile and uncertain world is pertinent to the survival of businesses everywhere. The ability to adapt and respond to a changing healthcare environment is a key success factor for us going forward.

In our next phase of growth, we will zero in on new opportunities that allow us to lead the industry and set new bars of excellence. This includes working towards scaling new peaks through digital transformation initiatives and growing our laboratories business to meet the emerging needs of the healthcare consumers.

### Teamwork Makes the Dream Work

Each year, IHH is affirmed by a myriad of professional bodies for excellence in many areas ranging from healthcare operations and management to corporate governance. 2022 was no exception.

We were named "Most Outstanding Company in Malaysia – Healthcare Sector" in the Asiamoney 2022 "Asia's Most Outstanding Companies Poll". IHH also picked up the MSWG ASEAN Corporate Governance Award 2021 (awarded in December 2022) and was included in Forbes' listing of World's Best Employers 2022. These are just a handful of examples.

It is not possible to perform at such exceptional levels without the dedication and passion of our people. The recent pandemic-ridden years have posed tremendous challenges; we have utmost

respect and gratitude for members of our clinical and non-clinical teams who have worked tirelessly every day to put patients first.

More than simply recognising their efforts, we are now even more driven than before to make the safety and well-being of our staff a top priority.

### Looking Forward

2022 was the year we celebrated our 10<sup>th</sup> anniversary as a dual-listed company in Malaysia and Singapore and unveiled our clear, time-bound and measurable sustainability goals to build a lasting future for generations to come. We will continue to execute our corporate strategy, underpinned by our pillars of Trust, Synergy, Growth and Sustainability. At the same time, in a capital-intensive business, IHH will continue to work towards achieving a higher Return on Equity (ROE) to create long-term value for all stakeholders by improving our portfolio mix, reducing underperforming businesses and focusing on driving capital-efficient growth.

Most importantly, in our next 10 years, we will no longer be just a hospital operator; IHH will transform into a healthcare platform that takes care of patients at every life stage.

We are putting CARE back into healthcare by making the IHH experience better, faster and more convenient for patients and their families. Episodic care will make way for a fully integrated healthcare journey in the IHH network. The relationships that we foster with patients and all our stakeholders will shape the way we cultivate sustainability in all its facets.

We are excited about what lies ahead and look forward to writing the next chapter with each and every one of you.

Thank you.

### Joe Sim

Group Chief Operating Officer  
Covering Duties of Managing Director & CEO

# Operations Review

by Group Chief Operating Officer



**We are committed to making a positive impact in all our touch points with our patients, our people, the public and our planet – this is the right way we know to 'Care. For Good.'**

### Joe Sim Heng Joo

Group Chief Operating Officer

## Overview

What a hectic and fulfilling year it has been.

Across the IHH network of hospitals, we have been steadily welcoming patients, both local and foreign, who have returned for our well-trusted core services. We have tapered off COVID-19-related services, gradually leaving the pandemic behind us albeit with learnings that will stay with us permanently.

Operationally, we are experiencing a compelling rate of recovery and growth. Across our 83 hospitals in 10 countries, average occupancy in 2022 stood at 70% and total admissions were at 848,437.

We also ran a total of 92.0 million laboratory tests in our state-of-the-art facilities and are happy to see that our laboratories' non-COVID-19 revenue is growing year on year. This segment for IHH is set to grow even further in the days ahead.

Across our markets, we celebrated multiple milestones that have not just positively transformed our organisation, but also the patient experience.

## Delivering World-Class Clinical Outcomes

At IHH, our patients are the reason we exist. Across our global network, we strive to provide quality, safe and empathetic care to all our patients. To achieve this, we continuously focus on improving quality of care and patient safety standards and hold ourselves to the highest standards in quality and safety by benchmarking ourselves to other leading healthcare organisations in the world.

We have derived a set of clinical quality indicators which we hold all our hospitals to. These indicators cover the areas of clinical effectiveness, patient safety and timeliness of care and are tracked monthly. We review the indicators and the benchmarks annually to ensure they are appropriate and accurate.

## Operations Review

by Group Chief Operating Officer

In the last year, we raised the benchmarks for 35% of the indicators in line with published clinical standards and medical papers as well as adding two new clinical indicators to ensure our patients get care of the highest standard. In 2022, across all our hospitals, 94% of our clinical quality indicators met or bettered these international benchmarks.

### Processes in Place to Ensure Care is Always Delivered at the Highest Standard

At IHH, we ensure that our clinical quality and patient safety processes are always maintained through complying with each country's government healthcare licensing regulations as well as national and international quality board standards, which are audited every two to three years. In IHH, we aim to do one step better and in 2022, we have implemented our own IHH clinical quality standard which is uniform across all our hospitals internationally. We perform quarterly clinical audits on these standards to ensure that our staff are always providing the best care for our patients.

Combining our efforts of monitoring outcomes and auditing processes, allows our patients, regardless of which IHH hospital and in which country they seek care, to be assured of receiving world-class standard of care.

### Delivering Value to Our Patients

One of our key programs at IHH is the Value Driven Outcomes (VDO) initiative. Defined as achieving the best possible outcome relative to cost, VDO is important to our patients because it leads to improved outcomes and care for patients while ensuring cost effectiveness through eliminating waste and unnecessary practices such as unneeded medical tests.

Started three years ago with four high-cost and high-volume medical conditions, through a joint effort with our doctors, healthcare staff and hospital administrators, we worked to improve

clinical outcomes while ensuring that our care remains cost effective. The four conditions have achieved over 95% of the clinical outcomes that were as good or better than the outcomes published in international guidelines and medical literature. We have since expanded from four medical conditions to eight medical conditions and have implemented VDO in all our markets to ensure more patients receive value in their care.

## Healthcare Digitalisation

IHH is also pushing forth with its digital transformation initiatives, deepening our capabilities to enhance performance and reshape the healthcare experience for patients.

We were proud to have successfully extended our in-house proprietary Hospital Information System, Cerebral Plus (C+), which was first adopted by Türkiye's Acibadem hospitals, to Malaysia. This integrated system enables our doctors, nurses and administrators of our hospitals to provide a better patient experience from arrival through to discharge via shared data across departments in the hospital and where relevant across other IHH hospitals in the country. With electronic order entry, doctors would prescribe medication and pharmacy would be able to start preparing the drugs to be ready for patient pickup by the time they journey from the clinic to the pharmacy.

We are also improving C+ to match capabilities of more mature electronic medical record (EMR) for implementation in Singapore and Fortis hospitals in India. Malaysia and Türkiye would also benefit from these upgrades in the near future. The efficiency, quality and safety of care delivered by our doctors and nurses will improve through features such as specialty order sets, clinical decision support, bedside drug administration verification and remote orders via mobile devices for doctors.

In Singapore, we empower the healthcare consumers with a newly launched mobile app, MyHealth360. This consumer-centric app allows consumers and/or our patients to manage their wellness journey online, including setting appointments, checking their bills, seeing a doctor remotely, accessing their laboratory test results, viewing their x-ray images and much more, and to have the continuity of care as they move across different providers. Our technology platform is a seamless complement to IHH's offline services, which continue to be marked by clinical excellence and world-class service.

In addition, we have launched an internal Innovation Portal to recognise and facilitate sharing of innovation projects, connect IHH employees to harness technologies from like-minded collaborators to enhance clinical, operational and service capabilities to deliver even better patient care. We are in the early stages of digital transformation and will continue to invest time and resources to develop and broaden our spectrum of offerings.

## Making Innovation Investments

Transformation cannot happen in silo, nor are we able to build all solutions from ground-up. As such, we have made several minority investments in early stage and potentially disruptive digital healthcare start-ups, learning on the strengths of these highly promising developers to future-proof IHH. This will allow us to provide cutting-edge capabilities, ranging from Artificial Intelligence (AI) diagnostics to less invasive treatments, for better patient care.

For example, one of our portfolio companies which IHH has a minority stake in since 2019, Lucence Diagnostics ("Lucence") has developed a blood test called LiquidHALLMARK® assay that can help doctors identify genetic mutations and changes in cancer cells in patients with

advanced lung cancer. It's an innovative and less invasive way to diagnose and treat cancer. In February 2023, Lucence secured approval for its cancer tests from Medicare, a US government-funded healthcare insurance programme. This is a significant milestone for Lucence as it proves the quality, safety and effectiveness of the test will impact more individuals and save lives.

In 2022, we co-led the Series A investment for Us2.ai, the medtech developer behind an AI echocardiography software. Us2.ai has developed an AI software that automatically processes the analysis and reporting of echocardiography (heart ultrasound), the standard imaging modality for the detection of heart disease. Using the FDA-approved software, patients are able to receive complete and accurate cardiac measurements in under two minutes anywhere including on their mobile devices.

## Developing the Laboratories Business

There is huge growth potential in this business segment as patients move beyond treating illness to managing wellness. Testing becomes a core component for consumers who proactively seek to understand and work on optimising their health.

This demand runs in tandem with our vision to become the world's most trusted medical laboratory services provider. Our laboratories are well-recognised leaders in their respective markets, having delivered many millions of tests in their decades of operation.

In terms of recognition, Parkway Laboratory Services ("PLS") in Singapore received Advanced Remanufacturing and Technology Centre ("ARTC") 10<sup>th</sup> Anniversary Fight COVID Award from A\*Star for collaboration to adopt A\*Star's automation machines which contributes to high accuracy, speed, and enhanced safety in 2022.

In Malaysia, Pantai Premier Pathology ("PPP") celebrated its 25<sup>th</sup> anniversary in December 2022. PPP has grown from a small laboratory in Brickfields since its inception in 1997 to an internationally recognised diagnostic service provider over these 25 years. We have been able to make a swift recovery of our core services due to our nimble operations and resilient teams. With our ongoing digital transformation initiatives, global synergies and continual deepening of capabilities, the future is bright for IHH.

## Emerging from Pandemic

Throughout the course of the COVID-19 pandemic, our operations teams have been nimble and responsive, with protocols and processes swiftly established and with absolute discipline in implementing infection control and safety measures.

We have also been hugely adaptable in transiting out of the pandemic. Our return to core services have been matched by rising patient volumes and revenues (now exceeding pre-pandemic levels) in markets such as Malaysia, Türkiye and India.

To our staff, your resilience and indomitable spirit and contributions made to our communities and patients are a point of pride and inspiration.

Our efforts were recognised when the IHH Healthcare Singapore and Malaysia hospitals picked up the GlobalHealth Asia-Pacific Awards 2022. Kudos to all of our colleagues at Gleneagles Hospital Kuala Lumpur, Pantai Hospital Kuala Lumpur, Prince Court Medical Centre, Gleneagles Hospital Singapore, Mount Elizabeth Hospital and Mount Elizabeth Novena Hospital.

The ability of a global organisation like IHH to pivot, adapt and evolve cannot

be overstated because of the external challenges that we contend with in all markets. From higher operating costs and tight labour supply to Türkiye's hyperinflationary economy, IHH continues to march on with our strategy and aspiration to 'Care. For Good.' and to deliver long-term sustainable value to all stakeholders.

## Being a Healthcare Trailblazer for Sustainability

Sustainability has been another key item on the IHH agenda in 2022. Our stakeholders have been aligned with our vision and strategy for environmental sustainability. The time-bound goals that we have laid out are ambitious, but we are committed to being a vanguard for the healthcare sector in this space – it is what we are uniquely positioned to do and which speaks to IHH's mission and values.

We are in the midst of evolving our operations to meet our target of achieving net zero by 2050. The Group is exploring ways to reduce energy use, minimise single use plastics and turn our brick-and-mortar spaces into green facilities – we are embarking on this without compromising the value that we deliver to patients and all other stakeholders.

As we celebrated our 10th year of listing in 2022, I look forward to brighter days ahead for IHH. As one of the biggest healthcare groups in the world, we are committed to making a positive impact in all our touch points with our patients, our people, the public and our planet – this is the right way we know to 'Care. For Good.'.

Thank you.

### Joe Sim

Group Chief Operating Officer

# Operations Review

## IHH Malaysia

We are one of the largest private healthcare providers in Malaysia, offering clinical services and ancillary care via our hospitals, laboratories and more.

Our network includes four Gleneagles hospitals, 11 Pantai hospitals, Prince Court Medical Centre, Pantai Integrated Rehab, Pantai Premier Pathology and primary care clinic Twin Towers Medical Centre.

All 16 hospitals are accredited by the Malaysian Society for Quality in Health (MSQH); of these, three are also accredited by the Joint Commission International (JCI).

## Performance Highlights

We have experienced strong growth in revenue – an increase in 17% from 2021 – due to the return of patients seeking our core services. Inpatient admissions from local and foreign patients have also increased. Revenue increased by 17% to RM3.2 billion. EBITDA increased by 20% to RM909.7 million. For FY2022, average occupancy was at 63% and inpatient admission increased 35% to 205,459. However, a down effect on revenue intensity was observed due to more patients with less acute illnesses returning to our hospitals as compared to FY2021 when the movement control order was in place that delayed treatment, making patients needing higher-acuity treatment when they came.

To meet increasing post-pandemic demand for healthcare services and keep our operations resilient, we continually seek to boost our capacities and capabilities. To this end, we broke ground at Pantai Hospital Penang for a new medical block to be constructed by the end of 2024. The completion of this facility will help us enhance the delivery and range of healthcare services to our patients.

## Performance Indicators

Financial Indicators	FY2021	FY2022
Revenue	RM 2.7 billion	RM 3.2 billion
EBITDA	RM 760.1 million	RM 909.7 million
Operational Indicators		
Average occupancy	48%	63%
Inpatient admissions	151,944	205,459
Average revenue per inpatient admission	RM 10,346	RM 9,587

In April 2022, Pantai Premier Pathology entered a tripartite collaboration with Astra Zeneca and Prudential Malaysia to provide precision medicine as an emerging treatment for cancer patients. In addition, the launch of a new health screening centre by Pantai Hospital Cheras will help patients better manage their health by promoting early detection of medical conditions through comprehensive diagnostics.

This year, we also made strides in further elevating the patient experience at our hospitals. Our propriety in-house Hospital Information System, Cerebral plus (C+) was rolled out across our hospitals in Malaysia, allowing patients and their clinical teams to plug into the digital healthcare ecosystem easily and securely.

Our hospitals in Malaysia were also prominently featured at the GlobalHealth Asia-Pacific Awards 2022. In particular, Gleneagles Hospital Kuala Lumpur won four accolades: Hospital of the Year in Malaysia; Value Based hospital of the Year in Asia Pacific; Bariatric Service provider of the Year in Asia Pacific and Endocrinology Service Provider of the Year in Asia Pacific. Pantai Hospital Kuala Lumpur and Prince Court Medical Centre also picked up numerous awards at this esteemed event.

## Outlook

Elevated Inflation, higher energy prices and rising interest rates, will likely persist in 2023. A growing concern, particularly as medical inflation in Malaysia has been outpacing GDP growth. We will continue to measure the costs and resources consumed, implement disciplined cost measures and derive greater efficiencies without compromising care and quality. Thus, our focus on delivering Value-Driven Outcomes (VDO), providing the same or better clinical outcomes to patients at a lower cost.

We will continue with our cluster strategy for organic growth in Malaysia with plans to add on another 600 beds over the next three years. To further accelerate growth, we will need to be more active in pursuing merger and acquisition (M&A) activities, thus leading to delivering higher ROE for our stakeholders. We also plan to further extend our reach to a growing middle-income segment who are looking for high quality private healthcare to meet their medical needs.

With growing awareness and desire for proactive health management, IHH is also embarking on its digital transformation initiatives such as the introduction of a patient-centric mobile app so that IHH Malaysia remains well-poised to serve the needs of the Malaysia population at every life stage.

## IHH Singapore

We are the largest private healthcare operator in Singapore, with reputable brands that are trusted by both locals and healthcare consumers in the region.

Our JCI-accredited hospitals – Gleneagles Hospital Singapore, Mount Elizabeth Hospital, Mount Elizabeth Novena Hospital and Parkway East Hospital – house more than 1,000 beds and over 1,500 world-class clinical specialists across all specialties. IHH in Singapore also reaches international patients via 35 patient assistance centres located in various parts of the world.

IHH Singapore also operates Parkway Shenton network of 30 primary care clinics; iXchange, which provides employee benefits plans; and numerous centres delivering specialty and ancillary care services including Parkway Cancer Centre, Parkway Radiology, Parkway Laboratories (including Angsana Molecular & Diagnostics), Parkway Rehab and Parkway Emergency Services.

## Performance Highlights

Singapore has consistently been a top choice for local and foreign patients seeking world-class and medically advanced therapies. Our brand of hospitals are well recognised and trusted in the region, for medical excellence and superior service.

In 2022, we saw the return of medical travel and domestic demand for elective procedures. This has resulted in strong revenues and compelling year-on-year growth. This is despite the sharp step-down in COVID-19 testing and other pandemic related services, demonstrating that patients continue to place unwavering trust in our hospitals and clinics in Singapore. Revenue increased 2% to RM5.1 billion, EBITDA declined 5% to RM1.6 billion mainly due to a higher base of COVID-related services and inpatient admission in FY2021.

## Performance Indicators

Financial Indicators	FY2021	FY2022
Revenue	RM 5.0 billion	RM 5.1 billion
EBITDA	RM 1.7 billion	RM 1.6 billion
Operational Indicators		
Average occupancy	54%	56%
Inpatient admissions	64,227	61,951
Average revenue per inpatient admission	RM 38,836	RM 48,965

For FY2022, average occupancy was at 56%. Inpatient admission declined 4% to 61,951 as a result of a high base of COVID-19 inpatient admission in 2021. Revenue intensity increased 26% to RM48,965 with a case-mix of more acute patients seeking treatments at the Singapore hospitals.

A big highlight for IHH Singapore in 2022 was the roll-out of MyHealth360, a consumer-centric mobile-first platform that helps patients transit seamlessly between online and offline care. The app allows users to receive teleconsultations, make appointments including maternity tours, access medical records, estimate their bills, build their health profile, call for emergency care and more.

In tandem with our digital transformation is our continual work in deepening capabilities within our hospitals and other facilities. Mount Elizabeth Hospital began a major refurbishment in January 2023 to cater to strong local and international demand for quality healthcare. This will be phased over three years to minimise disruptions and patients will be decanted seamlessly to the Group’s three other hospitals should the need arise. Parkway East Hospital, Singapore’s oldest private hospital, turned 80 in October 2022. To better serve its patients, it is embarking on a refurbishment plan, including renovating and refurbishing its operating theatres and adding two endoscopy rooms that can also be used as day surgery operating theatres.

Along with its refurbishment, Mount Elizabeth Hospital will be the first hospital in Southeast Asia to acquire Naeotom Alpha, the world’s first photon-counting CT with the aim to optimise diagnostic and treatment pathways for patients in Singapore. Mount Elizabeth Novena Hospital also installed a new Cyclotron S2C2 machine that speeds up protons in proton beam therapy for cancer treatment.

Last but not least, IHH Singapore Hospitals were recognised at the GlobalHealth Asia-Pacific 2022 Awards. In particular, Mount Elizabeth Hospital was named Hospital of the Year both in Asia Pacific and in Singapore.

## Outlook

Moving forward, we expect demand from both local and foreign patients to continue growing. We will focus on building capacities and delivering value-based care to ensure efficiencies of services and cost despite tight supply of nurses. In the meantime, we are proactively recruiting and retaining nurses and expect to ease the shortage by the end of the year.

As the government shifts its national strategy to focus on population health and preventive care, there are opportunities for our primary care and ambulatory segment to grow and play an even bigger role in managing the wellness of local healthcare consumers.



## Operations Review

### IHH Türkiye and Europe

Renowned for its clinical excellence, our Acibadem brand in Türkiye, Macedonia, Bulgaria, Serbia and the Netherlands offers high-quality medical treatments and diagnostic services for local and foreign patients. Five of a total of 22 Acibadem hospitals are accredited by Joint Commission International (JCI), the international gold standard for quality and patient safety.

Acibadem hospitals are well-equipped with over 4,700 beds, state-of-the-art medical technologies, such as smart radiotherapy, robotic surgery, intraoperative radiotherapy, and digital tomosynthesis mammography.

### Performance Highlights

Operationally, the performance of IHH Türkiye and Europe mirrors that of the rest of our markets, with bed occupancy and patient volume growing steadily. However, this is partially offset by the translational effects of weaker Turkish Lira against the Malaysian Ringgit, and the classification of Türkiye as a hyperinflationary economy. In response to hyperinflation, we have made blended price adjustments of close to 80%, which has partially led to an increased revenue intensity.

Our non-Lira revenue from other European markets continue to be strong, and we expect this trend to continue. IHH is also focused on its cluster growth strategy, marked by new openings and acquisitions in the region.

Revenue increased by 3% to RM4.5 billion on strong underlying demand for Acibadem’s services, EBITDA decreased 9% to RM1.1 billion. Inpatient admission increased 7% to 234,831, revenue

### Performance Indicators

Financial Indicators	FY2021	FY2022
Revenue	RM 4.3 billion	RM 4.5 billion
EBITDA	RM 1.2 billion	RM 1.1 billion
Operational Indicators		
Average occupancy	77%	74%
Inpatient admissions	219,582	234,831
Average revenue per inpatient admission	RM 6,944	RM 9,090

intensity per inpatient admission grew 31% to RM9,090, following price adjustments to counter inflation. For FY2022 average occupancy was at 74%.

In September 2022, we opened Acibadem Atasehir Hospital, the brand’s 18<sup>th</sup> hospital in Türkiye and 24<sup>th</sup> globally, with a focus on serving children, women and oncology patients. True to our sustainability goals, this 300-bed 15-storey institution is LEED Gold Certified, with numerous energy-savings measures.

IHH, via Acibadem, also acquired the 52-bed Ortopedia Hospital. Located in the major city of Adana in Southern Türkiye next to Acibadem Adana Hospital, Ortopedia Hospital will contribute to improved operating synergies such as increased capacity and strengthening of orthopaedic services. In February 2023, Acibadem acquired the 340-bed Kent Hospital in Izmir. Acibadem expanded into the third largest city in Türkiye as part of its growth strategy.

We have also enhanced our clinical offerings in this region. This includes the addition of metabolic therapy with Lutetium (a chemical element) for prostate cancer at Acibadem City Clinic Tokuda Hospital in Bulgaria; and procuring the latest computed

tomography scanner that reduces up to 80% radiation at Acibadem Sistina Hospital in Macedonia.

We are proud to have been recognised for not just our clinical excellence, but also our progressive people policies. Acibadem was ranked first among healthcare companies providing women with strong employment opportunities.

IHH, via Acibadem in Türkiye, also celebrated other milestones such as being named first in the private healthcare organisations category by ONE Awards Integrated Marketing Awards 2021. Additionally, at Acibadem City Clinic Tokuda Hospital, we celebrated the completion of 1,000 operations with the Da Vinci Robotic System.

### Outlook

We will continue to control and streamline costs for our Turkish and European operations amid a hyperinflationary environment.

IHH, via Acibadem will look into further expansion of footprint in Türkiye and Europe via synergistic clusters to take advantage of the strong growth and opportunities in the region.

### IHH India

IHH boasts one of the most extensive healthcare networks in India with 28 Fortis Hospitals, seven Gleneagles Global Hospitals and over 400 SRL Diagnostics laboratories under Fortis Healthcare.

Our network of hospitals in India offer a full spectrum of intergrated healthcare services ranging from clinics to quaternary care facilities and a wide range of ancillary services such as diagnostics. Our hospitals have a strong reputation for clinical excellence. For example, Gleneagles Global Hospitals is renowned for world class multi-organ transplant procedures, while Fortis Escort Heart Institute is well-known for cardiac sciences.

### Performance Highlights

In India, patients have continued to return in strength, with a steady, decisive uptick in inpatient admissions and revenue year-on-year. The growth was in spite of the completion of our divestment of Continental Hospitals in December 2021. Revenue increased 4% to RM3.9 billion, and EBITDA decreased 3% to RM646.6 million. Inpatient admission increased 4% to 332,661, while revenue per inpatient admission increased 3% to RM8,103 with more acute and surgical cases undertaken.

Not unlike IHH hospitals in other parts of the world, our hospitals in India are equipped with some of the most advanced technologies and staffed with highly qualified medical teams.

### Performance Indicators

Financial Indicators	FY2021	FY2022
Revenue	RM 3.7 billion	RM 3.9 billion
EBITDA	RM 666.5 million	RM 646.6 million
Operational Indicators		
Average occupancy	66%	69%
Inpatient admissions	320,543	332,661
Average revenue per inpatient admission	RM 7,832	RM 8,103

Gleneagles Global Hospitals is part of IHH in India and is one of India’s most renowned multi-organ transplant and tertiary care multi-specialty hospitals. We are very proud to see the good work that our IHH India team is doing in the realm of organ transplants and its related programmes. A big shoutout to Gleneagles Global Hospitals, Mumbai team for celebrating 125 successful transplants in 2022 and establishing itself as Western India’s most successful liver transplant programme. The 125 transplants include the full spectrum of liver transplants, adult and pediatric, with both living and deceased donor transplants.

In 2022, Fortis opened the state-of-the-art hospital in Greater Noida. The facility houses 200 beds and is helmed by over 50 expert clinicians in various specialties.

At Fortis Hospital, Shalimar Bagh in New Delhi, we launched a dedicated joint replacement centre under its Fortis Bone & Joint Institute; and opened an Advanced Heart Failure Clinic to serve patients needing more complex care.

In the same year, we officiated the opening of a Fortis Cancer Institute, a 12-bed day-care centre at Defence Colony in New Delhi.

Meanwhile at Fortis Memorial Gurugram, we launched a state-of-the-art CT Simulator Machine to better manage cancer patients.

To ramp up capacity, we added over 1,000 beds across Fortis hospitals, including 42 beds in Mulund.

### Outlook

We expect growth in domestic elective procedures to continue, along with opportunities presented by the recovery of medical travel and emerging telehealth trend.

We are also focused on Group-wide effort to deliver value-based outcomes for our patients. Within India, we are working towards enhancing value for our stakeholders by driving cost discipline and optimising productivity in our operations.

## Operations Review

### IHH Greater China

IHH network in Greater China includes Gleneagles Hong Kong (GHK), Parkway Health Central Hong Kong Medical Centre, Parkway Hospital People's Square and the newly opened Parkway Shanghai Hospital.

When fully ramped up, Parkway Shanghai Hospital offers a comprehensive range of specialties and healthcare services, with a focus on seven key specialties: cardiology, cardiac surgery, gastroenterology, urology, minimally invasive surgery, general surgery and internal medicine.

### Performance Highlights

Even amid strict COVID-19 management measures in Hong Kong, GHK was able to achieve positive EBIDTA and strong growth across 2022.

Operationally, GHK has also continually set new bars of excellence, with several noteworthy developments in 2022. Its mobile app My Gleneagles SmartHealth was recently integrated with start-up PanopticAI's contactless camera to help patients better monitor vital signs such as heart rate, blood pressure, respiratory rate among others.

GHK also tapped on technology to provide greater support to the public during the pandemic, being the first private hospital in Hong Kong to offer free virtual

### Performance Indicators

Financial Indicators	FY2021	FY2022
Revenue	RM 876.9 million	RM 998.4 million
EBITDA	RM (69.6) million	RM (60.3) million

consultation and medication delivery services in March and April.

The hospital has also enhanced its offerings by opening the Gleneagles Pro-HEART Cardiac Centre and partnered with private organisation Humansa to offer integrated preventive health and wellness services including medical imaging.

Other new offerings at GHK include an automated drug dispensing machine to improve efficiencies and accuracy, a Maternal and Fetal Medicine Centre and free online medical counselling to provide support to patients in home isolation due to COVID-19.

In Mainland China, the Group completed the divestment of its effective 49% stake in Gleneagles Hospital Chengdu in February 2023. The sale is in line with IHH's strategy to continually review its asset portfolio in China to minimise losses.

While closely monitoring the pandemic management measures in China,

IHH has continued to provide COVID-19 related support for the public. In particular, our medical teams in Shanghai were on standby for residents to complete their nucleic acid tests in a timely manner during lockdowns.

### Outlook

We will continue to drive patient admissions and occupancy at GHK and are confident of further growth, particularly with pandemic restrictions tapering off in the Greater China region.

The Group is cognizant of operating losses incurred in the Greater China market over the last few years, owing to the government's zero-COVID policy. We will be monitoring the market closely, while operating with prudence and adaptability. We expect continued challenges with our operations and investments in China.

We are cautiously optimistic that the market will improve come 2023, during which we will review our capital assets and growth ambitions there.

### IMU Health

IMU Health is IHH's medical and health sciences education arm, consisting of the International Medical University (IMU) and International Medical College (IMC) in Malaysia. These institutions offer diploma, undergraduate and postgraduate studies, with programmes such as medicine, dentistry, pharmacy, nursing health sciences and complementary and alternative medicine.

IMU, a two-time awardee of the SETARA six-star (outstanding) also offers micro-credential learning and continuous professional courses.

IMU was founded in 1992 to provide medical education to students who could subsequently complete their degrees at partner universities abroad. The institution, granted university status in 1999, has since offered its own degree programmes. Students can complete their programmes in Malaysia or at one of IMU's 36 partner universities across

### Parkway Life REIT

IHH holds a 35.6% equity stake in its real estate arm, Parkway Life Real Estate Investment Trust (PLife REIT). One of Asia's largest listed healthcare REITs by asset size, PLife REIT invests in income-producing real estate and related assets used primarily for healthcare and healthcare-related purposes. PLife REIT owns a diversified portfolio of 61 properties worth about RM 7.1 billion as at 31 December 2022.

### Performance Highlights

PLife REIT's FY2022 total revenue increased 1%. The increase was due to contribution from the Japan nursing homes acquired in 2021 and 2022, higher rent from the Singapore properties under the new master lease agreements<sup>1</sup> which commenced in August 2022 and partially offset by the loss of income from the 2021 divestment of a non-core property and the depreciation of Japanese Yen. Its FY2022 EBITDA decreased 20% mainly due to a higher base in FY 2021 with a RM16.3 million

### Performance Indicators

Financial Indicators	FY2021	FY2022
Revenue	RM 257.6 million	RM260.8 million
EBITDA	RM 86.7 million	RM84.8 million

Australasia, the United Kingdom, Ireland, North America and China.

### Performance Highlights

Revenue increased 1% to RM260.8 million, EBITDA decreased 2% to RM84.8 million as expenses increased since there were more campus activities with students returning to campus for physical classes post pandemic lockdown.

In June, IHH Healthcare entered into an agreement to divest 100% of IMU to a consortium led by The Rise Fund, TPG's multi-sector global impact investing platform and Hong Leong Group. The transaction was completed on 31 March 2023.

### Performance Indicators

Financial Indicators	FY2021	FY2022
Total revenue	RM 370.7 million	RM 376.2 million
EBITDA	RM 349.9 million	RM 278.4 million
Gearing	35.4%	36.4%

gain on divestment of P-Life Matsudo and valuation gains on investment properties of RM40.6 million recorded, compared to valuation loss of RM19.5 million in FY2022.

In FY2022, PLife REIT was declared winner of The Edge Singapore Billion Dollar Club 2022 — Highest Returns to Shareholders Over Three (3) Years. It also expanded its Japan portfolio with five nursing homes and collectively roll-out the jointly funded transformational major refurbishment of Mount Elizabeth Orchard Hospital named "Project Renaissance" with IHH Singapore.

As at 31 December 2022, PLife REIT continues to offer strong earnings visibility with

### Outlook

The divestment of IMU is part of IHH's strategy to drive capital-efficient growth. This includes ongoing review of our portfolio and capital deployment to prioritise returns on focus on long-term core assets. The proceeds received will be utilised towards general corporate purposes (including debt repayment, capital expenditure as well as mergers and acquisitions, investments and working capital).

With Malaysia's health expenditure estimated to increase to RM 91.1 billion by 2025, the sale is a timely move that will enable IHH to focus efforts and capital on ramping up capacity and capabilities to meet healthcare demand.

diversified funding sources at a low all-in effective cost of debt of 1.04% and no long-term debt refinancing needs till February 2024. Its interest cover stood at 18.3 times and gearing remained healthy at 36.4%.

### Outlook

The healthcare industry remains critically essential in a time of rapidly aging population and heightened demand for better quality healthcare and global aged care services. PLife REIT, ingrained with strong fundamentals, remains well positioned to navigate the growth opportunities with prudence to create greater value for unitholders.

<sup>1</sup> Higher rent from the Singapore hospitals arising from the guaranteed step-up rent and the straight-lining of rental income over the lease term i.e. effective rent. There is no distribution impact arising from effective rent treatment.

# Financial Review

by Group Chief Financial Officer



**It has been a good year for IHH despite external macroeconomic challenges. Our revenue and earnings have exceeded pre-pandemic levels and our growth trajectory is now stronger than ever.**

## Joerg Ayrle

Group Chief Financial Officer

## Overview

We have managed through yet another full year affected by COVID-19 uncertainties and a challenging macroeconomic and geopolitical environment. Despite hurdles beyond any individual organisation's control, our financial performance and especially cash generation for 2022 was strong.

This is a firm validation of the IHH business strategy and aspiration to 'Care. For Good.'. We are now much stronger than pre-pandemic – revenue, earnings and cash flow levels in 2022 have exceeded that of 2019.

Local and foreign patients alike have continued to place their trust in IHH's network of hospitals, clinics, laboratories, radiology centres and other healthcare units. Their return has allowed our core business to recover steadily. Our growth engines have continued to yield compelling results, with structural improvements to profitability and Returns on Equity (ROE) for the Group.

One new task that we had to embrace in 2022 was that the Group had to apply the MFRS 129, *Financial Reporting in Hyperinflationary Economies* on entities within the Group whose functional currency is the Turkish Lira. The cumulative three-year inflation rate in Türkiye has risen to above 100% as of March 2022. Hence Türkiye is considered a hyperinflationary economy under MFRS 129 starting from April 2022.

Though the Turkish Lira may have come in weaker over the reporting periods, the demand for private healthcare in Türkiye outstrips supply. This clearly puts IHH in a strong EBITDA position and the business's performance remains robust. (More information on the impact of MFRS 129 can be found on the following page).

The strong cash flow and operating synergies across our global network have given us optimal room and confidence to build upon this year's achievements. We continually finetune growth initiatives and strategically seize earnings accretive opportunities to improve returns for our stakeholders.

We have also succeeded in driving capital-efficient growth by diligently reviewing and

adjusting our portfolio of assets. Valuations, acquisitions and divestments are reviewed with prudence, caution and strategic foresight with a clear view to Earnings Per Share (EPS) and ROE accretion.

This year, we made the decision to divest our medical education arm, International Medical University (IMU) for RM1.35 billion. At the same time, the Group's divestment strategy in China included the sale of our effective stakes in Gleneagles Hospital Chengdu. We expect continued challenges with our operations and investments in China and are actively trying to de-risk our asset portfolio to minimise ongoing losses.

Headwinds such as elevated inflation, high interest rates and energy prices may still persist in 2023 but we remain confident in our ability to grow long-term value for our stakeholders.

## Our Performance

In 2022, the rapid return to our core services in the hospital segment has catapulted the Group's performance to yet again new highs. Our revenue increased 5% to RM18.0 billion, owing to the unwavering trust that local and foreign patients have in our hospital brands and for delivering excellent clinical outcomes.

Our EBITDA stands at a reassuring RM4.1 billion, despite a decrease of 5% as compared with last year. This was due to a high base of COVID-19 related services in 2021, the translational effects of a weaker Turkish Lira against Malaysian Ringgit affecting contributions from Türkiye operations and MFRS 129-related adjustments.

Consequently, our Net Operating Income excluding exceptional items declined 13% to RM1.4 billion due to lower EBITDA, higher finance costs and higher depreciation and amortisation from MFRS 129-related adjustments. Net Income fell 17% to RM1.5 billion due to gains from exceptional items such as increase in deferred tax assets, impairment losses relating to the Group's assets and goodwill in China, coupled with MFRS 129 adjustments and foreign exchange losses.

## Impact of MFRS 129

The application of MFRS 129 requires that the financial statements of entities whose functional currency is the Turkish Lira (collectively referred to as "Turkish Entities") be restated for changes in the general purchasing power of the Turkish Lira at each period end.

### 1. Balance sheet re-indexing

There was a one-time uplift in the net asset value of the Turkish entities of RM1.8 billion as at 1 January 2022. With the application of MFRS 129, the balance sheet of the Turkish entities will have to be re-indexed to each period-end's inflation index.

### 2. Profit and loss re-indexing

EBITDA impact for FY2022 was RM106.2 million. With the application of MFRS 129, the Turkish entities' profit and loss for each period will have to be re-indexed to the period-end's inflation rate. In addition, the profit and loss of the Turkish entities will have to be translated to Malaysian Ringgit based on the period-end's exchange rate for consolidation into IHH Group results.

### 3. Depreciation and amortisation from property, plant and equipment, right-of-use assets and intangible assets

As a result of an uplift in non-monetary assets upon the application of MFRS 129, depreciation and amortisation of these non-monetary assets would increase permanently (unless there is a subsequent impairment or write off). Depreciation and amortisation impact from the uplift of non-monetary assets was RM209.0 million for FY2022.

### 4. Net monetary gain or loss

This refers to the increase or decrease in purchasing power of our net monetary asset or liabilities in Türkiye. For FY2022, the net monetary gain was RM462.5 million.

### 5. Impairment assessment on the higher restarted amounts of non-monetary asset

Despite the higher carrying value of non-monetary assets arising from the uplift in asset value upon application

**We will focus on business growth that stems from several areas. These include global operational synergies reaped through centralised procurement process, IT platforms and sharing of best practices as well as organic growth through increased capacities at existing hospitals.**

## Financial Review

by Group Chief Financial Officer

of MFRS 129, no impairment was required for FY2022. We will assess for impairment periodically.

### Capital Management and Liquidity

As a global healthcare organisation, maintaining a solid capital base and ensuring financial sustainability are of utmost importance. Our prudence and strategic spending have allowed us to maintain a healthy debt-to-equity ratio over the years.

We take great care in managing payments, receipts and financial risks and reviewing our funding strategy to upkeep liquidity for meeting obligations.

In 2022, our net debt-to-equity ratio was 0.25 times, compared to 0.21 times from the year before. Our net cash generated from operations was RM3.7 billion, with a total cash balance of RM3.7 billion. This keeps us in a strong cash position to meet the working capital and capital expenditure needs in the immediate term.

### Return on Equity

IHH is committed to increasing Return on Equity (ROE) for our shareholders. We are taking concrete steps to achieve that through our five growth engines including recovering from COVID-19, achieving organic growth, acquiring strategic assets,

developing our laboratory business, and driving innovation and digital transformation.

Including the MFRS 129 application, our full-year ROE for December 2022 stands at 6.4% due to a lower reported net income. However, excluding the MFRS 129 effects, our ROE stands at 6.6%. Excluding impairment recognised on the Group's assets in China, ROE stands at 7.6%.

### Dividends

The Board of Directors has announced a first and final dividend of 7 sen per share for Bursa shareholders and 2.16 cents per share for SGX shareholders (based on an indicative rate of SGD/RM = 3.2468 as at 31 December 2022) to be paid on 28 April 2023 to shareholders, a 17% increase compared to a year ago. This comes on the heels of a fiscal year marked by strong recovery of our core services. This is a sustainable dividend that will contribute greatly to the long-term success to IHH, our shareholders and all other valued stakeholders.

### Our Accolades

The challenges of the past years have been felt by all in the medical industry. Despite them, IHH has been able to show sequential growth year on year. For this, I am immensely grateful for the hard work of the entire IHH family.

Our outstanding efforts in financial management have been recognised by the investment community. IHH was named Best in Sector – Healthcare at the IR Magazine South East Asia Awards 2022; and Most Outstanding Company in Malaysia – Healthcare Sector at Asia's Outstanding Companies Poll 2022 by Asiamoney just to name a couple. We also picked up the "Best CFO" accolade at the Corporate Treasurer Awards 2022. These wins have been a team effort and are a great recognition for the passion and commitment of the whole team.

Energized by this, we will continue to focus on business growth that will stem from several areas including global operational synergies reaped through centralised procurement process and IT platforms and sharing of best practices and organic growth through increased capacities at existing hospitals.

We are also working towards reaching new peaks through digital transformation and deepening the capabilities of our laboratories business to meet the emerging needs of healthcare consumers. I am excited to watch our plans unfold and look forward to another year of continued success.

Thank you.

**Joerg Ayrlé**

Group Chief Financial Officer

We believe that sustainable practices are inextricably connected to our ability to deliver continuous value for our stakeholders and grow as a business. Our sustainability agenda is centred on Care – Care for Patients, People, Public and Planet.

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Our Inaugural Sustainability Report 2022

# Sustainable through Care



### Capital Allocation Framework



# Sustainability Opening Statement

As a global healthcare provider with immense scale and reach, our actions have an impact on the world. We fully intend to meet the bar of excellence in sustainability, while concurrently raising the bar of excellence in clinical care.

At IHH, challenging the status quo of healthcare is a long-held practice. Operating against the backdrop of ageing populations, medical inflation, antimicrobial resistance and the climate crisis, we need to go above and beyond just “do no harm”.

It is our imperative to “Care. For Good.”, underpinned by our vision to be the world’s most trusted healthcare services network and our purpose to touch lives and transform care. To realise our aspirations, we are leading the healthcare industry to be a truly sustainable business for our patients, people, public and planet.

To truly achieve sustainability beyond business growth, we have to answer these pressing questions:



These inquiries have been an intensive, thought-provoking exercise among IHH stakeholders in all our markets, and for good reason. As a global healthcare provider with immense scale and reach, our actions have an impact on the world. We fully intend to meet the bar of excellence in sustainability, while concurrently raising the bar of excellence in clinical care.

## Our Work in Progress

We unveiled our sustainability goals in September 2022. Aligned with the UN’s Sustainable Development Goals, our targets are measurable, time-bound and ambitious.

As a Group, we have been deliberate in crafting our journey in ways that

are relevant to the organisation and our stakeholders.

Our efforts have included:

- Updating our sustainability policy in May 2022, outlining IHH’s commitment to uphold sustainable practices
- Conducting a comprehensive materiality assessment with our key stakeholders to identify and refine a list of material matters
- Unveiling our sustainability goals, encapsulated in our goal to care for our Patients, People, Public and Planet
- Working towards publishing our first standalone Sustainability Report\*
- Adding sustainability to the Group’s Balanced Scorecard, linking it to managerial and executive performance

## The Best is Yet to Unfold

We are only just getting started. At IHH, sustainability is here to stay and it is going to play a pivotal role in the way we approach the drawing board and conduct our operations.

The journey will be filled with opportunities and challenges in equal measure, and we are ready to meet them at every turn. This is our commitment to “Care. For Good.”, to do our very best for our patients, people, public and planet.

There is no time to waste. It is only by taking action today that we secure a healthier tomorrow for future generations.

# Sustainability Approach

As one of the largest healthcare groups in the world, what we do can make an impact on our Patients, People, Public and Planet.

Our approach to sustainability is anchored in our purpose of touching lives and transforming care. With our vision to be the world’s most trusted healthcare services network, we take great pride in always striving to raise the bar in all that we do.

We put all of our highest aspirations together through our strategy to “Care. For Good.”. This means going above and beyond the Hippocratic oath principle of doing no harm. We are committed to making a positive impact on the well-being of all stakeholders of IHH – our patients, people, public and planet – and we are doing so through our bold efforts to evolve the face of healthcare.

Today, sustainability considerations form part of every business decision at IHH. At the same time, our continual drive to improve patient care, cultivate healthy workplaces and communities and reduce carbon footprint run in tandem with the Group’s continuous growth and world-class patient care that is expected of IHH establishments.

## Our Purpose

At IHH, we are united in our purpose to touch lives and transform care.

Our people work every day to make a positive difference in the lives of our patients and their loved ones. We are able to do so with our unique capabilities to create change and raise the bar in healthcare at every touch point.

The same purpose applies in our sustainability efforts as we make quality healthcare easily accessible to patients, protect the well-being of our people so they can continue

to deliver the best care, leverage our expertise and partnerships to create a healthy world, and advance our environmental stewardship to protect our planet.

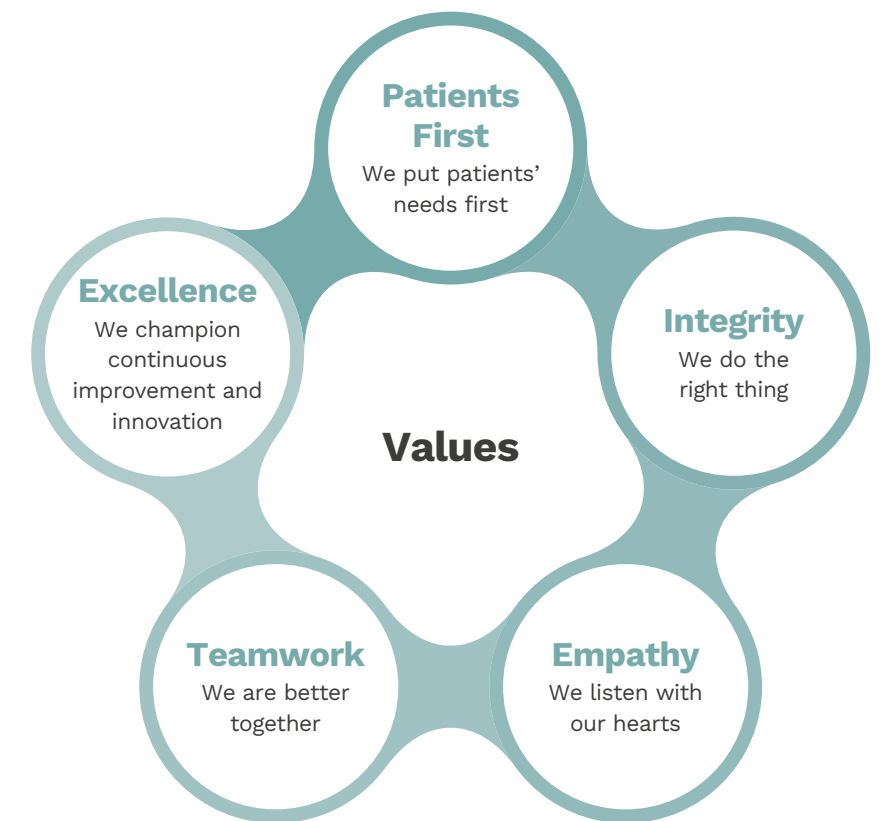
## Our Vision and Mission



To be the most trusted healthcare services network



To take exemplary care of our patients, anchored around our people who strive to continuously raise the bar in clinical, operational and service excellence

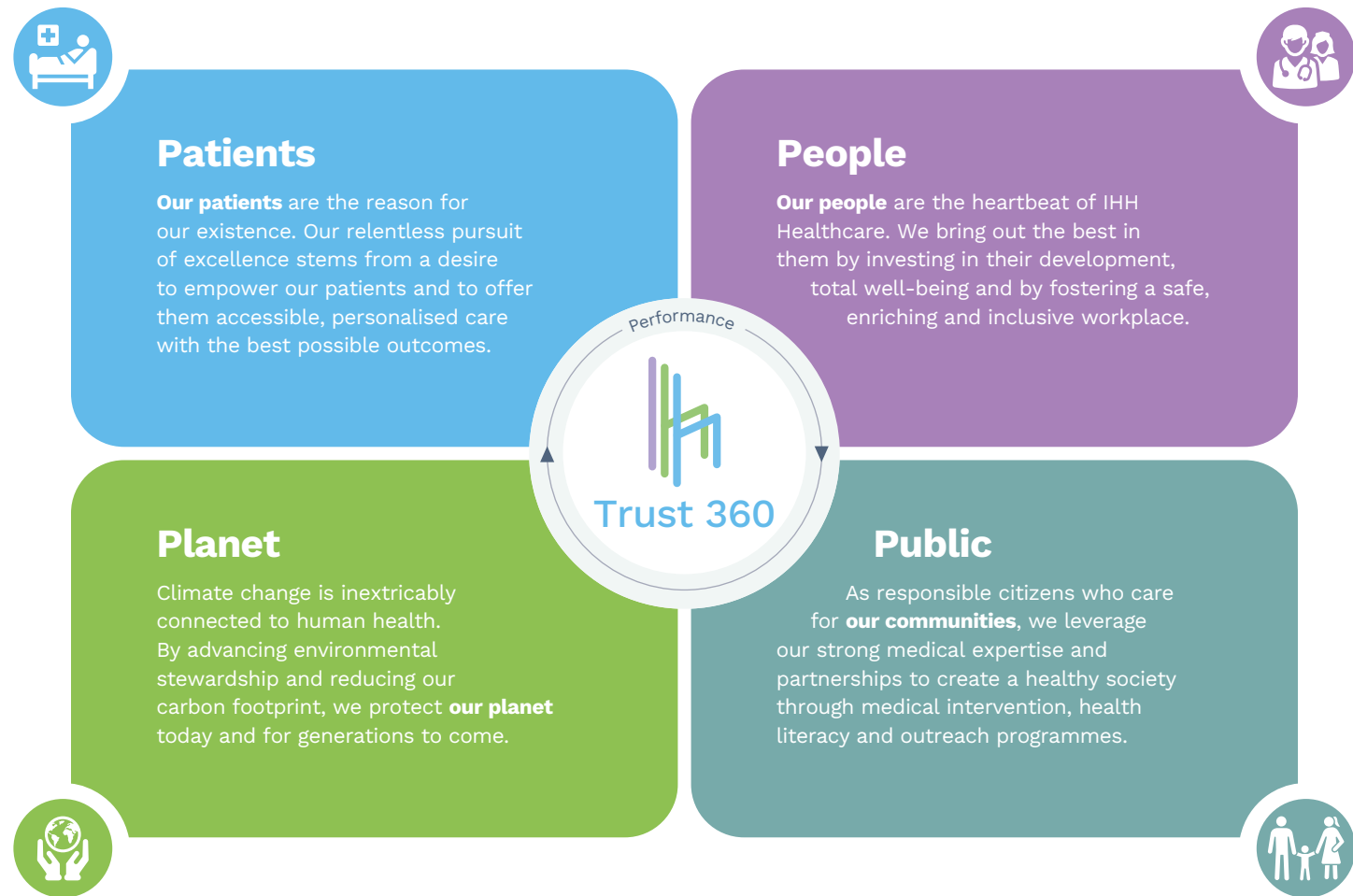


\* Please refer to our Sustainability Report for more information.

## Sustainability Approach

### Our Sustainability Framework

The Trust 360 model is the anchor of our sustainability aspirations, tied to the expectations of our key stakeholders – our Patients, People, Public and Planet. Additionally, a robust governance structure is in place to keep the Group on track in our sustainability journey while ensuring we meet all legal and regulatory requirements.



Refer to Sustainability Report page 8 for Our Approach to Sustainability.

# Sustainability Highlights

In 2022, we enhanced our sustainability framework and laid a strong foundation by setting clear goals and baseline metrics. The baselines we have set allow us to track and measure our sustainability progress and will serve as a barometer in our sustainability journey.

Below are highlights of the strides we made in 2022 and our vision for driving positive change through our four pillars.

## Patients

Empowering Our Patients



Launched the **Optimal Care Index** and applied **value-driven care** to 8 conditions, up from 4 conditions

**17 clinical quality indicators** were set and tracked against international benchmarks based on published medical literature

Launched **FeeAdvisor.ai**, an AI-powered bill estimation tool that provides patients with greater transparency, in Malaysia to begin with, plans to roll out to other markets

Launched **MyHealth360 patient-centric app** in Singapore and Malaysia to help patients better manage their health, with plans to roll out to other markets

**100%** of our employees completed a **Personal Data Protection Basics course**



## Public

Nurturing a Healthier Society



Began to enhance our **Antimicrobial Stewardship Programme** across all IHH Healthcare hospitals, in line with the US Centers for Disease Control and Prevention (CDC), World Health Organization (WHO) and national guidelines

Extended our **flagship Life Renewed programme** to include radiotherapy and radiosurgery treatments for 500 cancer patients from underserved communities in Malaysia. Plans are underway to expand this programme to other markets

Facilitated **737,057 cancer screenings<sup>1</sup>**

Facilitated **460,615 health screenings**



## People

Shaping the Best Place to Work



Overall Employee Engagement Survey score in 2022 **increased by 3%** since 2020

All our markets developed **diversity and inclusion strategy** and action plans

Announced target of **50% women in leadership roles**

Launched **flagship Group-wide Nursing Leadership programme**

**100 Patient Care Associates** were hired to support nursing teams in Singapore

Named as one of **Forbes' World's Best Employers**



## Planet

Protecting Our Planet



Became the **first healthcare provider** to join WWF's Plastic ACTION (WWF PACT) initiative

Achieved **42% reduction of single-use virgin plastic in non-clinical areas** in Singapore and 100% reduction of single-use plastic water bottles in Malaysia

Recorded the **Group's carbon emissions** for the first time, and established 2022 as our baseline year for Scope 1 and 2 carbon emissions

Committed to achieve **Net-Zero emissions** by 2050

Committed to **reduce year-on-year Scope 1 and Scope 2 carbon intensity** per patient bed-day



<sup>1</sup> MMG, Pap smear and FOBT tests

# Our Sustainability Commitments

Another key milestone has been the unveiling of our sustainability goals, which are encapsulated in the four pillars of Patients, People, Public and Planet. These goals are aligned to the United Nations Sustainable Development Goals. For each pillar, we have laid down clear, trackable targets.



## Patients

Empowering Our Patients



**To be the most trusted private healthcare provider in all our markets by 2025**

---

Achieve 90% of **value-driven outcomes (VDO)** at or above international benchmarks by 2025

---

**Billing estimates** to be 90% accurate in our core markets<sup>i</sup> by 2025

---

**Admission for A&E** cases to be within 1 hour of doctors' instructions in our core markets<sup>i</sup> by 2025

---

To be in top quartile in **Net Promoter Score (NPS)**<sup>ii</sup> in our core markets<sup>i</sup> by 2025



## People

Shaping the Best Place to Work



**To be the employer of choice in private healthcare in all our markets by 2025**

---

Achieve 50:50 **male to female ratio in leadership**<sup>iii</sup> roles by 2025

---

Increase **global nursing talent** pool by 10% by 2025

---

Reduce lost time injuries and have zero **workplace fatalities**

---

Be above country and world healthcare norms in **Employee Engagement Survey (EES)** for all of our markets by 2025



## Public

Nurturing a Healthier Society



**To touch five million lives<sup>iv</sup> for healthier communities by 2025**

---

Have 100% of hospitals implement **antimicrobial resistance** interventions in line with CDC, WHO and national guidelines by 2025

---

Reduce **disease burden on cancer and cardiovascular diseases** through screenings, health literacy and disease management programmes

---

Establish public corporate responsibility programmes in at least two of our core markets<sup>i</sup> to make available **quality healthcare to the underserved** by 2023



## Planet

Protecting Our Planet



**To cap carbon growth by 2025 and achieve Net-Zero by 2050**

---

Cap **Scope 1 and 2 emissions** at 2022 baseline (inclusive of our growth) by 2025 and reduce year-on-year carbon intensity per patient bed-day

---

Strategise **Scope 3** carbon accounting by 2023

---

Be **SBTi** (Science Based Target Initiative) **ready** by 2025

---

Reduce **single-use virgin plastic** by 90% in non-clinical areas in Malaysia and Singapore by 2023

<sup>i</sup> Our core markets refer to India, Malaysia, Singapore and Türkiye.  
<sup>ii</sup> Net Promoter Score is a key metric that measures customer loyalty and satisfaction.  
<sup>iii</sup> Leadership is defined as business critical roles which are pivotal to our business; having a high impact on the business outcomes and/or market-scarce skills. These include roles like country CEO, key functional and department heads as well as roles overseeing large spans of control.  
<sup>iv</sup> Number of lives touched includes cumulative number of patient interactions through IHH Healthcare services targeted at reducing antimicrobial use and disease burden, number of beneficiaries reached through our corporate responsibility programmes, as well as those reached via IHH Healthcare digital platforms and educational outreach programmes.

# Sustainability Snapshots

With our size and reach, IHH Healthcare is committed to doing good beyond being a healthcare provider. To give back to the communities we operate in, we are intensifying efforts to “Care. For Good.”, delivering sustainable value to our patients, people, public and planet. Working as one IHH family, we can drive positive change at scale worldwide.

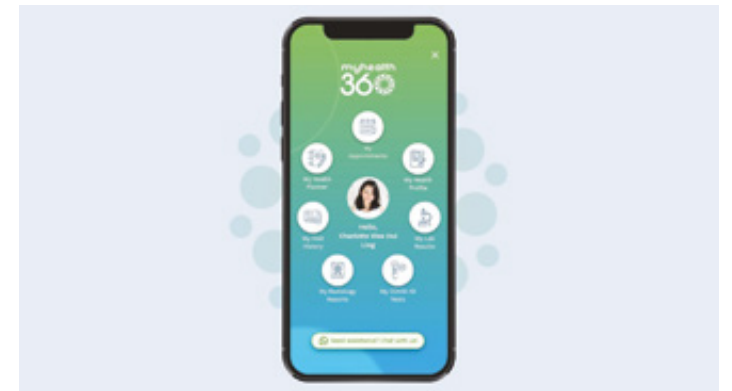
## Patients



### Patients: Acibadem Medical Team Break World Record by Separating Conjoined Twins in Nine Hours


A medical team at Acibadem Atakent Hospital successfully separated five-month-old, conjoined twins Safaa and Chifaa using a range of innovative techniques, including 3D modelling. Completed successfully in nine hours, the procedure set a new world record for the fastest operation of its kind. The Algerian twins, who were conjoined at the breastbone but had two hearts, can now survive independently.

 Refer to Sustainability Report page 36 for more information.



### MyHealth360: Empowering Our Patients to Own Their Healthcare Journey

Launched in Singapore in September 2022, the MyHealth360 mobile app is a global healthcare ecosystem that bridges online and offline care on a single platform, offering convenience and personalised services securely. As of December 2022, over 120,000 patients in Singapore are managing their healthcare journey via MyHealth360. We have also introduced the app in Malaysia and have plans for expansion in 2023.

 Refer to Sustainability Report page 46 for more information.

## People



### People: Nurturing Clinical Talent with the Nursing I-LEAD Programme


Developed in partnership with the IHH Nursing core team and the Group Learning and Development team, the IHH Nursing I-LEAD programme is an important avenue for grooming nursing leaders within the Group. The virtual workshops employ realistic simulation and provides real-time feedback in its training to improve people management practices and increase nursing engagement and performance. Over 90% of participants rated I-LEAD 9.5 out of 10 and would recommend it to their peers.

 Refer to Sustainability Report page 73 for more information.



### Women-centred Healthcare in India Hits New Milestones

The Women's Cancer Centre at BGS Gleneagles Global Hospital crossed the milestone of providing over 10,000 cancer surgeries and over 100,000 radiotherapy sessions in 2022. Launched in November 2021, the inclusive female-led facility provides women with a safe and comfortable space to get screened and treated for all types of cancer, particularly breast and gynaecologic cancers. Medical teams are sensitive in patient management and keep an eye on patients' holistic well-being.

 Refer to Sustainability Report page 64 for more information.

## Sustainability Snapshots

### Public



#### Public: Fighting Antimicrobial Resistance (AMR) Globally

With an estimated 10 million AMR-associated deaths yearly by 2050, we developed a Group-wide antimicrobial stewardship (AMS) framework in 2022 to govern and ensure appropriate use of antimicrobial drugs. In addition, IHH deployed a coordinated social media campaign across all hospital brands to raise awareness of AMR, sharing useful tips that patients could adopt. Local-level initiatives were also rolled out in across IHH markets during World Antimicrobial Awareness Week in November.

Refer to Sustainability Report page 79 for more information.



#### Widening Access to Cancer Care in Malaysia

Through a Memorandum of Understanding (MOU) with the MOH, IHH Malaysia will extend the care and treatment of cancer patients in Malaysia through our network comprising Pantai Hospitals, Gleneagles Hospitals and Prince Court Medical Centre. Under the terms of the MOU, IHH Malaysia will sponsor radiotherapy and radiosurgery, including advanced therapies like the Gamma Knife and Linear Accelerator (LINAC), for 500 cancer patients from underserved communities who are undergoing treatments at government hospitals.

Refer to Sustainability Report page 87 for more information.

### Planet



#### Planet: Acibadem Atasehir Hospital: Our Newest LEED Certified Green Hospital

Opened on 9 September 2022, Acibadem Atasehir Hospital is the third hospital in Türkiye to be LEED Gold Certified for its energy-efficient green building designs. The property's environmentally-friendly features include a dynamic lighting system using motion sensors to optimise energy use, lifts that capture up to 60% of generated heat for conversion into electricity and a continuous monitoring system for energy consumption among many others. Plus, the hospital is planning a 13 MWp solar plant investment in 2023 to meet its annual power consumption.

Refer to Sustainability Report page 98 for more information.



#### Gleneagles Hospital Hong Kong Launches Waste Management Initiatives

Within the first three months of participating in a programme on Source Separation of Commercial and industrial Waste organised by the Hong Kong Environmental Protection Department, Gleneagles Hospital Hong Kong recycled 3,904 kg of paper boxes, 43 kg of plastics and 9,581 kg of other reusable or recyclable materials on average each month. In addition, for their commitment to and efforts in environmental protection, the hospital received the "Good Level" Wastewi\$e Certificate, awarded by The Hong Kong Green Organisation Certification.

Refer to Sustainability Report page 105 for more information.

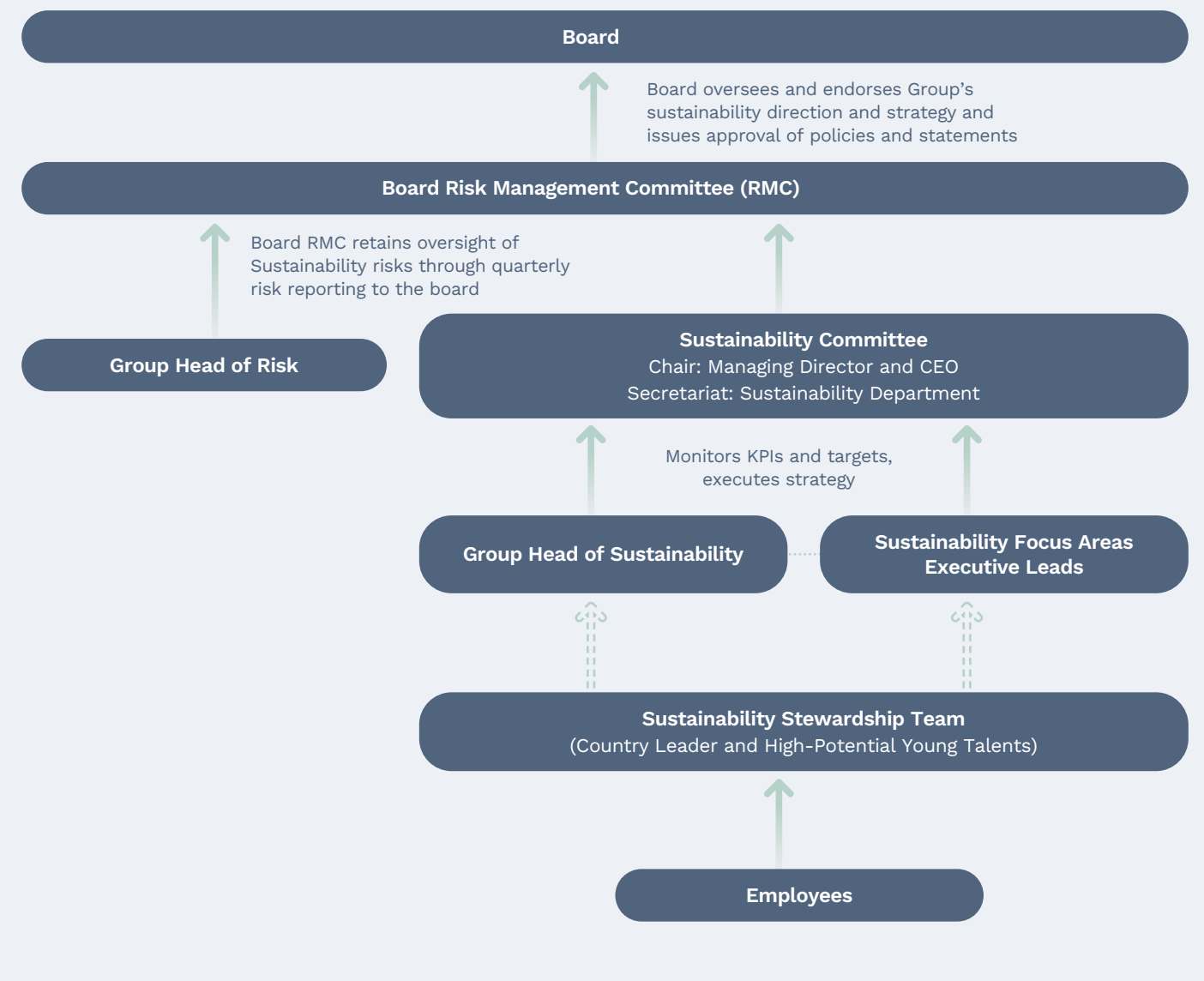
# Sustainability Governance

Having a robust governance structure is integral to driving our sustainability agenda. There is top-down commitment in ensuring sustainability related matters are considered before making strategic business decisions.

The structure prescribes how sustainability-related matters are directed, implemented and executed, consequently assigning accountability across all levels.

In addition to the Board which bears oversight of IHH's sustainability strategy, the Sustainability Committee monitors regulatory requirements, related trends and KPIs and ensures sustainability initiatives are implemented across the organisation.

## Sustainability Governance Structure





## Sustainability Governance

### Ethics and Integrity

In line with long-standing practices of IHH Healthcare, we take pride in upholding the highest levels ethical standards and integrity in sustainability governance.

The Group is committed to deepening trust placed in us by key stakeholders and creating long-term value for all

through ongoing review and implementation of relevant policies.

We train and update all employees on Group-wide policies and the Code of Conduct. This strengthens their awareness of expectations of standards to uphold; it also empowers them by providing channels of incident reporting without fear of repercussions.

#### Code of Conduct



Outlines the Group's values and standards of behaviour expected of all employees.

#### Whistleblowing Policy



Provides a channel for employees to report in full confidentiality and without fear of retaliation incidents of malpractice, improper conduct, wrongdoings, corruption, fraud or abuse within the Group.

#### Anti-Bribery and Corruption (ABC) Policy



Builds on the principles outlined in the Code of Conduct, including compliance with all anti-corruption laws specific to the countries in which the Group operates.

Championed by the Board, our robust governance structure ensures that business is conducted responsibly, ethically and at the highest levels of integrity.

#### Governance

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# Responsible Business



# Board of Directors

Our Board of Directors comprises an effective combination of individuals with a diverse range of skills, knowledge and experience that complement our strategic objectives.



## Tan Sri Mohammed Azlan bin Hashim

Chairman, Independent, Non-Executive  
Chairman of the Steering Committee

Nationality: Malaysian
Gender: Male
Age: 66
Date of Appointment: 30 March 2011
Length of Service: 12 years (As at 31 March 2023)
Date of Last Re-election: 31 May 2022

### Work Experience

Tan Sri Mohammed Azlan bin Hashim was appointed to the Board of IHH Healthcare Berhad in March 2011 as Deputy Chairman and was re-designated from Non-Independent Non-Executive Deputy Chairman to Non-Independent Non-Executive Chairman on 1 January 2018. On 27 November 2018, Tan Sri Azlan was re-designated from Non-Independent Non-Executive Chairman to Independent Non-Executive Chairman following his cessation as a nominee director of Khazanah Nasional Berhad.

Tan Sri Azlan also serves as a Director and Chairman, Investment Panel of Employees Provident Fund, a role he held since 1 September 2020.

Tan Sri Azlan previously served as Executive Chairman of the (then) Kuala Lumpur Stock Exchange Group from 1998 to 2004 and in various other senior management roles, including at Bumiputra Merchant Bankers Berhad and Amanah Capital Malaysia Berhad.

### Academic/Professional Qualification(s)

- Bachelor of Economics, Monash University
- Fellow Member, Institute of Chartered Accountants, Australia
- Member, Malaysian Institute of Accountants
- Fellow Member (Hon), The Malaysian Institute of Chartered Secretaries and Administrators

### Present Directorship(s)

- D&O Green Technologies Berhad
- Marine & General Berhad
- Khazanah Nasional Berhad
- Telekom Malaysia Berhad

#### Notes

- Does not have any family relationships with any directors and/or any major shareholders of the Company
- Does not have any conflict of interest with the Company
- Does not have any convictions for offences within the past five years other than for traffic offences, if any
- Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on pages 86 to 102 of this Annual Report



## Takeshi Akutsu

Non-Independent, Non-Executive  
Member of the Nomination and Remuneration Committee

Nationality: Japanese
Gender: Male
Age: 56
Date of Appointment: 1 April 2022
Length of Service: 1 year (As at 31 March 2023)
Date of Last Re-election: 31 May 2022

### Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in April 2022, Mr Takeshi Akutsu is the Managing Officer & Chief Operating Officer of Wellness Business Unit at Mitsui & Co., Ltd (Mitsui) in its Tokyo Headquarters.

Mr Akutsu has over 30 years of working experience in Mitsui mainly engaged in consumer related business such as fashion industry and service business sector. Between April 2020 to March 2022, he served as the Managing Officer, General Manager of Corporate Planning and Strategy Division of Mitsui responsible for the conglomerate's strategic and business planning. Prior to that, he served as General Manager in the Planning & Administrative Division for Innovation & Corporate Development unit and Consumer & Healthcare unit. In the Planning & Administrative Division, he managed various administrative functions to new projects (initial screening, due diligence, project formation, post-merger integration, etc.) and reinforcement of earning power/productivity improvement to existing projects.

Between 2007 to 2009, he was seconded to Recruit Co., Ltd., a Japanese listed Media and Human Capital service company, and served as a Director in its Business Development office.

### Academic/Professional Qualification(s)

- Bachelor of Engineering, Waseda University, Faculty of Science and Engineering

### Present Directorship(s)

- Nil

#### Notes

- Does not have any family relationships with any directors and/or any major shareholders of the Company
- Does not have any conflict of interest with the Company
- Does not have any convictions for offences within the past five years other than for traffic offences, if any
- Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on pages 86 to 102 of this Annual Report



## Tomo Nagahiro

Non-Independent, Non-Executive  
Member of Steering Committee

Nationality: Japanese
Gender: Male
Age: 47
Date of Appointment: 3 February 2023
Length of Service: - (As at 31 March 2023)
Date of Last Re-election: -

### Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in February 2023, Mr Tomo Nagahiro was an alternate director to Mr Takeshi Akutsu on the Board of IHH, a role he assumed in April 2022 until January 2023. He was also the alternate director to Mr Masato Sugahara and Mr Koji Nagatomi during their tenure as Directors of IHH between April 2019 and March 2022.

Mr Nagahiro has been the General Manager of Strategic Planning Department in Wellness Business Unit of Mitsui & Co., Ltd (Mitsui), overseeing Mitsui's investment in IHH since April 2019.

Mr Nagahiro has over 20 years of working experience having served in multiple divisions in Mitsui, spanning from strategic planning, business development and operations management. Preceding his current appointment, he was seconded to MIMS Pte Ltd which is based in Singapore as the Chief Operating Officer from 2015 to 2018.

Prior to this, Mr Nagahiro was seconded to Parkway Pantai Limited, a wholly-owned subsidiary of IHH, as Assistant Vice President of Strategic Planning and Business Development where he led multiple business development projects from 2013 to 2015.

### Academic/Professional Qualification(s)

- Bachelor of Arts in Law, University of Tokyo, Japan
- Master of Business Administration, Kellogg School of Management, Northwestern University
- U.S. Certified Public Accountant

### Present Directorship(s)

- Nil

## Board of Directors



### Lim Tsin-Lin

Non-Independent, Non-Executive  
Member of the Steering Committee  
Member of the Nomination and Remuneration Committee

Nationality: Malaysian

Gender: Male

Age: 44

Date of Appointment: 16 February 2023

Length of Service: 1.5 months (As at 31 March 2023)

Date of Last Re-election: –

#### Work Experience

Appointed to the Board of IHH Healthcare Berhad in February 2023, Mr Lim Tsin-Lin is currently the Head of Healthcare and Head of Dana Impak of Khazanah Nasional Berhad (Khazanah). He was a key member of the team that set up Khazanah's first foreign office in Beijing in 2008 and was subsequently appointed Head of China in 2017. After serving 13 years overseas, he returned to Malaysia in 2021 to assume his current role in Khazanah. Prior to Khazanah, he was with Ernst & Young, Rating Agency Malaysia Bhd and ECM Libra Securities Sdn Bhd.

#### Academic/Professional Qualification(s)

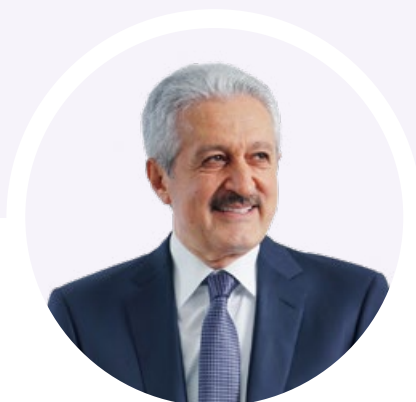
- Chartered Financial Analyst (CFA)
- Master in Business Administration from the MIT Sloan Fellows Programme, The Massachusetts Institute of Technology, United States
- Bachelor of Commerce and Management, Lincoln University, New Zealand

#### Present Directorship(s)

- Nil

#### Notes

- Does not have any family relationships with any directors and/or any major shareholders of the Company
- Does not have any conflict of interest with the Company
- Does not have any convictions for offences within the past five years other than for traffic offences, if any
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### Mehmet Ali Aydinlar

Non-Independent, Non-Executive  
Member of the Steering Committee

Nationality: Turkish

Gender: Male

Age: 66

Date of Appointment: 24 January 2012

Length of Service: 11 years 2 months (As at 31 March 2023)

Date of Last Re-election: 31 May 2022

#### Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in January 2012, Mr Mehmet Ali Aydinlar is also the Chairman of Acibadem Saglik Yatirimlari Holding A.S. (ASYH), a 90%-owned subsidiary of IHH. He was re-designated from Executive Director to Non-Executive Director of IHH on 1 March 2019 following his cessation as the Chief Executive Officer (CEO) of ASYH. Mr Aydinlar, after an illustrious tenure as founding CEO of ASYH, continues to serve as the Chairman of the Board of Acibadem group of companies.

Mr Aydinlar is also the Chairman of the Turkish Accredited Hospitals Association and Vice Chairman of Private Hospitals and Healthcare Institutions Association (OHSAD). A certified public accountant-turned-entrepreneur, Mr Aydinlar has been recognised for his extensive experience in management and involvement in the healthcare sector since 1993 and received numerous prestigious awards including but not limited to "Ernst & Young Entrepreneur of the Year, Turkiye" for the year 2018 for his entrepreneurship and contributions in healthcare industry.

Being a philanthropist, Mr Aydinlar is also the Chairman of the Board of Trustees of Acibadem University, an ambitious social responsibility undertaking initiated by Mr Aydinlar to advance healthcare in Turkiye through education and research.

#### Academic/Professional Qualification(s)

- Business Administration Degree, Galatasaray Economy and Management College

#### Present Directorship(s)

- Nil



### Mohd Shahazwan bin Mohd Harris

Non-Independent, Non-Executive

Nationality: Malaysian

Gender: Male

Age: 51

Date of Appointment: 29 March 2023

Length of Service: – (As at 31 March 2023)

Date of Last Re-election: –

#### Work Experience

Appointed to the Board of IHH Healthcare Berhad in March 2023, Mr Mohd Shahazwan bin Mohd Harris is the Head, Strategic Investments of Employees Provident Fund (EPF).

He has more than 25 years of experience in investments, mergers and acquisitions, portfolio and asset management, corporate strategy and restructuring. Prior to joining EPF, he was the Chief International Officer at Tenaga Nasional Berhad (TNB), where he led all of TNB's international business and helped TNB to pivot its international business to focus on renewables and new energy opportunities.

Mr Shahazwan began his career at TNB, before joining PA Consulting Group in Kuala Lumpur and Jakarta, and then Boston Consulting Group. He then worked at Khazanah Nasional Berhad (Khazanah) from 2005 to 2016, where he covered investments across Asia and Europe. After Khazanah, he assumed senior advisory roles at Bain & Co (Kuala Lumpur/Southeast Asia) and Temasek International Advisory (Singapore) and remains on the Advisory Board of Stashaway.

#### Academic/Professional Qualification(s)

- Sloan Fellows Master of Business Administration in Leadership and Innovation, Massachusetts Institute of Technology (MIT), Cambridge MA, United States of America
- Master of Science in Advanced Mechanical Engineering, Imperial College of Science, Technology and Medicine, London, United Kingdom
- Bachelor of Engineering Degree in Mechanical Engineering, University of Warwick, Coventry, United Kingdom

#### Present Directorship(s)

- UMW Holdings Berhad

#### Notes

- Does not have any family relationships with any directors and/or any major shareholders of the Company
- Does not have any conflict of interest with the Company
- Does not have any convictions for offences within the past five years other than for traffic offences, if any
- Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on pages 86 to 102 of this Annual Report



### Jill Margaret Watts

Independent, Non-Executive  
Chairman of the Risk Management Committee  
Member of the Audit Committee  
Member of the Nomination and Remuneration Committee

Nationality: Australian

Gender: Female

Age: 64

Date of Appointment: 4 April 2018

Length of Service: 5 years (As at 31 March 2023)

Date of Last Re-election: 28 May 2021

#### Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in April 2018, Ms Jill Margaret Watts currently serves on several Boards of Directors, including St Vincent's Health Australia Ltd, Icon Group and Lendlease Retirement Living Trust. She was previously a Director of the Australian Chamber of Commerce, United Kingdom, the Royal Australian Flying Doctor Service, United Kingdom, Ramsay Sante in France and the Netcare Group in South Africa. Ms Watts also served on several Industry Boards including NHS Partners Network and the Association of Independent Hospital Operators.

Ms Watts was the Group Chief Executive Officer of BMI (GHG) Health Care Group (BMI Healthcare) in United Kingdom from 2014 to 2017. Prior to her appointment at BMI Healthcare, she was the Group Chief Executive Officer of Ramsay Health Care, United Kingdom for over six years. She was the Chair of NHS Partners Network between 2009 and 2012.

#### Academic/Professional Qualification(s)

- Registered Nurse, Northwick Park Hospital, London, United Kingdom
- Midwifery, Mater Mothers Hospital, Brisbane, Australia
- Grad. Dip Health Administration and Information Systems, University of Central Queensland, Australia
- Master in Business Administration, Griffith University, Queensland, Australia
- Wharton Fellow, Pennsylvania University, United States of America

#### Present Directorship(s)

- Nil

## Board of Directors



### Dato' Muthanna bin Abdullah

Independent, Non-Executive  
Chairman of the Nomination and Remuneration Committee  
Member of the Audit Committee  
Member of the Risk Management Committee

Nationality: Malaysian
Gender: Male
Age: 63
Date of Appointment: 1 January 2021
Length of Service: 2 year 3 months (As at 31 March 2023)
Date of Last Re-election: 28 May 2021

#### Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in January 2021, Dato' Muthanna bin Abdullah currently serves as an independent member of several boards of companies.

Dato' Muthanna began his career as a lawyer at Skrine & Co. He then became Partner at Abdullah A. Rahman & Co. before becoming Managing Partner at Lee Hishammudin Allen & Gledhill. Dato' Muthanna then became Managing Partner at Abdullah Chan & Co. before he assumed the role of Consultant at Abdullah Chan & Co., a role he continues to hold at present.

Professionally, Dato' Muthanna has frequently advised companies on local and international cross-border acquisitions and investments including corporate restructurings required to transform businesses.

Dato' Muthanna is the Honorary Consul of The Republic of San Marino to Malaysia.

He is also the Trustee of The Habitat Foundation, Yayasan Siti Sapura, a board member of the Kuala Lumpur Business Club and The Malaysian Aerospace Industry Association.

Previously he served on boards of 2 international chambers – the British and the Swiss and presently is the Avocat Au Confiance to the Swiss Embassy.

#### Academic/Professional Qualification(s)

- Bachelor of Law (LLB), University of Buckingham
- Barrister-at-Law, Honourable Society of Middle Temple (England)

#### Present Directorship(s)

- Digital Nasional Berhad
- MSM Malaysia Holdings Berhad
- Malaysia Life Reinsurance Group Berhad
- MSIG Insurance (Malaysia) Berhad

#### Notes

- Does not have any family relationships with any directors and/or any major shareholders of the Company
- Does not have any conflict of interest with the Company
- Does not have any convictions for offences within the past five years other than for traffic offences, if any
- Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on pages 86 to 102 of this Annual Report



### Ong Ai Lin

Independent, Non-Executive  
Chairman of the Audit Committee  
Member of the Risk Management Committee  
Member of the Nomination and Remuneration Committee

Nationality: Malaysian
Gender: Female
Age: 67
Date of Appointment: 1 January 2021
Length of Service: 2 year 3 months (As at 31 March 2023)
Date of Last Re-election: 28 May 2021

#### Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in January 2021, Ms Ong Ai Lin is a retired partner of PricewaterhouseCoopers (PwC) Malaysia where she was involved in financial audits and provided Governance Risk and Compliance, Technology Risk, Cyber Security, Data Privacy and Business Continuity Management services in the United Kingdom, Sri Lanka and South East Asia. She was also the past president of ISACA (Information Systems Audit and Control Association) Malaysia Chapter.

Since her retirement from PwC Malaysia, Ms Ong has been sitting in the Boards of several public listed companies as an independent director.

She was awarded the "Cybersecurity Lifetime Achievement Award" by CyberSecurity Malaysia in 2018 and "Best Certified Business Continuity Professional in Malaysia" award from Disaster Recovery Institute International in 2012.

#### Academic/Professional Qualification(s)

- BA. (Hons.) in Economics, University of Leeds, United Kingdom
- Associate, Institute of Chartered Accountants in England and Wales (ICAEW)
- Member, Malaysian Institute of Accountants (MIA)

#### Present Directorship(s)

- RHB Bank Berhad
- RHB Islamic Bank Berhad
- Tenaga Nasional Berhad



### Satoshi Tanaka

Independent, Non-Executive  
Member of the Audit Committee  
Member of the Nomination and Remuneration Committee

Nationality: Japanese
Gender: Male
Age: 65
Date of Appointment: 1 January 2021
Length of Service: 2 year 3 months (As at 31 March 2023)
Date of Last Re-election: 28 May 2021

#### Work Experience

Appointed to the Board of IHH Healthcare Berhad (IHH) in January 2021. Mr Tanaka currently serves as Representative Director, Executive Vice President of Sekisui House, Ltd., one of the largest homebuilders in Japan, a role he held since April 2021.

Mr Tanaka began his career at Mitsui & Co., Ltd. (Mitsui) in 1981 and had been with Mitsui for 38 years until his retirement in June 2019. During his tenure with Mitsui, Mr Tanaka had held various roles including as Representative Director, Executive Vice President since 2017, after serving as Senior Executive Managing Officer and Chief Operating Officer of the Asia Pacific Business Unit of Mitsui since 2015.

From 2010 to 2015, Mr Tanaka has held various positions including as Executive Managing Officer and Chief Operating Officer of the Consumer Service Business Unit. In 2007, he was appointed General Manager of the Corporate Planning and Strategy Division, preceded by his appointment as General Manager of the Investor Relations Division in 2004.

During Mr Tanaka's tenure with Mitsui, he was appointed to IHH Board of Directors as a representative of MBK Healthcare Partners Limited for the period from May 2011 to April 2017. He is also a director of Kuraray Co., Ltd.

#### Academic/Professional Qualification(s)

- Master of Business Administration, Harvard Business School
- Bachelor of Arts in Literature, University of Tokyo, Japan

#### Present Directorship(s)

- Nil

#### Notes

- Does not have any family relationships with any directors and/or any major shareholders of the Company
- Does not have any conflict of interest with the Company
- Does not have any convictions for offences within the past five years other than for traffic offences, if any
- Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on pages 86 to 102 of this Annual Report



### Mok Jia Mei

Non-Independent, Non-Executive  
(Alternate Director to Lim Tsin-Lin)  
Alternate Member to Lim Tsin-Lin of the Steering Committee

Nationality: Malaysia
Gender: Female
Age: 37
Date of Appointment: 16 February 2023
Length of Service: 1.5 months (As at 31 March 2023)
Date of Last Re-election: –

#### Work Experience

Ms Mok Jia Mei is an alternate director to Mr Lim Tsin-Lin on the Board of IHH Healthcare Berhad (IHH), a role she assumed in February 2023. Prior to her current position in IHH, she was appointed alternate director to Dr Farid bin Mohamed Sani in March 2022 and resigned as Dr Farid's alternate in February 2023.

Ms Mok Jia Mei joined Khazanah Nasional Berhad (Khazanah) in April 2021 and is currently covering the healthcare sector within the Investments Division. Prior to joining Khazanah, she was part of the investment team of Ikhlas Capital, a Southeast Asia-focused private equity fund, from 2019 to 2020. From 2008 to 2019, she was with the Group Strategy division of CIMB Group, where she was responsible for evaluating and executing mergers and acquisitions and various corporate exercises.

#### Academic/Professional Qualification(s)

- Bachelor of Commerce (Hons) in Actuarial Studies, University of Melbourne, Australia

#### Present Directorship(s)

- Nil

# Group Management



1

## Joe Sim Heng Joo

Group Chief Operating Officer

Nationality: Singaporean

Gender: Male

Age: 51 (As at 31 March 2023)

Date of Appointment: 1 January 2020

### Work Experience

Mr Joe Sim Heng Joo is Group Chief Operating Officer of IHH Healthcare Berhad (IHH).

He was appointed Group Chief Operating Officer of IHH with effect from 1 January 2020. He was previously Chief Executive Officer of IHH's Malaysia Operations Division where he was instrumental in providing strategic direction and leadership for the Group's integrated healthcare businesses in Malaysia.

Mr Sim has extensive experience spanning over 21 years in the public and private healthcare industry. Prior to joining IHH in 2017, he held leadership roles within the National University Health System and National Healthcare Group in Singapore.

Mr Sim began his career with the Singapore Administrative Service and held different positions at the Ministry of Finance, Community Development Council and Ministry of Defence. In 2000, he founded a company that developed business-to-business trading hubs before joining Accenture where he was responsible for developing thought leadership, concepts and innovations on next-generation revenue.

Between 2008 and 2015, Mr Sim was also an adjunct lecturer at Nanyang Business School, during which he was recognised with a Teacher of the Year Award. He was also an Adjunct Associate Professor at the National University of Singapore's School of Public Health and Business School before he joined the IHH.

Currently he sits on the Board of IHH's subsidiaries, PLife REIT and Fortis Healthcare Ltd, as a Non-executive Director.

### Academic/Professional Qualification(s)

- Masters in Public Administration, Kennedy School of Government, Harvard University
- Bachelors of Arts in Electronic and Information Science Tripos, University of Cambridge

### Notes

- Does not have any family relationships with any directors and/or any major shareholders of the Company
- Does not have any conflict of interest with the Company
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## Joerg Ayrle

Group Chief Financial Officer

Nationality: German

Gender: Male

Age: 54 (As at 31 March 2023)

Date of Appointment: 1 February 2021

### Work Experience

Mr Joerg Ayrle was appointed the Group Chief Financial Officer of IHH on 1 February 2021. With a wealth of international experience from United States, Germany, Singapore, China and Thailand, he will be responsible for providing financial leadership and strategic guidance for IHH and its operations and the business plan development. In his role, Joerg will ensure effective management of resources, safeguard shareholders' interests and steer financial and management reporting, treasury, tax and investor relations functions and support the companies M&A activities.

Prior to joining IHH, Mr Ayrle was the GCFO of Thai Union Group and steered the Company's financial transformation journey, winning multiple awards including Best CFO Asia by Corporate Treasurer in 2016 and recently in 2022.

He also had a successful career with tech giants Osram and Siemens. Most notably, he was Chief Financial Officer & Treasurer of Osram Sylvania, USA, and Managing Director of Corporate Finance Mergers, Acquisitions & Post Closing (ASIA) for Siemens, China.

### Academic/Professional Qualification(s)

- Masters of Business Administration major in Finance & Controlling, Marketing, Finance-Mathematics, University of Augsburg, Germany
- Advisory Professor, Tongji University, Shanghai/China
- Certified Fellow at the Institute of Directors, Thailand

## Group Management

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### Ashok Pandit

Group Chief Strategy &  
Business Development Officer

Nationality: Indian
Gender: Male
Age: 57 (As at 31 March 2023)
Date of Appointment: 1 August 2021

#### Work Experience

Mr Ashok Pandit was appointed Group Chief Strategy and Business Development Officer of IHH with effect from 1 August 2021. He is responsible for group strategy, business development, mergers and acquisitions, corporate structuring, investments, and divestments. He also leads the transformation and integration of IHH laboratories. Ashok joined IHH on May 2021 as Group Chief Special Project Officer. He has over 28 years of investment banking experience in Asia Pacific.

Prior to joining IHH, he was Managing Director, Global Co-Head of Sovereign Wealth and Pension Funds and Head of Financial Sponsor Coverage (Asia Pacific) at Deutsche Bank AG, Singapore. During his 15-year tenure at Deutsche Bank, Mr Pandit held senior investment banking positions, advising leading global institutions and corporations on capital raising, mergers and acquisitions, and advisory and capital restructuring. He led deals that raised over US\$100 billion in the capital markets and was a key player in IHH's US\$2 billion IPO in 2012, which was ranked the world's third largest IPO of the year.

#### Academic/Professional Qualification(s)

- Post Graduate Diploma in Management, Indian Institute of Management, Bangalore, India
- Bachelor of Engineering (Mechanical), Delhi College of Engineering, India

#### Notes

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### Angela Ryan

Group Chief Human Resources Officer

Nationality: British
Gender: Female
Age: 50 (As at 31 March 2023)
Date of Appointment: 16 September 2019

#### Work Experience

Ms Angela Ryan joined IHH Healthcare Bhd (IHH) as Group Chief Human Resources Officer with 25 years of global HR experience and expertise in creating people-centered organisational, cultural and HR transformation.

Prior to joining IHH, Ms Ryan was the Senior Vice President of Human Resources (Asia Pacific and the Middle East) at Fox Networks Group (The Walt Disney Company). Preceding this, Ms Ryan served for 11 years with GroupM (WPP Plc), a leading global media investment company, holding various leadership roles including Global Chief Human Resources and Talent Officer.

#### Academic/Professional Qualification(s)

- Bachelor of Laws (Honours), University of the West of England, United Kingdom
- Postgraduate Diploma in European Business Administration, Bristol Business School, United Kingdom
- Master's degree in European Business, Bristol Business School, United Kingdom
- Candidate – Doctor of Professional Studies: Human Resources, Middlesex University, United Kingdom
- Fellow of the Chartered Institute of Personnel and Development

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### Ida Suryati Ab. Rahim

Group General Counsel and  
Company Secretary

Nationality: Malaysian
Gender: Female
Age: 50 (As at 31 March 2023)
Date of Appointment: 27 June 2019

#### Work Experience

Ms Ida Suryati brings with her more than 26 years of experience in various legal and company secretarial roles in agribusiness, oil and gas and fast moving consumer goods companies. Ida has been admitted to the High Court of Malaya as an advocate and solicitor in 1997. She leads the IHH Group's legal and secretarial functions and acts as the Company Secretary of IHH Healthcare Berhad.

She began her career as Management Trainee in Unilever Malaysia and worked there as an Assistant Manager in legal and company secretarial roles until year 2000. Thereafter she moved to hold legal and company secretarial positions in Golden Hope Plantations Berhad (now a part of Sime Darby Group) (2000–2002), Tradewinds (M) Berhad (2002–2009) and MISC Berhad (2009–2011). Immediately prior to joining IHH in June 2019, Ida served in FGV Holdings Berhad (FGV), a Malaysian-based global agribusiness public listed company, between 2011 and 2019.

Her last position in FGV was as Chief Counsel and she had held various leadership roles in FGV including as Head, Sustainability & Environment, Head, Group Governance and Compliance, Vice President, International Business and as Group Company Secretary for the period between 2011 and 2013.

#### Academic/Professional Qualification(s)

- Bachelor of Law (Hons), Universiti Kebangsaan Malaysia
- Master of Law (LLM) (Commercial), University of Cambridge, United Kingdom
- Master of Law (LLM), University of Malaya, Malaysia

#### Notes

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### Stephen Byrne

Group Head, Internal Audit

Nationality: Australian
Gender: Male
Age: 50 (As at 31 March 2023)
Date of Appointment: 4 January 2021

#### Work Experience

Mr. Stephen Byrne was appointed the Group Head of Internal Audit of IHH Healthcare Berhad (IHH) on 4 January 2021. In this position, he is responsible for designing a proactive strategy to mitigate corporate risk and improve business processes and internal control mechanisms.

Mr. Byrne has 26 years of international experience in both corporate and site-based roles. His career spans numerous sectors including manufacturing, resources and healthcare, the most current being his position as Group Manager, Risk and Assurance with global packaging company Orora in Melbourne, Australia.

#### Academic/Professional Qualification(s)

- Member of the Institute of Chartered Accountants UK (FCA)
- Bachelor of Science (Honours) in Physics with Study in Continental Europe from the University of Bristol, UK and University of Mainz, Germany

## Group Management

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### Nili Shayrina binti Saat

Group Head, Risk Management & Compliance

Nationality: Malaysian

Gender: Female

Age: 48 (As at 31 March 2023)

Date of Appointment: 19 November 2018

#### Work Experience

Ms Nili Shayrina binti Saat has more than 22 years of experience in Risk Management with broad industry experiences and market exposure in Southeast Asia and the Central Europe, North Africa and Middle East region.

Prior to joining IHH in 2018, Nili was the Director of Risk Management and Business Process for Eagle Hills Properties in Abu Dhabi, United Arab Emirates where she oversaw the risk management and business process improvement functions for the group.

Preceding this, she was attached to Iskandar Investment Berhad for six years, holding several roles including the Innovation Chief, spearheading the Innovation initiatives for the organisation, and Head of Risk Management & Compliance where she was responsible for setting up the function.

#### Academic/Professional Qualification(s)

- Bachelor of Arts (Hons) in Accounting and Finance of Lancaster University, UK
- Certified Integrity Officer (CeIO) of Malaysia Anti-Corruption Academy

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### Prof Abdul Aziz Baba

President, IMU Health Sdn Bhd

Nationality: Malaysian

Gender: Male

Age: 67 (As at 31 March 2023)

Date of Appointment: 1 July 2013

#### Work Experience

Professor Abdul Aziz Baba was promoted as the President of IMU Health Sdn Bhd, a wholly-owned subsidiary of IHH Healthcare Berhad (IHH), on 1 January 2018. Since 1 January 2016, he is also the Chief Executive Officer and Vice-Chancellor of IMU Education Sdn Bhd, a wholly-owned subsidiary of IHH, responsible for operating the International Medical University (IMU). Prior to assuming this role, Prof Aziz served as Vice President of IMU since 1 November 2013, a role he was promoted to since joining IMU in 1 July 2013 as Vice President with responsibility for the Medical and Dental Programmes.

Before he joined IMU, Prof Aziz held several key academic administrative positions at the School of Medical Sciences (SMS) of Universiti Sains Malaysia (USM). These included the positions of Dean (2005–2012) and Deputy Dean (2003–2005). Preceding this he served as a Professor (2000), Associate Professor (1992) and Lecturer and Clinical Haematologist/Oncologist at USM's SMS, following the completion of his postgraduate training in 1986. During his tenure with USM, Prof Aziz was instrumental in establishing the Clinical Haematology and Stem Cell Transplantation service at USM's teaching hospital, HUSM.

Prof Aziz undertook his undergraduate medical training at the University of Melbourne on a Colombo Plan scholarship and graduated in November 1979. He subsequently trained in Internal Medicine, Haematology and Medical Oncology at several leading overseas institutions in Singapore, Scotland and Melbourne, Australia.

His past national appointments include President of the Malaysian Society of Haematology and Chairman of the National Conjoint Board for Postgraduate Medical Programmes, as well as Chairman of the Specialist Advisory Committee (Clinical Haematology) of the National Specialist Register. Prof Aziz has also been a member of the Malaysian Medical Council (MMC) and has served the MMC on several accreditation visits to local and foreign medical institutions.

Currently, he is the Secretary-General of the Vice Chancellors' Council for Private University (VCCPU) and serves as a member of the Joint Technical Committee of the Malaysian Medical Council and the Executive Committee of the National Cancer Council Malaysia (MAKNA).

#### Academic/Professional Qualification(s)

- Bachelor of Medicine and Bachelor of Surgery (MBBS), University of Melbourne, Australia
- Membership of the Royal Colleges of Physicians of the United Kingdom
- Membership of the Royal College of Physicians of Ireland, Dublin
- Fellow of the Royal College of Physicians of Edinburgh (UK)
- Member, Academy of Medicine Malaysia

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### Jean-François Naa

Chief Executive Officer,  
IHH Healthcare Malaysia

Nationality: Belgian

Gender: Male

Age: 56 (as of 31 March 2023)

Date of Appointment: 1 March 2020

#### Work Experience

Mr. Jean-François Naa was appointed the Chief Executive Officer (CEO) of IHH Healthcare Malaysia on 1 March 2020. He provides the strategic direction and maintains high standards of operational and clinical excellence for IHH's integrated healthcare businesses in Malaysia, which includes a network of 16 hospitals encompassing Gleneagles Hospitals, Pantai Hospitals and Prince Court Medical Centre, as well as ancillary services such as Pantai Integrated Rehab and Pantai Premier Pathology, and a chain of primary care clinics under Twin Towers Medical Centre.

Mr. Jean-François has more than 25 years' experience in the healthcare industry and has held the role of Chief Executive Officer of several IHH Healthcare entities since 2012. He has been the Chief Executive Officer of Gleneagles Hospital Medini Johor and Gleneagles Hospital Kota Kinabalu in Malaysia, Regional Chief Executive Officer of South and East Malaysia and interim Chief Executive Officer of IHH Healthcare India. In Singapore, he was the covering Chief Executive Officer for Gleneagles Hospital Singapore, Deputy Chief Executive Officer for Mount Elizabeth Novena Hospital and Chief Executive Officer of Gleneagles Clinical Research Centre.

Mr. Jean-François spent the early part of his career in sales and marketing for the pharmaceutical industry in Europe. He joined Novartis in 2002 as the Oncology Medical Advisor/Clinical Research Manager before being appointed as Programme Coordinator, Asia Pacific for Novartis Oncology. In 2006, he became the General Manager of Novartis Pharmaceuticals to oversee the business in Indochina. In 2009, Jean-François took on the role of Vice President of Primary Care at Astra Zeneca in Thailand.

#### Academic/Professional Qualification(s)

- Master of Sciences, Engineer in Biochemistry and Biotechnology, HEPL, Liege, Belgium
- Genetic engineering specialisation, EU scholarship program, Comett, France
- Oncology preceptorship, Baylor College of Medicine, USA

#### Notes

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### Dr Prem Kumar Nair

Chief Executive Officer,  
IHH Healthcare Singapore

Nationality: Singaporean

Gender: Male

Age: 62 (As at 31 March 2023)

Date of Appointment: 1 April 2020

#### Work Experience

Dr Prem Kumar Nair oversees the operations and management of IHH's business units in Singapore, which includes Mount Elizabeth, Mount Elizabeth Novena, Gleneagles and Parkway East hospitals, primary healthcare group Parkway Shenton, as well as ancillary and education entities such as Parkway Radiology, Parkway Rehab, Parkway Cancer Centre and Parkway College. As the Country CEO for Singapore, he also plays a decisive role in IHH Singapore's strategic growth and outreach efforts in overseas markets, ensuring that Singapore remains an attractive and trusted option for patients in the region.

Dr Nair is a physician and healthcare executive with over three and a half decades of experience in both public and private healthcare sectors. He was with Raffles Medical Group for 27 years, where he held concurrent roles as Chief Corporate Officer, and Managing Director for Singapore Healthcare. He is an Adjunct Associate Professor at the National University of Singapore's Saw Swee Hock School of Public Health.

An active community citizen, Dr Nair was a recipient of the Public Service Medal (Pingat Bakti Masyarakat) and the Public Service Star (Bintang Bakti Masyarakat) at the 2010 and 2022 National Day Awards respectively, for his contributions to the Singapore Prison Service. He is also a Justice of the Peace.

#### Academic/Professional Qualification(s)

- Bachelor of Medicine & Surgery, National University of Singapore
- Master of Business Administration (Distinction), Manchester Business School, United Kingdom

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### Tahsin Güney

Chief Executive Officer,  
Acibadem Saglik Yatirimlari Holding A.S

Nationality: Turkish

Gender: Male

Age: 56 (As at 31 March 2023)

Date of Appointment: 1 March 2019

#### Work Experience

Mr Tahsin Güney was appointed as the Chief Executive Officer of Acibadem Saglik Yatirimlari Holding A.S on 1 March 2019. He is a highly experienced healthcare professional with deep knowledge on hospital operations and management. He first joined Acibadem in 2008 as Planning and Business Development Director and has served as Deputy General Manager since 2013.

Armed with a Bachelor's degree in Public Administration and a Master's degree in Actuarial Science and Statistics, Mr Tahsin Güney started his career in 1990 as an Assistant Inspector at Turkiye's Social Security Agency, where he rose through the ranks to become Acting President and Acting President of the Board in 2008.

He was one of the top leading bureaucrats during the social security and general health insurance reform studies in Turkiye between 2003-2008.

#### Academic/Professional Qualification(s)

- Bachelor of Public Administration, Middle East Technical University, Ankara, Turkiye
- Master of Actuarial Science and Statistics, City University, London, UK

#### Notes

- Does not have any family relationships with any directors and/or any major shareholders of the Company
- Does not have any conflict of interest with the Company
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# Corporate Governance Overview Statement

## Our Commitment to Good Corporate Governance

At IHH Healthcare Berhad (IHH or the Company), together with its subsidiaries (the Group), we strongly believe that sound corporate governance practices are essential for delivering shareholder value, enhancing business integrity, maintaining investors' confidence and achieving the Group's corporate objectives and vision.

The Board, Management and employees of the Group are committed to achieving and maintaining the highest standards of corporate governance. We continuously strive to refine the Group's corporate governance practices and processes and shall always uphold the pillars of corporate governance such as ethical behaviour, accountability, transparency and sustainability.

The Board is committed to ensure that the Group's Corporate Governance Framework complies with the following requirements and guidelines:

- Companies Act 2016;
- Malaysian Code on Corporate Governance (MCCG);
- Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities); and
- Bursa Securities Corporate Governance Guide.

The Board is pleased to present this statement, pursuant to Paragraph 15.25 of the MMLR, for the financial year ended 31 December 2022 (CG Overview Statement) in respect of the following principles:

**Principle A – Board Leadership and Effectiveness;**

**Principle B – Effective Audit and Risk Management;** and

**Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.**

The CG Overview Statement shall be read together with the Corporate Governance Report 2022, which is available on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance/corporate-governance-reports>.

## Principle A – Board Leadership and Effectiveness

### 1. Board Responsibilities

The Board directs and oversees the management of the business and affairs of IHH and the Group, with the goal of achieving long-term success of the Company and delivering sustainable value to its stakeholders. Apart from making major policy decisions, the Board determines the strategic direction of the Company, ensures that the necessary resources are in place for the Company to meet its objectives and oversees the Management's execution of strategy and financial performance. Together with Management, the Board sets the tone from the top by providing thought leadership, championing good corporate governance culture within the Company and formalising and committing to ethical values.

The Board is also mindful of their wider obligations and considers the impact their decisions will have on the Group's

various stakeholders such as its patients, employees, shareholders, the community and the environment as a whole. Sustainability considerations have been integrated in corporate strategy, governance and decision-making to create sustainable value to its stakeholders.

### Board Charter

The Board Charter describes the roles and responsibilities of the Board, Board Committees, individual Directors and Management. The Board Charter contains, among others, the principles for the operation of the Board and has a formal schedule of matters specifically reserved for the Board's decision.

The Board Charter is available for reference on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

The Board reviews the Board Charter as and when it deems fit to ensure its applicability to the Company's operating environment and to align with the applicable rules and regulations. The Board Charter was last reviewed and approved for adoption by the Board in June 2020.

### Limits of Authority

The Limits of Authority (LOA) is a Group policy which prescribes the authority limits for the Board, Board Committees, Managing Director & Chief Executive Officer (MD & CEO) and Senior Management personnel, to facilitate compliance with the principles of good corporate governance. Although the operations of the Group are governed by the LOA, the overall management and control of the business and affairs of the Group are vested in the Board. Where necessary, the Board shall review the LOA to fit the Group's operating environment. The LOA was last updated in February 2020.

### Corporate Integrity

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board has, since 2013, established a Code

of Conduct (the Code) which has been implemented throughout the Group. The Code provides for the ethics and standard of conduct expected of all employees when performing their roles for the Group. The Code was last reviewed and approved by the Board in November 2020 for adoption on 1 January 2021.

The Group has also established a Third Party Code of Conduct which outlines the minimum standards for compliance by third parties in all business dealings with the Group. The Group expects all third parties with business dealings with the Group to comply with all applicable laws, regulations and standards as well as the Third Party Code of Conduct.

The Board has also put in place a Board of Directors Conflict of Interest Policy since 2018 which provides a framework for all Directors of IHH and its subsidiaries in relation to disclosure of actual or potential conflicts of interest and the protocol in managing the conflicts.

In August 2019, the Group established the Anti-Bribery and Corruption Policy (ABC Policy) which spells out the steps required in managing, escalating, assessing, preventing and reporting any potential or actual bribery and corruption during the course of business. IHH Group is committed to conducting its business with integrity and has a zero-tolerance policy against all forms of bribery and corruption. The ABC Policy was last revised in August 2022.

The ABC Policy is aligned with the Whistleblowing Policy (further details as elaborated below) and the Code, aims to further enhance the Group's existing processes in combating bribery and corruption consistent with the corporate liability provisions under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Read about the Code, Third Party Code of Conduct and ABC Policy at <https://www.ihhhealthcare.com/investors/corporate-governance>.

### Whistleblowing Policy

It is in the interest of our stakeholders that we maintain confidence in the integrity of the operations of IHH and all its operating subsidiaries. We have established a confidential reporting procedure that enables external parties, suppliers, contractors, key stakeholders, shareholders and employees to raise concerns to prevent or deter improper activities. A Whistleblowing Policy is in place within the Group since 2013 and it ensures that whistleblowers are protected from reprisals or victimisation as a result of making the information known in good faith.

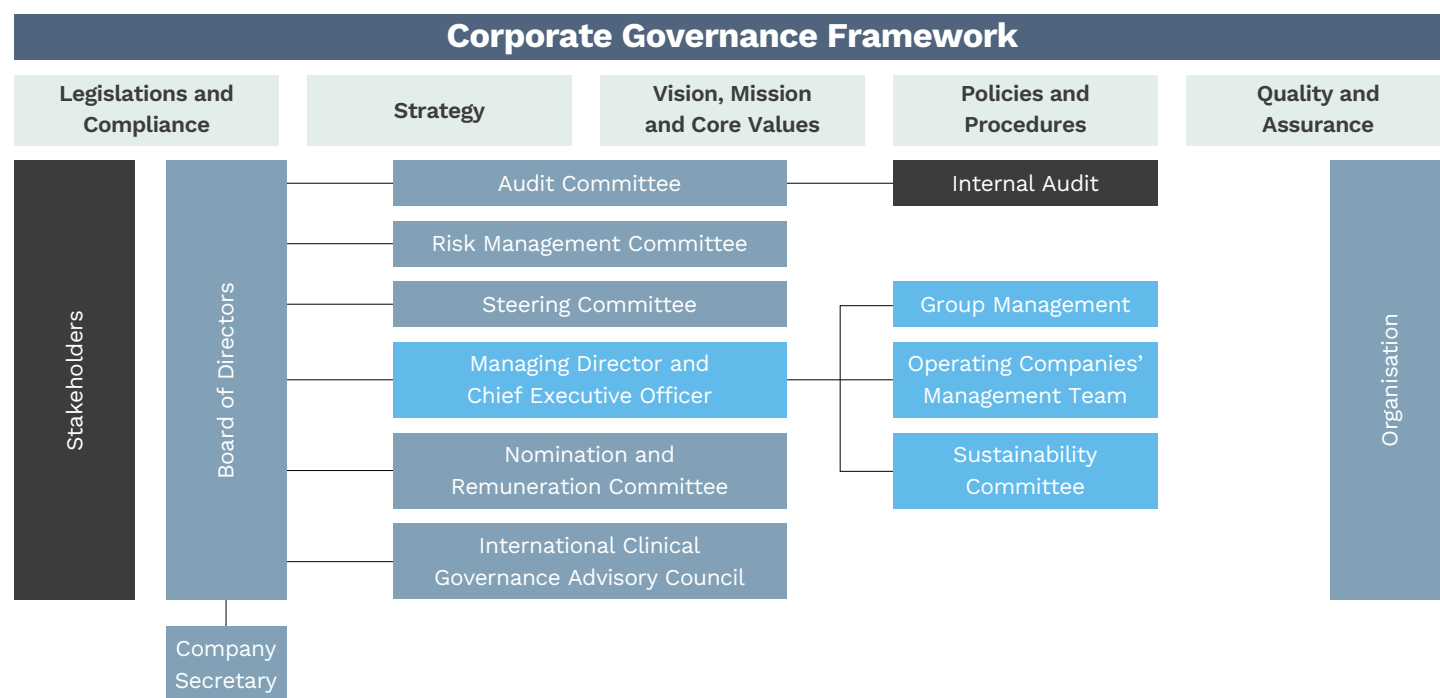
Read about our Whistleblowing Policy at <https://www.ihhhealthcare.com/investors/corporate-governance>.

### Division of Roles and Responsibilities between the Chairman and the MD & CEO

At IHH, the roles and responsibilities of the Chairman and MD & CEO are separated and clearly defined in the Board Charter in line with best practices. The separation of the positions of the Chairman and MD & CEO promotes accountability and facilitates the division of responsibilities between them so that no one individual can influence the Board's discussion and decision-making.

The Chairman is responsible for the leadership of the Board in its collective oversight of Management and is instrumental in creating the necessary conditions inside and outside the boardroom. The Chairman promotes and oversees the highest standards in the adoption and implementation of good corporate governance practices within the Board and Company. The Chairman also sets the Board agenda, leads board meetings and discussions, encourages active participation and allows dissenting views to be freely expressed as well as ensures proper governance of the board proceedings.

The MD & CEO focuses on the business and the day-to-day management of the Company, in line with the strategy and objectives approved by the Board.





## Corporate Governance Overview Statement

### Board Committees

Board Committees are set up to manage specific tasks for which the Board is responsible within clearly defined Terms of Reference (TOR). This ensures that the members of the Board can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues. The Chairman of each Board Committee reports to the Board on salient matters discussed at the respective Board Committee meetings.

The Board has to date established the following Board Committees:

- Audit Committee (AC)
- Risk Management Committee (RMC)
- Nomination and Remuneration Committee (NRC)
- Steering Committee (SC)

The Board Chairman is not a chairman or member of the AC, RMC and NRC of the Company. Board committee meetings are conducted separately from the board meetings to enable objective and independent discussion during the meetings.

The TOR of the relevant Board Committees are available on the Company's website at <https://www.ihhealthcare.com/investors/corporate-governance>.

### Audit Committee

The AC's primary role is to assist the Board in fulfilling its statutory and fiduciary responsibilities for oversight of the quality and integrity of the accounting, auditing and financial reporting of the Group and monitoring the effectiveness of the systems of internal control. To achieve these, the AC oversees the reports of external and internal auditors and safeguards the integrity of financial reporting, as well as ensures a sound system of internal controls to safeguard and enhance enterprise value. It also oversees the implementation of the Whistleblowing Policy for the Group.

The composition and the summary of meetings attended by the AC members, as well as the activities carried out by the AC, are set out separately in the AC Report as laid out on pages 108 to 110 of this Annual Report.

### Risk Management Committee

The RMC assists the Board in overseeing the establishment and implementation of the risk management framework of the Group by Management so that the Group has in place a sound, effective and robust risk management and internal control framework. The RMC also assists the Board in fulfilling its key risk oversight responsibilities in an integrated and strategic manner and provides oversight, direction and guidance to Management on the Group's risk management matters.

The composition and the summary of meetings attended by the RMC members, as well as the activities carried out by the RMC, are set out separately in the RMC Report as laid out on pages 111 to 112 of this Annual Report.

### Nomination and Remuneration Committee

In relation to the nomination responsibilities, the NRC plays a key role in the oversight of the nomination and selection process of the Board members (including fit and proper assessments) and Senior Management, assesses and monitors the composition and effectiveness of the Board and undertakes development needs and succession planning initiatives for the Board and the Group as a whole.

In relation to the remuneration responsibilities, the NRC is responsible for recommending and reviewing remuneration policies, the remuneration framework and performance measures of the individual Directors and Senior Management.

The composition and the summary of meetings attended by the NRC members, as well as the activities carried out by the NRC, are set out separately in the

NRC Report as laid out on pages 103 to 107 of this Annual Report.

### Steering Committee

The SC functions to assist the Board in reviewing the Group's long-term and short-term strategies, evaluating major transactions, material borrowings, any investment projects, financial management (such as operating budgets, capital expenditures, cashflow, dividend payout, etc.), broad procurement strategy and procurement and tender processes that any of the Group entities may undertake.

The SC comprises the following members:

#### Chairman:

Tan Sri Mohammed Azlan bin Hashim

#### Members:

Tomo Nagahiro  
(Appointed on 16 February 2023)

Lim Tsin-Lin  
(Appointed on 16 February 2023)

Mehmet Ali Aydinlar

Mok Jia Mei  
(As an Alternate Member of the Steering Committee to Lim Tsin-Lin since 1 March 2023) (Previously an Alternate Member to Dr. Farid bin Mohamed Sani until her resignation as Alternate Director to Dr. Farid bin Mohamed Sani on 10 February 2023)

Dr Kelvin Loh Chi-Keon  
(Ceased on 22 February 2023)

Takeshi Saito  
(Ceased on 27 January 2023)

Dr Farid bin Mohamed Sani  
(Ceased on 10 February 2023)

### Company Secretaries

The Board has ready and unrestricted access to the advice and services of the Company Secretaries. The Company Secretaries support the Board in its leadership role, discharge of fiduciary duties and as stewards of governance. They provide an important advisory role to the Board on issues relating to corporate governance and compliance with applicable statutory and regulatory rules.

### Summary of Board Activities in the financial year 2022

Pursuant to the Board Charter, the Board, among others, performed the following roles and responsibilities during the financial year 2022:

Focus Area	Key Discussion Topics
Strategy	<ul style="list-style-type: none"> <li>• Governing and setting of the strategic direction of the Group. The Board ensures that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.</li> <li>• Reviewing, challenging and deciding on Management's proposals for the Group and monitoring its implementation by Management.</li> <li>• Conducting regular and formal board strategy review on the achievement of the performance against the balanced scorecard (BSC), a strategy execution tool.</li> </ul>
Operations	<ul style="list-style-type: none"> <li>• Overseeing the conduct of the Group's businesses, including supervising and assessing Management's performance to determine whether the business is being managed properly.</li> <li>• Ensuring that the necessary resources are in place for the Company to meet its objectives and review Management's performance.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• Reviewing and approving financial statements and the Company's annual reports.</li> </ul>
Risk, Compliance and Internal Controls	<ul style="list-style-type: none"> <li>• Ensuring that there is a sound framework for internal controls and risk management.</li> <li>• Understanding the principal risks of the Group's business.</li> <li>• Ensuring the implementation of appropriate systems to manage these risks and that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.</li> <li>• Ensuring the integrity of the Company's financial and non-financial reporting.</li> <li>• Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems to safeguard and enhance enterprise value.</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Setting the Company's core values and standards, and ensuring that the Company's obligations to the Company's shareholders and other stakeholders are understood and met.</li> <li>• Together with Management, promoting good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour.</li> <li>• Together with Management, implementing its policies and procedures, which include managing conflict of interest, preventing the abuse of power, corruption, insider trading and money laundering.</li> <li>• Undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, its Committees, each individual Director as well as the Board Chairman.</li> <li>• Determining the remuneration of Directors and Management in accordance with the MCCG, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• Setting the Group's sustainability strategies, priorities and targets and taking into account sustainability considerations when exercising its duties including among others the development and implementation of the Group's strategies, business plans, major plans of action and risk management.</li> <li>• Ensuring that the Group's sustainability strategies, priorities, targets and achievements are communicated by Management to its internal and external stakeholders.</li> <li>• Taking appropriate action to ensure the Directors stay abreast with the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.</li> </ul>
Succession Planning	<ul style="list-style-type: none"> <li>• Establishing succession plans including appointing, training, fixing the compensation of and replacing key management including ensuring that Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Management.</li> </ul>
Investor Relations	<ul style="list-style-type: none"> <li>• Developing and implementing an Investor Relations programme and shareholders' communication policy to enable effective communication with stakeholders.</li> </ul>

## Corporate Governance Overview Statement

The Board held its Board Growth Forum (Growth Forum) in October 2022 to review the Group’s performance and set the Group’s strategic directions and aspirations. The Growth Forum was attended by the Directors, Senior Management and the relevant Heads of Department of the Group. At the Growth Forum, the Board and Management discussed the Group’s strategic directions and priorities and established common understanding of the Group’s strategic goals, objectives and actions moving forward for a sustainable business.

The Board is committed to acting in the best interests of the Group and its shareholders by exercising due diligence and care in discharging its duties and responsibilities to ensure that high ethical standards are applied at all times. This is undertaken through compliance with the relevant rules, regulations, directives and guidelines, in addition to adopting the best practices in the MCCG and CG Guide.

### Board Commitment

The Board commitment can be observed from the attendance of Directors at the

Board meetings as depicted below and the attendance of Directors at the Board Committee meetings as disclosed in the respective Board Committee reports in this Annual Report.

During the financial year under review, the Board met eleven times for its meetings, of which five meetings were pre-scheduled and the remaining six meetings were convened on ad-hoc basis. The details of the attendance of the Board members during the financial year under review are as follows:

Director	Designation	Total Meetings Attended
Tan Sri Mohammed Azlan bin Hashim	Chairman, Independent Non-Executive Director	11/11
Dr Kelvin Loh Chi-Keon (Resigned on 22 February 2023)	Managing Director and Chief Executive Officer, Non-Independent Executive Director	9/11*
Takeshi Akutsu (Appointed on 1 April 2022)	Non-Independent Non-Executive Director	5/8*
Takeshi Saito (Resigned on 27 January 2023)	Non-Independent Non-Executive Director	7/11**
Dr Farid bin Mohamed Sani (Resigned on 10 February 2023)	Non-Independent Non-Executive Director	11/11
Mehmet Ali Aydinlar	Non-Independent Non-Executive Director	11/11
Tunku Alizakri bin Raja Muhammad Alias (Resigned on 16 March 2023)	Non-Independent Non-Executive Director	11/11
Jill Margaret Watts	Independent Non-Executive Director	11/11
Dato’ Muthanna bin Abdullah	Independent Non-Executive Director	11/11
Ong Ai Lin	Independent Non-Executive Director	11/11
Satoshi Tanaka	Independent Non-Executive Director	11/11
Masato Sugahara (Resigned on 31 March 2022)	Non-Independent Non-Executive Director	3/3

Notes:

\* Did not participate in the meetings held during the financial year due to conflict as per IHH’s Conflict of Interest Policy

\*\* Did not participate in three meetings held during the financial year due to conflict as per IHH’s Conflict of Interest Policy

During the financial year under review, the Non-Executive Directors met among themselves without the presence of the MD & CEO and other Management.

### Embedding Sustainability into Business Strategy and Operations

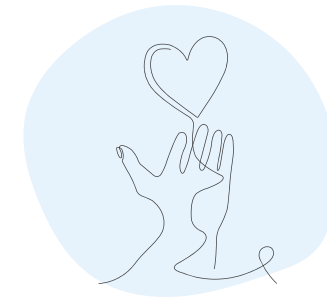
IHH recognises that it has a responsibility to the global community in contributing towards a healthy and sustainable future. To do this, we focus on areas where opportunities for our business intersect with positive social and environmental impact.

The Board ensures that there are adequate processes and frameworks in place for the ongoing sustainability of the business and to maximise value for shareholders and other key stakeholders. The Board, assisted by the Board Committee and Sustainability Committee which is chaired by the MD & CEO, ensures that the Company has in place a sound and robust risk management and internal control framework and ensures that such framework has been effectively implemented to enhance the Company’s

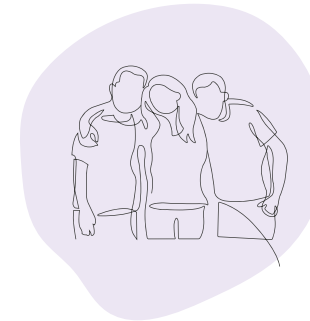
ability to achieve its strategic objectives for purposes of building trust and brand value of the Group for long term sustainability of the organisation.

IHH’s shared aspiration is as follows:

- Our vision to be the world’s most trusted healthcare services network;
- Our purpose to touch lives and transform care;
- Our commitment to provide greater good to our patients, our people, the public and our planet.



**Patients**  
Our patients are the reason for our existence. Our relentless pursuit of excellence stems from an innate desire to empower our patients and to offer them accessible, personalised care with the best possible outcomes.



**People**  
Our employees are the heartbeat of our organisation who make our purpose to touch lives and transform care possible. We bring out the best in them by investing in their development and total well-being, as well as by fostering a safe, enriching and inclusive workplace.



**Public**  
Beyond being a trusted partner to governments during healthcare crises, we leverage on our medical expertise and partnerships to create a healthier society through medical intervention, health literacy and outreach programmes.



**Planet**  
Slowing climate change is the need of the hour. We are charting our sustainability roadmap with the aim to first reduce our carbon footprint and waste.

We anchor our sustainability approach to make a positive impact on our patients, our people, the public and our planet. We strive to provide excellent care and outcomes to our patients; champion total well-being, development and inclusiveness for our people; give back to the communities in which we operate; while protecting our only home – our planet.

The Group has established a Sustainability Policy which provides guiding principles on how the culture of sustainability should be promoted across the Group. The Sustainability Policy complements the Group’s approach to sustainability by expanding on the key focus areas of IHH’s sustainability strategy.

The Sustainability Policy is available on the Company’s website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

The details of the Company’s approach to sustainability are set out separately in the Sustainability Section as laid out

on pages 42 to 44 and pages 64 to 72 of this Annual Report, the Sustainability Report and the Corporate Governance Report which are available on the Company’s website at <https://www.ihhhealthcare.com/investors/reports-presentation/reports-and-presentations>.

### 2. Board Composition and Effectiveness

Our Board consists of individuals of different backgrounds, academic qualifications, experience, knowledge and skills. This allows the Board as a whole to draw on a diverse yet balanced group of individuals to provide insights, perspectives and independent judgement to lead and steer the business of the Group.

#### Independent Directors

Independent Directors are appointed to ensure objectivity to the oversight function of the Board and evaluate the performance and well-being of the Company without having any conflict of interest or undue influence. They act independently of Management

and are free from any business or other relationships that could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

IHH aspires to have a majority of Independent Non-Executive Directors (INED) on the Board and the Board views that the appointment of new INEDs on the Board should be based on the skillsets and not be restricted to the independent element.

As at the end of the financial year under review, there were thirteen members on the Board comprising five INEDs, five NINEDs, one Non-Independent Executive Director and two Alternate Directors. Therefore, the INEDs made up 45% of the Board Composition (excluding two Alternate Directors). As at the date of the statement, the Board comprised of eleven members, namely five INEDs, five NINEDs and one Alternate Director, of which the INEDs made up 50% of the Board Composition (excluding Alternate Director).

## Corporate Governance Overview Statement

IHH's Policy on Nomination and Assessment process of Board Members (Policy) provides that an INED which reaches 9 years of cumulative tenure shall be subject to an annual assessment by the Board and the Board will provide justifications if it intends to seek annual shareholders' approval at annual general meeting in the event that it wishes to retain the INED beyond his/her 9-year tenure. The Company shall apply the two-tier voting process consistent with the provisions of the MCCG when seeking such shareholders' approval. The Policy provides that an INED must not remain as an independent director for a period of more than 12 years.

### Diversity Policy

The Company recognises that a Board comprising individuals of diverse backgrounds and perspectives, serving a common purpose, is a compelling competitive advantage for the Company. The Board leverages on the strengths of the differences in skills, regional and industry experience, background, age, race, gender and other qualities of our Directors in maintaining a competitive advantage. These differences are considered in determining the optimum composition of the Board. The criteria, process and requirements to be undertaken by the NRC and Board in discharging their responsibilities in terms of nomination, assessment and re-election of the Board members are set out in the Policy. Besides the above, the Company has also adopted a Boardroom Diversity Policy which sets out the approach to diversity on the Board including gender, age, cultural background and ethnic diversity.

The Group has implemented a Workforce Diversity Policy which is applicable to employees of the Group across all the regions within which IHH operates. In 2022, each market has set their own Diversity, Equity, Inclusion and Belonging strategies for workforce in their respective balanced scorecard (BSC) which were being rolled up to the Group's BSC.

The Group aims to achieve a gender diversity target of 50:50 in leadership by the end of the financial year 2025 as part of the Group's sustainability agenda.

Read about our Boardroom Diversity Policy and Workforce Diversity Policy at <https://www.ihhhealthcare.com/investors/corporate-governance>.

### Directors' Fit and Proper Policy

During the financial year, the Company has also adopted the Directors' Fit and Proper Policy which set out the fit and proper criteria for the appointment and re-appointment of Directors on the Boards of the Company and its subsidiaries. This Policy serves as a guide for the NRC and the Board in their assessments of the existing Directors seeking for re-election or re-appointment and candidates identified to be appointed as Directors. The Directors' Fit and Proper Policy is available on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

### Board Composition, Dynamics and Effectiveness

As at 31 December 2022, the details of the Board diversity (excluding two Alternate Directors) are as follows:

#### a. Tenure

Tenure	Number of Directors
0 – 3 years	5
3 – 6 years	4
6 – 9 years	–
9 years and above	2

#### b. Independence

Independence	Number of Directors
Independent Directors	5
Non-independent Directors	6

#### c. Gender Diversity

Gender	Number of Directors
Male	9
Female	2

#### d. Age Diversity

Age	Number of Directors
40 – 49 years	2
50 – 59 years	3
60 – 69 years	6

The Board and NRC have assessed and reviewed the Board size at the end of financial year 2021 and were of the view that it is appropriate.

### Annual Evaluation

The Board undertakes an annual evaluation to determine the effectiveness of the Board, Board Committees and each individual Director.

In the financial year under review, the Board had carried out the annual Board and Director Effectiveness evaluation (BDEE) on the effectiveness of the Board, Board Committees, individual Directors, individual AC members, INEDs, MD & CEO, and external and internal auditors. This was conducted internally and facilitated by the NRC/AC and Company Secretaries.

The BDEE was carried out through questionnaires and discussions were held at the NRC and Board meetings in relation to the outcomes and improvement plans. During the BDEE exercise, in addition to the areas of assessment, Board members had provided feedback on the areas of improvement.

The assessment of the Board and Board Committees covered, among others, the following areas:

Board	Board Committees	Individual AC members
<ul style="list-style-type: none"> <li>Board composition, development and structure</li> <li>Board leadership</li> <li>Board governance oversight and processes</li> <li>Sustainability governance</li> <li>Board agenda, meetings and information</li> <li>Board dynamics and culture</li> <li>Board and management relationship</li> <li>Board and stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>Composition and experience of members</li> <li>Fulfilment of objectives in line with their respective TORs</li> <li>Effectiveness and efficiency of decision-making process</li> <li>Quality of information communicated to the Board</li> <li>Effectiveness of the Board Committees' Chairmen</li> </ul>	<ul style="list-style-type: none"> <li>Execution of responsibilities, financial literacy and the understanding of business/industry</li> <li>Understanding of significant accounting policies, accounting estimates and financial reporting practices</li> <li>Understanding of significant financial and non-financial risks</li> <li>Internal control systems and risk management practices</li> </ul>

Based on the BDEE exercise carried out for financial year 2022, the NRC and Board opined that the Board and Board Committees have consistently performed well during the financial year, have discharged their duties and responsibilities satisfactorily and each of the Director possesses the required character, experience, integrity, competence and time to effectively discharge his or her respective roles; and the Independent Directors have continuously brought independent and objective judgement to the Board deliberations.

Overall, the results of the BDEE in respect of the financial year under review demonstrated that the Board is working well given its organisational model and board structure and that the Directors have demonstrated a high level of commitment to their fiduciary duties and have consistently fulfilled their responsibilities as members of the

Board and relevant Board Committees. The Board will take the necessary actions in respect of areas that could be further strengthened.

The Board assessed each of the Directors seeking re-election at the Thirteenth Annual General Meeting (AGM) and upon assessing the Directors' performance, commitment, ability to discharge their fiduciary duties to the Company, fitness and propriety, the Board agreed that they are eligible to stand for re-election and supported their re-election as Directors of the Company. Please refer to the explanatory notes of the Notice of Thirteenth AGM for further details on this matter.

### Directors' Training

The Board acknowledges the importance of continuous education for the Directors and encourages all Directors to attend appropriate programmes, courses and seminars in order to stay abreast of

the relevant business development and the outlook in the industry and to ensure that they are equipped with the necessary skills and knowledge to perform their duties and responsibilities as Directors. The Company also organises an onboarding programme and orientation for new Directors.

The organisation of such programmes internally is facilitated by the Company Secretaries. The Directors attend trainings on a consistent basis to keep abreast of the latest trends and developments. A few facilities visits were arranged for the Directors during the financial year under review.

Takeshi Akutsu and Mok Jia Mei, who were appointed as Director of the Company and Alternate Director of Dr. Farid bin Mohamed Sani respectively during the financial year 2022, attended the Mandatory Accreditation Programme.

## Corporate Governance Overview Statement

The training programmes attended by the Directors during the financial year 2022 are as follows:

Director	Training, Conferences, Seminars, Workshops Attended
Tan Sri Mohammed Azlan bin Hashim	<ul style="list-style-type: none"> <li>i. Public Listed Companies – Transformation Programme Launch &amp; Guidebook</li> <li>ii. Board Continuous Development Programme Series #5: Taskforce for Climate-related Financial Disclosures</li> <li>iii. Visit to Singapore Hospital and Laboratory Facilities</li> <li>iv. MSWG Webinar – Cyber Security: “What’s Directors Need to Know”</li> <li>v. Thought Leadership (TLS #3): Board and Leadership Talk – Wellness Leadership</li> <li>vi. Visit to Acibadem Hospital and Laboratory Facilities</li> <li>vii. KNB Board Continuous Development Programme 7</li> <li>viii. Forbes Global CEO Conference</li> <li>ix. Visit to Proton Beam Therapy Centre</li> <li>x. KNB Megatrend Forum 2022</li> </ul>
Dr Kelvin Loh Chi-Keon (Resigned on 22 February 2023)	<ul style="list-style-type: none"> <li>i. 40<sup>th</sup> Annual J.P. Morgan Healthcare Conference</li> <li>ii. 18<sup>th</sup> Annual CITIC CLSA ASEAN Forum 2022</li> <li>iii. SGX-DBS Healthcare Conference “Reshaping Healthcare post COVID-19: Permanent vs Transient”</li> <li>iv. 25<sup>th</sup> Credit Suisse Asian Investment Conference 2022</li> <li>v. Winning on Purpose Bain Senior Executive Conversations</li> <li>vi. Orientation briefing for new Director</li> <li>vii. Bursa + Maybank Malaysia Healthcare Day</li> <li>viii. New Economy Health Council</li> <li>ix. Visit to Proton Beam Therapy Centre</li> <li>x. IHH Quality Summit 2022</li> <li>xi. LED – Environmental, Social and Governance Essentials (Core)</li> <li>xii. Visit to Acibadem Hospital and Laboratory Facilities</li> </ul>
Takeshi Akutsu (Appointed on 1 April 2022)	<ul style="list-style-type: none"> <li>i. Bursa Malaysia Mandatory Accreditation Programme (MAP)</li> <li>ii. IHH Board Orientation Programme</li> <li>iii. Visit to Singapore Hospital and Laboratory Facilities</li> <li>iv. Strategy for the effective Public Relations and Branding</li> <li>v. Visit to Acibadem Hospital and Laboratory Facilities</li> <li>vi. Facility Visit to Gleneagles Hospital Kuala Lumpur</li> <li>vii. Strategic Research Institute Customization Seminar</li> <li>viii. Strategic Research Institute Seminar</li> <li>ix. Seminar for Business Environment Analysis Report 2023</li> </ul>
Takeshi Saito (Resigned on 27 January 2023)	<ul style="list-style-type: none"> <li>i. Visit to Singapore Hospital and Laboratory Facilities</li> <li>ii. Visit to Acibadem Hospital and Laboratory Facilities</li> <li>iii. Facility Visit to Gleneagles Hospital Kuala Lumpur</li> <li>iv. Visit to Proton Beam Therapy Centre</li> </ul>
Dr Farid bin Mohamed Sani (Resigned on 10 February 2023)	<ul style="list-style-type: none"> <li>i. Visit to Singapore Hospital and Laboratory Facilities</li> <li>ii. Visit to Proton Beam Therapy Centre</li> <li>iii. Visit to Acibadem Hospital and Laboratory Facilities</li> <li>iv. Industry Expert Talk Series – IR 4.0: Preparing and Adapting to a New World</li> <li>v. Digital Explorer Pathway</li> </ul>

Director	Training, Conferences, Seminars, Workshops Attended
Mehmet Ali Aydinlar	<ul style="list-style-type: none"> <li>i. Visit to Singapore Hospital and Laboratory Facilities</li> <li>ii. Visit to Acibadem Hospital and Laboratory Facilities</li> </ul>
Tunku Alizakri bin Raja Muhammad Alias (Resigned on 16 March 2023)	<ul style="list-style-type: none"> <li>i. Steward Leadership: The 21<sup>st</sup> Century Model for Profitable Growth</li> <li>ii. SC Engagement, Internal Training for Board of Directors and Shariah Committee</li> <li>iii. Visit to Singapore Hospital and Laboratory Facilities</li> <li>iv. SIDC’s Sustainable and Responsible Investment (SRI) Virtual Conference 2022: Preserving The Climate Through Sustainable Business and Living</li> <li>v. Onboarding Sessions with PDB Business Heads</li> <li>vi. Malaysia Aviation Group Berhad Board Onboarding Session</li> <li>vii. Visit to Acibadem Hospital and Laboratory Facilities</li> <li>viii. PETRONAS Dagangan Requirement Under Bank Negara Malaysia Guidelines Applicable to PDB</li> <li>ix. PETRONAS Board Conversation Series: A session with Dr. Fiona Wild, VP Sustainability &amp; Climate Change at BHP</li> </ul>
Jill Margaret Watts	<ul style="list-style-type: none"> <li>i. Innovation Roadmap</li> <li>ii. Environmental and Sustainability Forum</li> <li>iii. Visit to Singapore Hospital and Laboratory Facilities</li> <li>iv. Visit to Acibadem Hospital and Laboratory Facilities</li> <li>v. Human Rights Risk Management for Malaysian companies</li> <li>vi. Emerging Giants in Asia Pacific</li> <li>vii. Asia Pacific Board leadership Forum</li> <li>viii. Competition, Culture &amp; Success</li> </ul>
Dato’ Muthanna bin Abdullah	<ul style="list-style-type: none"> <li>i. Securities Commission of Malaysia’s Audit Oversight Board Conversation with Audit Committees/ Audit, Governance of Risk Committee</li> <li>ii. Visit to Singapore Hospital and Laboratory Facilities</li> <li>iii. Net Zero Emissions – The Pathway to Business Resilience</li> <li>iv. Visit to Acibadem Hospital and Laboratory Facilities</li> <li>v. Beyond Box-Ticking: Essentials for Effective Remuneration Committees</li> <li>vi. The Emerging Trends, Threats and Risks to the Financial Services Industry – Managing Global Risk, Investment and Payment System</li> </ul>
Ong Ai Lin	<ul style="list-style-type: none"> <li>i. BNM-FIDE FORUM MyFintech Week Masterclasses</li> <li>ii. BNM-FIDE FORUM Dialogue: Climate Risk Management and Scenario Analysis</li> <li>iii. Overview on Corruption Risk Management (CRM) &amp; Organisational Anti-Corruption Plan (OACP)</li> <li>iv. The Golden Key to Zero Trust Security</li> <li>v. Visit to Singapore Hospital and Laboratory Facilities</li> <li>vi. Malaysian Institute of Accountants’ International Accountants Conference 2022</li> <li>vii. Visit to Acibadem Hospital and Laboratory Facilities</li> </ul>
Satoshi Tanaka	<ul style="list-style-type: none"> <li>i. Visit to Singapore Hospital and Laboratory Facilities</li> <li>ii. The Latest Trends in Human Capital Management and Initiatives to Enhance Corporate Value</li> <li>iii. Responsibilities of Directors (Focusing on legal compliance and subsidiary management)</li> <li>iv. Digital from a Management Perspective</li> </ul>

## Corporate Governance Overview Statement

Director	Training, Conferences, Seminars, Workshops Attended
Tomo Nagahiro (Appointed on 3 February 2023. Previously an Alternate Director to Takeshi Akutsu until his resignation as Alternate Director to Takeshi Akutsu on 27 January 2023)	<ul style="list-style-type: none"> <li>i. Visit to Singapore Hospital and Laboratory Facilities</li> <li>ii. Strategy for the effective Public Relations and Branding</li> <li>iii. Visit to Acibadem Hospital and Laboratory Facilities</li> <li>iv. Facility Visit to Gleneagles Hospital Kuala Lumpur</li> <li>v. Strategic Research Institute Customization Seminar</li> <li>vi. Strategic Research Institute Seminar</li> <li>vii. Seminar for Business Environment Analysis Report 2023</li> </ul>
Mok Jia Mei (Alternate Director to Lim Tsin-Lin) (Appointed on 16 February 2023 as Alternate Director to Lim Tsin-Lin. Previously an Alternate Director to Dr. Farid bin Mohamed Sani until her resignation as Alternate Director to Dr. Farid bin Mohamed Sani on 10 February 2023)	<ul style="list-style-type: none"> <li>i. Visit to Malaysia Hospitals</li> <li>ii. Bursa Malaysia Mandatory Accreditation Programme (MAP)</li> <li>iii. IHH Board Orientation Programme</li> <li>iv. Visit to Singapore Hospital and Laboratory Facilities</li> <li>v. AMCHAM Healthcare Forum 2022: Charting the Future of Healthcare in Malaysia</li> <li>vi. Visit to Acibadem Hospital and Laboratory Facilities</li> <li>vii. Introduction to Corporate Directorship</li> <li>viii. Information Barrier and Insider Trading</li> <li>ix. Digital Explorer Pathway</li> <li>x. Visit to Proton Beam Therapy Centre</li> </ul>

The Board satisfied that the trainings attended by the Directors in year 2022 were sufficient, appropriate and aided the Directors in the discharge of their duties.

During the financial year under review and as part of the BDEE, the Directors completed the assessment of their individual areas for development. The findings of this technical competency assessment would be used to determine the training and development needs of the Directors. The Directors were encouraged to attend relevant training programmes to enhance their ability in discharging their duties and responsibilities as Directors.

### 3. Remuneration

As the Company grows, we believe in providing appropriate remuneration

for our talents by aligning pay and performance against the key strategic drivers of our long-term growth. Our policy on Directors' remuneration serves to attract, retain and motivate capable Directors to manage the Group successfully. The remuneration has been carefully aligned with industry practices, taking into account the appropriate calibre of each Director, while upholding the interests of our shareholders.

The Executive Directors' remuneration package is designed in such a way that it links the rewards to corporate and individual performance. The NRC is responsible for reviewing and recommending to the Board the policy and framework of the Directors' remuneration and the remuneration package for our Executive Director.

In the process, the NRC may receive advice from external consultants for the recommendation of the Group's remuneration policy. The Board takes the ultimate responsibility of approving the remuneration of the Executive Director and the Executive Director does not participate in discussions and decisions on his own remuneration.

The Non-Executive Directors' (NEDs) remuneration package reflects the merits, valuable contribution and level of responsibilities undertaken by the individual NED. The Board determines the fees payable to NEDs, and individual Directors do not participate in decisions regarding their own remuneration package.

The details of aggregate remuneration of Directors for the financial year ended 31 December 2022 are as follows:

No	Name	Directorate	Company (RM'000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Mohammed Azlan bin Hashim	Independent Director	950	-	-	-	28	-	978
2	Dr. Kelvin Loh Chi-Keon (Resigned on 22 February 2023)	Executive Director	-	Negligible	1,396	5,429	21	1,830	8,676
3	Takeshi Akutsu <sup>1</sup> (Appointed on 1 April 2022)	Non-Executive Non-Independent Director	215	-	-	-	-	-	215
4	Takeshi Saito <sup>1</sup> (Resigned on 27 January 2023)	Non-Executive Non-Independent Director	485	-	-	-	-	-	485
5	Dr. Farid bin Mohamed Sani <sup>2</sup> (Resigned on 10 February 2023)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-
6	Mehmet Ali Aydinlar	Non-Executive Non-Independent Director	385	-	-	-	-	-	385
7	Tunku Alizakri bin Raja Muhammad Alias (Resigned on 16 March 2023)	Non-Executive Non-Independent Director	485	-	-	-	-	-	485
8	Jill Margaret Watts	Independent Director	660	-	-	-	-	-	660
9	Dato' Muthanna bin Abdullah	Independent Director	660	-	-	-	-	-	660
10	Ong Ai Lin	Independent Director	660	-	-	-	-	-	660
11	Satoshi Tanaka	Independent Director	485	-	-	-	-	-	485
12	Tomo Nagahiro (Appointed on 3 February 2023. Previously an Alternate Director to Takeshi Akutsu until his resignation as Alternate Director to Takeshi Akutsu on 27 January 2023)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-
13	Mok Jia Mei (Alternate Director to Lim Tsin-Lin) (Appointed on 16 February 2023 as Alternate Director to Lim Tsin-Lin. Previously an Alternate Director to Dr. Farid bin Mohamed Sani until her resignation as Alternate Director to Dr. Farid bin Mohamed Sani on 10 February 2023)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-
14	Masato Sugahara <sup>1</sup> (Resigned on 31 March 2022)	Non-Executive Non-Independent Director	70	-	-	-	-	-	70
15	Wong Eugene (Alternate Director to Dr. Farid bin Mohamed Sani) (Resigned on 21 February 2022)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-
<b>Total</b>			<b>5,055</b>	<b>Negligible</b>	<b>1,396</b>	<b>5,429</b>	<b>49</b>	<b>1,830</b>	<b>13,759</b>

#### Notes

- Fees for representatives of MBK Healthcare Management Pte Ltd on the Board are paid directly to Mitsui & Co., Ltd.
- Pulau Memutik Ventures Sdn Bhd had waived the fees payable for its representative on the Board of the Company.

## Corporate Governance Overview Statement

No	Name	Directorate	Group (RM'000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Mohammed Azlan bin Hashim	Independent Director	950	-	-	-	28	-	978
2	Dr. Kelvin Loh Chi-Keon (Resigned on 22 February 2023)	Executive Director	-	Negligible	4,846	5,429	140	6,473	16,888
3	Takeshi Akutsu <sup>1</sup> (Appointed on 1 April 2022)	Non-Executive Non-Independent Director	215	-	-	-	-	-	215
4	Takeshi Saito <sup>1</sup> (Resigned on 27 January 2023)	Non-Executive Non-Independent Director	910	-	-	-	-	-	910
5	Dr. Farid bin Mohamed Sani <sup>2</sup> (Resigned on 10 February 2023)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-
6	Mehmet Ali Aydinlar	Non-Executive Non-Independent Director	2,639	-	-	-	-	1,132	3,771
7	Tunku Alizakri bin Raja Muhammad Alias (Resigned on 16 March 2023)	Non-Executive Non-Independent Director	485	-	-	-	-	-	485
8	Jill Margaret Watts	Independent Director	660	-	-	-	-	-	660
9	Dato' Muthanna bin Abdullah	Independent Director	660	-	-	-	-	-	660
10	Ong Ai Lin	Independent Director	660	-	-	-	-	-	660
11	Satoshi Tanaka	Independent Director	485	-	-	-	-	-	485
12	Tomo Nagahiro (Appointed on 3 February 2023. Previously an Alternate Director to Takeshi Akutsu until his resignation as Alternate Director to Takeshi Akutsu on 27 January 2023)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-
13	Mok Jia Mei (Alternate Director to Lim Tsin-Lin) (Appointed on 16 February 2023 as Alternate Director to Lim Tsin-Lin. Previously an Alternate Director to Dr. Farid bin Mohamed Sani until her resignation as Alternate Director to Dr. Farid bin Mohamed Sani on 10 February 2023)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-
14	Masato Sugahara <sup>1</sup> (Resigned on 31 March 2022)	Non-Executive Non-Independent Director	70	-	-	-	-	-	70
15	Wong Eugene (Alternate Director to Dr. Farid bin Mohamed Sani) (Resigned on 21 February 2022)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-
<b>Total</b>			<b>7,734</b>	<b>Negligible</b>	<b>4,846</b>	<b>5,429</b>	<b>168</b>	<b>7,605</b>	<b>25,782</b>

### Notes

- Fees for representatives of MBK Healthcare Management Pte Ltd on the Board are paid directly to Mitsui & Co., Ltd.
- Pulau Memutik Ventures Sdn Bhd had waived the fees payable for its representative on the Board of the Company.

### Senior Management's Remuneration

There is a framework in place which defines the IHH Remuneration philosophy and includes compensation tools such as pay ranges (based on market data) of different levels of Senior Management according to job grade structure and location. A review of the job grade structure has been undertaken to enable consistent adoption and application across the Group.

The Company's remuneration policy is based on competitive and market-aligned guidelines, taking into account the different levels of Senior Management according to roles, responsibilities and levels of accountability.

The Board determines all bonuses and share-based payments, where applicable, at the recommendation of the NRC. This is done after reviewing the individual performance appraisals and achievements of the key performance indicators of the Group's Balanced Scorecard, which was approved by the Board. This ensures that the remuneration packages for our Senior Management are fair, equitable, competitive and commensurate with their individual performance, taking the Group's performance into consideration.

### Principle B – Effective Audit and Risk Management

#### 1. Audit Committee

The AC plays a crucial role in assisting the Board to fulfil its oversight responsibilities through review of financial information and provides an unbiased review of the effectiveness and efficiency of the Group's internal controls. The AC comprises four INEDs from diverse backgrounds with extensive experience in healthcare, banking, business strategy, risk management, legal, cybersecurity and corporate governance. All the AC members are financially literate, competent and are able to understand matters under the purview of the AC including the financial reporting process.

### Review of External Auditors

In line with market practice, the Company performs a major review of our external auditors every five years, except for under certain circumstances as determined by the Board. Management assesses the industry expertise and experiences, technical competencies, Group coordination and approach to the Group audit process, audit quality, transparency and professional conduct, track records, fees, quality of audit findings, other non-services provided and audit firm's independence and subsequently recommends their appointment or reappointment to the AC for consideration.

As per the Policy in the Independence of Auditors and the Efficiency of Audits, which was revised and approved by the Board in May 2022, the permitted non-audit services for the external auditors are confined to those services that will not undermine the independence of the auditors. There is a prescribed limit for the total remuneration for non-audit services against the total fees of the external auditors in each year to avoid creating a condition of financial dependency and self-interest which will threaten the independence of auditors.

On an annual basis, Management will review the service levels of the auditors, agree on amendments to their scope of work to address new developments in the business and recommend their reappointment to the AC.

The annual evaluation of the external auditors is also carried out via evaluation forms by the MD & CEO, Group Chief Financial Officer, Group Head, Internal Audit and the AC. The evaluated areas include objectivity and independence, technical competence and ability, understanding of IHH Group's businesses and industry, resources assigned and capability of the engagement partner and engagement team, as well as the ability to provide constructive observations, recognise implications and make recommendations in areas needing

improvement, particularly with respect to the organisation's internal control system over financial reporting. The AC and Management also took into consideration the information presented in the external auditors' Annual Transparency Report when evaluating the external auditors.

### Oversight of Financial Reporting

The Board, assisted by the AC, oversees the financial reporting processes and the quality of the financial reporting by the Group. The AC reviews the quarterly financial results and audited financial statements which are then approved by the Board before their release to Bursa Securities and Singapore Exchange Securities Trading Limited (SGX).

Please refer to the following reports/statements as contained in this Annual Report for further details:

- Directors' Responsibility Statement for the audited financial statements of the Company and the Group on page 124;
- Company and the Group financial statements for financial year ended 31 December 2022 on pages 126 to 266; and
- AC Report on pages 108 to 110.

### 2. Risk Management and Internal Control Framework

Organisations worldwide face a wide range of uncertain internal and external factors that may affect the achievement of their objectives. Risk Management focuses on identifying and evaluating threats and opportunities across the Group while Internal Control helps mitigate threats and take advantage of opportunities. The RMC assists the Board to oversee the Group's overall risk management framework and quality delivery of the Group's medical services, with the assistance of the International Clinical Governance Advisory Council (ICGAC).

## Corporate Governance Overview Statement

The RMC comprises three INEDs from diverse backgrounds, namely healthcare, banking, business strategy, risk management, legal, cybersecurity and corporate governance. These appointed members have been carefully chosen for their sound judgement, objectivity, integrity, management experience and keen knowledge of the industry.

The Board is of the view that the system of internal control and risk management in place during the financial year 2022 is sound and sufficient to safeguard the Group's assets and shareholders' investments, as well as the interests of customers, regulators, employees and other stakeholders.

Please refer to the AC Report, RMC Report and Statement on Risk Management and Internal Control as laid out on pages 108 and 110, pages 111 to 112 and pages 113 to 118 respectively of this Annual Report for further details on the risk management and internal control framework of the Group.

### Internal Audit

A key duty of the AC is to oversee the Company's internal controls. The independent internal audit function of the Group is an important resource to help carry out this responsibility. Apart from the IMU Group, Gleneagles Hong Kong and Parkway Life Real Estate Investment Trust, the Group's Internal Audit function is undertaken in-house supported by co-sourcing with independent external subject matter experts, where necessary, and reports directly to the AC. The internal audit function of Fortis Healthcare Limited Group is undertaken in-house and supported by outsourced independent internal audit firms periodically. The Group's Internal Audit is guided by international standards and professional best practices of Internal Audit. Group Internal Audit uses structured risk-based and strategic-based approaches to develop its strategic audit plan, which is reviewed and approved by the AC at least annually.

The internal audit function is further disclosed in the AC Report and Statement on Risk Management and Internal Control on pages 108 to 110 and pages 113 to 118 respectively of this Annual Report.

## Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

### 1. Engagement with Stakeholders

The Group recognises the importance of effective and timely communication with stakeholders to keep them informed of the Group's latest financial performance and business matters affecting the Company. Having open, clear and timely communication is a key thrust to building confidence and trust between the Group and its stakeholders, shareholders and the investing community at large. Management is committed to providing information that accurately and fairly represents the Group to ensure our stakeholders have clear and factual insights into the Group's strategy, financial performance and all material matters affecting the Company through announcements made on Bursa Securities and SGX including the Company's quarterly financial results. The Company ensures that its communication with various stakeholders through various means complies with the following criteria:

In view of the Company's dual listing status, we adopt the MCCG and Singapore Code of Corporate Governance, as well as the disclosure obligations under the MMLR and the Mainboard Rules of SGX, where applicable, in all our communications.

Please refer to pages 38 to 41 of this Annual Report for more about how the Company engages our key stakeholders and pages 119 to 121 of this Annual Report for our Investor Relations Report section on shareholder engagement.

### 2. Conduct of General Meetings

#### AGM

IHH regards accountability as a key value for our stakeholders and shareholders. Shareholders are invited to attend or participate virtually at our AGM, the Group's principal platform for meaningful dialogue between private and institutional shareholders with the Board and Management of the Group. This platform also offers the opportunity for the Group to obtain constructive and valuable feedback from IHH's shareholders.

Before proceeding with the agenda of the AGM, the business strategy, operational and financial performance of the Group during the year under review and an overview of the growth strategies of the Group moving forward would be presented to the shareholders. This accords our shareholders with a better understanding of the growth trajectory of the business and returns on their investment.

IHH values the feedback and input from our stakeholders. Shareholders are encouraged to participate in the proceedings and in the event the AGM is held on a virtual basis, shareholders may pose questions in real-time whilst the meeting is in progress. We ensure sufficient time is provided for shareholders to ask questions on the Group's

performance, and on any resolutions proposed, with the Board members and Management being available to address concerns raised by them.

During the AGM, queries raised by the Minority Shareholder Watch Group (MSWG) on IHH's business or other pertinent governance issues raised prior to the AGM, and feedback, are shared with all shareholders. In addition, the results of the voting of each resolution are immediately announced after the voting and verification process by the independent scrutineers.

The Notice and agenda of the AGM, together with the Form of Proxy, are given to shareholders at least 28 days prior to the AGM. This gives shareholders sufficient time to prepare to attend or appoint a proxy or proxies to attend and vote on their behalf. Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of the issues involved.

The Chairman of the Board ensures that the AGM supports meaningful interactive engagement and robust discussions between the Board, Senior Management and shareholders. All Directors and Senior Management attend or participate virtually and are available at the AGM to address shareholders' questions relating to functions and activities within their purview, unless another pressing commitment precludes them from doing so.

The minutes of the general meetings will be published on IHH's corporate website no later than 30 business days after the conclusion of the general meeting.

The shareholders also can channel feedback and pose questions to the Company via [info@ihhhealthcare.com](mailto:info@ihhhealthcare.com).

In support of the Government of Malaysia's ongoing efforts to contain the spread of the Coronavirus (COVID-19) and the Government's advice of physical distancing, the Company held its Twelfth AGM on 31 May 2022 on a virtual basis entirely via Remote Participation and Electronic Voting (RPEV) facilities, pursuant to Section 327(2) of the Companies Act 2016 and Clause 78 of the Company's Constitution.

## Key Focus Areas and Future Priorities

Moving forward, the Company will continue working towards achieving higher standards of corporate governance. To achieve this objective, the Board has identified the following key focus areas and future priorities in relation to the corporate governance practices.

### 1. Board Independence

At the end of the financial year, the INEDs made up 45% of the Board comprising eleven members (excluding two Alternate Directors). The INEDs reinforce the objectivity and impartiality of the Board. The Board believes the current board composition provides the appropriate balance in terms of skills, knowledge, experience and independent elements to promote the interests of all shareholders and to govern the Group effectively.

Presently, there is a proper check and balance provided by the INEDs and by the representatives of different shareholders. Additionally, there is no single largest shareholder who is controlling the Company through Board representation.

The Board acknowledges that promoting good corporate governance practices is an ongoing process and, as such, the Board will continuously assess and implement relevant measures to enhance and safeguard the Board's independence in the long term whilst simultaneously ensuring it remains dynamic and in line with the needs of the Group.

The infographic consists of three circular icons connected by a horizontal dotted line. Each icon is enclosed in a larger, light-colored circle. Below each icon is a bolded title and a descriptive sentence.

- Transparent**: Information will be released in a balanced and fair manner. (Icon: Scales of justice)
- Accurate**: Information should be complete and accurate when released. (Icon: Target with arrow)
- Consistent and Timely**: All stakeholders will receive the same information through broad public dissemination, which is made as and when possible. (Icon: Circular arrows)

## Corporate Governance Overview Statement

### 2. Women Representation on Board

At the end of the financial year, the Board had two women Directors, representing approximately 18% of the Board composition (excluding Alternate Directors). Notwithstanding that there are less than 30% women Directors, the Board is comprised of Directors with diverse backgrounds, international expertise, experience and culture, all of whom contribute to the diverse perspectives and insights to the Board decisions.

The Board does not specify a target for boardroom gender diversity. In ensuring Board diversity, the Board aims to achieve synergies of thinking through diverse cultures, experience, skills, etc. rather than just in terms of gender as the appointment of Board members should be based on objective criteria, merit and with due regard for diversity.

Nevertheless, the Board remains committed in its efforts to actively continue to work towards having at least 30% women representation on the Board depending on the availability of the right candidates and the requirements of the Board from a skills perspective.

### 3. Sustainability

The Board and the Board Committees will oversee the effective delivery of strategies, priorities and targets identified under our Sustainability Goals in an integrated and strategic manner to support the Group's long-term strategy and success. Led by the MD &

CEO, the Sustainability Committee comprised of country CEOs, Group Head of Sustainability, the Executive Leads assigned to each material matter, and the Sustainability Stewardship team (assigned by respective country CEOs). The Sustainability Committee monitors regulatory obligations, sustainability trends, sustainability key performance indicators and strategy execution, ensuring the implementation of sustainability initiatives across the Group's operations.

### Compliance Statement

IHH's corporate governance structure is central to the operation of the Board and the Group, and maintaining its high standards is critical for our sustainable growth.

In this vein, we continuously explore new measures to refine the Company's governance framework to improve our system of policies and procedures to meet the expectations of our stakeholders. We strive towards a model of governance that reflects our culture of performance, compliance and accountability. We are committed to strengthening the Group's position and status as the world's most trusted healthcare services network and the Group's aspiration to Care. For Good.

The Board has reviewed, deliberated upon and approved this CG Overview Statement and the Corporate Governance Report 2022 in line with the practices and guidance of the MCCG and in accordance with the resolution of the Board, dated 29 March 2023.

# Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee was first established on 18 April 2012 prior to its division into the Nomination Committee (NC) and Remuneration Committee (RC) on 1 July 2018. On 28 May 2021, functions of the NC and RC have been combined into the Board Committee known as the Nomination and Remuneration Committee (NRC).

## Roles of the NRC

The NRC's primary role is to assist the Board in fulfilling its fiduciary responsibilities relating to the review and assessment of the nomination and selection process of Board members and Senior Management, review of Board and Senior Management succession plans and talent management, assessment of the Board, its Committees and each individual Director's performance, evaluation of the training and development needs of the Board members as well as implementation of policies and procedures on remuneration, including reviewing the Group's executive remuneration policy, remuneration framework and performance measures criteria and the various incentive or retention schemes implemented by the Group.

In carrying out its duties and responsibilities, the NRC has the following authorities:

- Perform the activities required to discharge its responsibilities

and make recommendations to the Board;

- Select, engage and seek approval from the Board (within the Group's Limits of Authority) for fees for professional advisors that the NRC may require to carry out its duties;
- Have full and unrestricted access to information, records, properties and employees of the Group;
- Seek input from the concerned individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration; and
- Have access to the advice and services of the Company Secretary.

## Terms of Reference

The NRC is governed by a clearly defined and documented Terms of Reference (TOR). The NRC's TOR is reviewed and updated from time to time, as the need arises, to ensure that it

remains up-to-date and in conformity with the applicable regulations and Group's policies. The TOR of the NRC was last reviewed and approved for adoption by the Board in May 2021.

The TOR of the NRC is published on the Company's website at <https://www.ihhealthcare.com/investors/corporate-governance>.

## Composition and Meetings

The NRC is comprised exclusively of Non-Executive Directors, a majority of whom are independent and represent an appropriate balance and diversity of skills, experience, gender and knowledge.

The NRC met six times during the year under review. The composition of the NRC and the attendance record of its members for the year under review are as follows:

Director	Designation	Total Meetings Attended
Dato' Muthanna Bin Abdullah (Chairman)	Independent Non-Executive Director	6/6
Jill Margaret Watts (Member)	Independent Non-Executive Director	6/6
Ong Ai Lin (Member)	Independent Non-Executive Director	6/6
Satoshi Tanaka (Member)	Independent Non-Executive Director	5/6
Takeshi Akutsu (Member) (Appointed on 16 February 2023)	Non-Independent Non-Executive Director	Not Applicable
Lim Tsin-Lin (Member) (Appointed on 16 February 2023)	Non-Independent Non-Executive Director	Not Applicable
Takeshi Saito (Member) (Ceased on 27 January 2023)	Non-Independent Non-Executive Director	6/6
Dr Farid bin Mohamed Sani (Member) (Ceased on 10 February 2023)	Non-Independent Non-Executive Director	4/6
Tunku Alizakri Bin Raja Muhammad Alias (Member) (Ceased on 16 March 2023)	Non-Independent Non-Executive Director	6/6



## Nomination and Remuneration Committee Report

The NRC meetings were attended by the Managing Director & Chief Executive Officer (MD & CEO) and Group Chief Human Resources Officer together with other relevant members of the Senior Management and professional advisors engaged on particular subject matters, upon invitation by the NRC.

Minutes of the NRC meetings would be circulated to all members for comments and the decisions made by the NRC would be communicated to the relevant process owners for action. The Chairman of the NRC would provide a report highlighting significant points of the decisions and recommendations made by the NRC to the Board and significant matters reserved for the Board's approval, if any.

### Summary of Activities

During the financial year under review, the NRC carried out the following key activities:

1. Assessed and recommended to the Board, the composition of the Board of Directors of the subsidiaries;
2. Recommended the re-election of Directors at the Twelfth Annual General Meeting (AGM) to the Board for consideration;
3. Assessed the Board and Board Committees' composition, performance, quality, skills, competencies and effectiveness for the year 2021;
4. Assessed the performance and achievement of the key performance indicators of the Group for 2021 against the approved balanced scorecard (BSC);
5. Conducted performance evaluation of the MD & CEO;
6. Deliberated and recommended to the Board for approval, the BSC framework of the Group for the year 2022 and 2023, taking into account the Company's sustainability strategies, priorities and targets;
7. Deliberated on IHH Talent Review and Succession Planning;
8. Reviewed the Non-Executive Directors fees from 1 July 2022 until 30 June 2023;
9. Discussed and recommended to the Board for approval, the bonus and salary increment (where applicable) for the Group and long term incentive grant for the eligible employees of the Group upon assessing the performance of the Group for year 2021 and 2022;
10. Discussed and recommended to the Board for approval, the retention plans for selected roles in key markets;
11. Discussed the potential enhancements to the long term incentive strategy of IHH;
12. Discussed and recommended to the Board for approval, the refreshed Remuneration Philosophy for BCR
13. Reviewed and recommended to the Board for approval, the NRC Report for inclusion in the Annual Report 2021;
14. Reviewed and recommended to the Board for approval, the adoption of the Director's Fit and Proper Policy;
15. Discussed and recommended to the Board for approval, the Enterprise Option Scheme grant;
16. Engaged a third-party consultant to undertake the global benchmarking on the Non-Executive Directors' fees and benefits of IHH;
17. Reviewed the Board's annual evaluation forms and agreed on the necessary action arising therefrom;
18. Reviewed and recommended to the Board for approval, the salary revision and contract renewal of certain Senior Management members;
19. Discussed the management activities undertaken in relation to "Employee Voice and Advocacy" which offer employees with opportunities to provide feedback and measurement of the advocacy levels; and
20. Reviewed and recommended to the Board for approval, the alignment of medical benefits for an identified category of staff.

roles to ensure IHH's executive remuneration policy supports IHH's strategy and business objectives, as measured by the BSC and individual key performance indicators;

in terms of the nomination, assessment and re-election of Board members in compliance with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance (MCCG). The Policy on Nomination and Assessment is administered by the NRC.

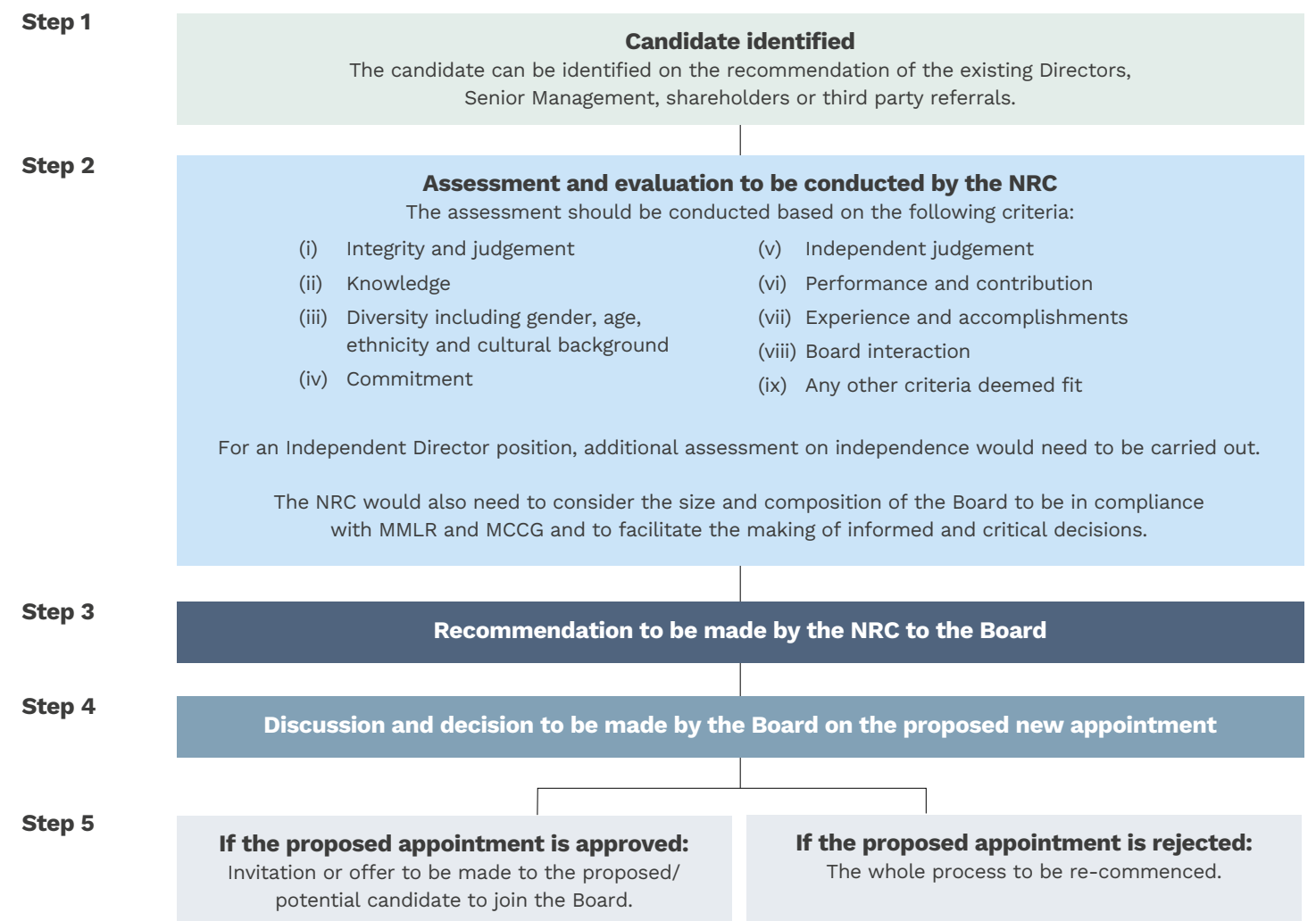
The Group had on 28 November 2022 adopted the Directors' Fit and Proper Policy (F&P Policy) which sets out the

criteria for the appointment and re-appointment of Directors on the Board of the Company and its subsidiaries in compliance with the MMLR of Bursa Malaysia Securities Berhad. The F&P Policy is administered by the NRC and Board and shall be read together with the Policy on Nomination and Assessment.

The process for the appointment of a new director is summarised in the diagram below:

## Selection and Appointment of Directors

The Group has adopted the Policy on the Nomination and Assessment Process of Board Members (Policy on Nomination and Assessment) that sets out the process and requirements to be undertaken by the NRC and Board in discharging their responsibilities



## Nomination and Remuneration Committee Report

### Re-Election of Directors

The NRC ensures that the Directors retire and are re-elected in accordance with the relevant laws and regulations and the Constitution of the Company.

Pursuant to Clause 113(1) of the Constitution of the Company, at least one-third of the Directors (excluding Directors seeking re-election pursuant to Clause 120 of the Constitution of the Company) are required to retire by rotation at each AGM, provided always that all Directors, including the Managing Director and Executive Directors, shall retire from office at least once every three years. A retiring Director is eligible for re-election.

Pursuant to Clause 120 of the Constitution of the Company, any Director so appointed to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next following AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

The Directors recommended to be re-elected at the AGM are subject to prior assessment by the NRC in accordance with the Policy on Nomination and Assessment and they are required to give their consent on their re-election as well as undergo the fit and proper assessment in accordance with the F&P Policy. In assessing the candidates, the NRC takes into consideration, among others, their character, experience, integrity, competence and time to effectively discharge their role as Directors, as well as their contribution and performance based on the performance evaluation undertaken during the year under review. The NRC's recommendations are submitted to the Board for deliberation prior to recommending to the shareholders for approval.

The list of directors who are standing for re-election under Clause 113(1) of the Constitution of the Company and Clause 120 of the Constitution of the Company are as stipulated in the Notice of AGM of the Company.

The NRC was satisfied that the Directors standing for re-election, after having undergone the fit and proper assessment, are competent, have contributed effectively to the Board's deliberations, diligent, committed and have effectively discharged their role as Directors. At the recommendation of the NRC, the Board had at its meeting held on 29 March 2023 agreed to recommend to the shareholders for approval the re-election of the retiring Directors at the Thirteenth AGM.

### Tenure of Independent Directors

The NRC acknowledges the role played by the INEDs in bringing independent and objective judgement to Board's discussions.

Upon reaching nine years of cumulative tenure and beyond, an INED shall be subject to the annual assessment pursuant to the Policy on Nomination and Assessment. Pursuant to the said assessment and subject to the Policy on Nomination and Assessment, the Board will provide justifications when seeking annual shareholders' approval at AGM in the event that it wishes to retain the Director as INED. The Board should undertake a rigorous review to determine whether the "independence" of the Director has been impaired. Findings from the review should be disclosed to the shareholders for them to make an informed decision.

In accordance with the Policy on Nomination and Assessment, an INED must not remain as an INED in such capacity for a period of more than twelve years.

During the financial year under review, none of the INEDs have reached the nine-year tenure.

### Board and Directors' Effectiveness Evaluation

The Board undertakes an annual evaluation to determine the effectiveness of the Board, its committees and each individual director. During the financial year under review, the Board had carried out the annual BDEE exercise conducted internally and facilitated by the Company Secretary.

The BDEE exercise was carried out through questionnaires and discussions were held at the NRC and Board meetings in relation to the outcomes and improvement plans. During the BDEE exercise, in addition to the areas of assessment, Board members had provided feedback on the areas of improvement moving forward.

Based on the BDEE exercise carried out for financial year 2022, the Board concurred with the NRC that the Board and Board Committees have consistently performed well during the financial year, have discharged their duties and responsibilities satisfactorily and possess the required character, experience, integrity, competence and time to effectively discharge his or her respective roles; and the INEDs have continuously brought independent and objective judgement to the Board deliberations.

Overall, the results of the BDEE in respect of the financial year under review demonstrated that the Board is working well given its organisational model and board structure and that the Directors demonstrated a high level of commitment to their fiduciary duties as well as have consistently fulfilled their responsibilities as members of the Board and relevant Board Committees. The Board will take the necessary actions in respect of areas that could be further strengthened.

The details of the process and the findings of the annual performance evaluation are disclosed in the Corporate Governance Report for the financial year ended 31 December 2022 which can be downloaded from corporate website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

### Boardroom Diversity

The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining competitive advantage. Thus, the Board will take the necessary measures to ensure that in every possible event, boardroom diversity will be taken into consideration in the board appointment, as well as annual assessment.

#### Gender Diversity

The Company appreciates the benefits of having gender diversity in the boardroom as a mix-gendered board would offer different viewpoints, ideas and market insights which enables better problem solving to gain competitive advantage in serving an increasingly diverse customer base, compared to the boardroom dominated by one gender.

The Board also takes cognisance of the MCGG to have at least 30% women participation on the board of Large Companies. Large Companies are defined in the MCGG as companies on the FTSE Bursa Malaysia Top 100 Index or companies with market capitalisation of RM2 billion and above. The Company does not set any specific target for women Directors on the Board but will actively continue to work towards having at least 30% women Directors on the Board.

The Company has been and shall continue to provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation on the Board.

Presently, there are two women Directors (excluding an Alternate Director) representing 20% women representation on the Board.

#### Age Diversity

The Board acknowledges the benefits of having diversity in the boardroom in terms of age demographics, which would create professional environments that are rich with experience and maturity, as well as youthful exuberance. The Board with a wide range of age has the advantage of creating a dynamic, multi-generational workforce with a diverse range of skill sets that are beneficial to the Company.

The Company does not set any specific target for boardroom age diversity but will work towards having appropriate age diversity on the Board.

The Company does not fix a maximum age for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company.

The Board is composed of Directors from diversified age groups ranging from the age of 37 to 67, which enables the Board to drive the Group in delivering operational excellence. The Board would be able to tap on information from Directors of different age groups in order to have better understanding of the needs and the sensitivities of the stakeholders in their age group.

#### Cultural Background and Ethnic Diversity

The Board recognises that as today's world becomes increasingly global in its outlook and as the marketplace becomes increasingly global in nature, cultural background and ethnic diversity in the boardroom would be encouraged as it provides advantages that can help a company prosper, including but not limited to, sharing of knowledge in different markets where the Group is operating to enhance the Group's global presence as well as sharing of viewpoints by Directors from different cultural and ethnic backgrounds as when a variety of viewpoints are thrown into the problem-solving mix, new and innovative solutions can be reached.

The Company does not set any specific target for ethnic and cultural background diversity in the boardroom but will work towards having appropriate ethnic and cultural background diversity on the Board.

The Board is comprised of Directors from different ethnic and cultural backgrounds and foreign countries where the Group has significant presence. The Company believes that the Board members from different ethnicity and cultures contribute to more holistic and quality discussions and more effective and feasible ideas compared to a Board with predominantly the same ethnic and culture. Having Board members from different ethnic and cultural backgrounds widens the Board's perspectives, especially when making a decision that touches on issues that are peculiar to a particular ethnic or cultural group or country.

The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age, ethnicity and cultural background, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority and the Board will ensure that Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. Nonetheless, the Company will work towards achieving the appropriate boardroom diversity mix covering gender, age, ethnicity and cultural background to enhance its effectiveness and governance performance.

The NRC is responsible for ensuring that the boardroom diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.

The Boardroom Diversity Policy is accessible for reference on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

# Audit Committee Report

The Audit Committee (AC) was established on 1 July 2018 consequent to the division of the Audit and Risk Management Committee (ARMC) into two separate committees, namely the AC and Risk Management Committee, respectively. The ARMC was established on 18 April 2012.

## Roles of the AC

The AC's primary role is to assist the Board in fulfilling its statutory and fiduciary responsibilities for oversight of the quality and integrity of the accounting, auditing and financial reporting of the Group and monitoring the effectiveness of the systems of internal control.

In carrying out its duties and responsibilities, the AC has the following authority:

- Approve any appointment or termination of senior staff members of the internal audit function;
- Convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary, and such meetings with the external auditors shall be held at least twice a year;
- Obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
- Investigate any matter within its Terms of Reference (TOR), have the resources which it needs to do so and have full and unrestricted access to information pertaining to the Group and the Management whereby all employees

of the Group are required to comply with the requests made by the AC;

- Have direct communication channels to engage with the external auditors and internal auditors and also engage with the Senior Management, such as the Managing Director and Chief Executive Officer (MD & CEO), the Chief Operating Officer and the Chief Financial Officer of the Group and its operating subsidiaries, on a continuous basis in order to be kept informed of matters affecting the Group;
- Appoint an independent party to conduct or to assist in conducting any investigation, upon the terms of appointment to be approved by the AC;
- Authorise the AC Chairman to carry out the AC's responsibilities as required under the Whistleblowing Policy for the Group; and
- Have access to the advice and services of the Company Secretary.

## Terms of Reference

The AC is governed by a clearly defined and established TOR. The AC TOR is reviewed and updated from time to time, as the need arises, to ensure that it remains up-to-date and in conformity with the applicable laws, regulations and the Group's policies. The TOR of the AC was last reviewed and approved by the Board in August 2022.

The TOR of the AC is published on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

## Composition and Meetings

The AC is comprised exclusively of Independent Non-Executive Directors, and no Alternate Director is appointed as a member of the AC. The AC members come from diverse backgrounds with extensive experience in healthcare, banking, business strategy, risk management, legal, cybersecurity and corporate governance. The composition of the AC is in compliance with Paragraph 15.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR).

The Board believes that the composition of the AC provides the appropriate balance in terms of skills, experience, gender and knowledge to ensure the effective functioning of the AC.

During the financial year under review, the AC held seven meetings in total. The composition of the AC and the attendance record of its members for the year under review are as follows:

Director	Designation	Total Meetings Attended
Ong Ai Lin (Chairman)	Independent Non-Executive Director	7/7
Jill Margaret Watts (Member)	Independent Non-Executive Director	7/7
Dato' Muthanna bin Abdullah (Member)	Independent Non-Executive Director	6/7
Satoshi Tanaka (Member)	Independent Non-Executive Director	7/7

The AC meetings were attended by the Senior Management of the Group and Group Head, Internal Audit to brief the AC on agenda items of the AC meetings.

The external auditors also attended and briefed the AC on matters relating to external audit at all the AC meetings held during the financial year and provided a high-level review of the financial position of the Group.

Minutes of the AC meetings were circulated to all members for comments and the decisions made by the AC were communicated to the relevant process owners for action. At the Board meetings, the Chairman of the AC would provide a report, highlight pertinent issues, significant points of the decisions and recommendations made by the AC to the Board and matters reserved for the Board's approval, if any.

## Summary of Activities

During the financial year, the AC carried out the following key activities:

### Financial Reporting

1. Reviewed and recommended to the Board for approval the unaudited quarterly financial results of the Group and the draft announcements pertaining thereto;
2. Deliberated on the report of the external auditors on the audit focus areas and key findings arising from their review of the unaudited quarterly financial results of the Group;
3. Deliberated on the issues arising from the annual statutory audit performed by the external auditors, Management's responses to the audit findings and any changes in or implementation of major accounting policy changes for the financial year ended 31 December 2021;
4. Reviewed and recommended to the Board for approval the Annual Audited

Financial Statements of the Company and the Group for the financial year ended 31 December 2021;

5. Reviewed and recommended to the Board for approval the Condensed Consolidated Interim Financial Statements for each quarter end;
6. Reviewed and approved the external auditors' audit plan and strategy for the financial year ended 31 December 2022;
7. Reviewed and recommended to the Board for approval the revaluation of investment properties of the Group which was undertaken by independent valuers to ensure that the current market value of the investment properties was in compliance with MFRS 140, *Investment Property*;

### External Auditors

8. Recommended to the Board for approval the re-appointment of KPMG PLT as external auditors for the financial year ended 31 December 2022 upon assessing their independence, suitability and performance;
9. Reviewed and recommended to the Board for approval the proposed fees for the annual and one-time audit and non-audit related services rendered by the external auditors for the financial year ended 31 December 2021;
10. Reviewed the effectiveness and suitability of continuing with the existing external audit firm of the Group;
11. Noted KPMG PLT's 2021 Transparency Report;
12. Met with the external auditors twice without the presence of the Executive Director and Management during the year under review to discuss any issues or reservations arising from the audits and any other matters the external auditors may wish to discuss, including but not limited to the cooperation rendered by the

Group's employees to facilitate their audit work;

### Internal Audit

13. Reviewed and approved the internal audit work plan for the financial year ending 31 December 2023 and discussed Internal Audit's focus areas for improvement for the financial year ending 31 December 2023 to ensure that there is adequate scope and comprehensive coverage over the activities of IHH Group and that all high-risk areas are audited annually, as well as the availability of adequate resources within the internal audit team to carry out the audit work;
14. Deliberated on the internal audit reports issued by the internal audit function of the respective operating divisions during the year;
15. Reviewed and approved enhancements to Internal Audit process including greater collaboration across the entire IHH Group and sharing insights cross countries. Additionally, reviewed Internal Audit reports including clinical internal audit areas;
16. Deliberated on the implementation of the management action plans on outstanding issues on a quarterly basis to ensure that all key risks and control weaknesses are being properly addressed until the issues are fully resolved and rectified;
17. Met with the Group Head, Internal Audit, twice, without the presence of the Executive Director and Management during the year under review to obtain feedback on the internal audit activities, audit findings and any other related matters;
18. Reviewed and approved the Internal Audit Charter for the financial year ending 31 December 2023;
19. Deliberated on the whistleblowing cases received by the Group through the whistleblowing communication channel and implementation plan to resolve the issue;

## Audit Committee Report

20. Enhanced the Whistleblowing process by approving amendments for raising awareness across the whole group and engaging an external party to administer a new hot line, making it easier for people to report concerns. Consolidated reporting process to enhance discussion and resolution. Recommended to the Board for approval the revision to the Whistleblowing policy reflecting these enhancements;

21. Reviewed integrity and misconduct cases;

22. Deliberated on the development of the IT and cyber risk universe within the broader enterprise risk management framework as a basis to identify areas for audit focus;

### Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs)

23. Noted the summary report of the RPTs and RRPTs monitoring and tracking by Management to ensure compliance with the MMLR;

24. Discussed the RPTs and RRPTs to be undertaken by the Group and report of the internal auditors in respect of their verifications of the RPTs and RRPTs;

### Verification of the Allocation of Long Term Incentive Plan (LTIP) units and Enterprise Option Scheme (EOS) options

25. Verified the allocation and movement of LTIP units and EOS options respectively for the year 2021 to ensure that it had been carried out in accordance with the approved criteria and matrix as stipulated in the Bye Laws of LTIP and EOS;

### Other Activities

26. Deliberated on the ancillary governance, control and reputational risk reports as highlighted by the ACs of the relevant operating subsidiaries of the Group;

27. Reviewed and recommended to the Board for approval the AC Report and

Statement on Risk Management and Internal Control for inclusion in the Annual Report 2021;

28. Reviewed and recommended to the Board for approval the updated policy on the independence of auditors; and

29. Noted the annual statement by Management in relation to the compliance framework that is implemented in line with the Code of Conduct to Regulate, Monitor and Report Trading in Securities of Specific Indian Companies pursuant to the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

## Group Internal Audit Function

The internal audit function is under the responsibility of the Group Internal Audit (Group IA) department led by the Group Head, Internal Audit. Group IA is independent and reports directly to the AC. Group IA has direct control over internal audit activities in Malaysia, Singapore, China and India (excluding Fortis Healthcare Limited Group which is a publicly listed company in India). Group IA maintains oversight of Acibadem's internal audit activities through close partnership with the internal audit function of Acibadem. Apart from the IMU Group, Gleneagles Hong Kong and Parkway Life Real Estate Investment Trust, the Group's internal audit function is undertaken in-house and supported by co-sourcing with independent external subject matter experts, where necessary. Fortis Healthcare Limited Group undertakes its internal audit function in-house which is also supported by outsourced independent internal audit firms periodically. Group IA has visibility and the ability to influence those internal audit activities at all levels throughout the Group including in respect of those operating companies' internal audit function which are outsourced to independent internal audit firms.

Group IA provides independent, objective assurance on areas of operations reviewed and makes recommendations based on the best practices that will improve and add value to the Group. Group IA identifies, coordinates, monitors and oversees the internal audits that are to be carried out throughout the Group and also provides standards, policies, guidelines and advice to the subsidiaries' internal audit functions to standardise the internal audit activities within the Group.

Group IA adopts a systematic and disciplined approach to evaluate the adequacy and effectiveness of the financial, operational and compliance processes. Structured risk-based and strategic-based approaches are adopted in identifying the internal audit activities that are aligned with the Group's strategic plans to ensure those risks faced by the Group are adequately reviewed. In addition, international standards and best practices are adopted to enhance the relevancy and effectiveness of the internal audit activities.

The internal audit reports are issued to Management for their comments and for them to agree on action plans with deadlines to complete the necessary preventive and corrective actions. The reports and summary of key findings are tabled to the AC for deliberation to ensure that Management undertakes to carry out the agreed remedial actions.

Please refer to the Statement on Risk Management and Internal Control as laid out on pages 113 to 118 of this Annual Report for the summary of the work of the internal audit function undertaken during the year ended 31 December 2022.

The total costs incurred to maintain the internal audit function of the Group in 2022 was RM14.8 million.

# Risk Management Committee Report

The Risk Management Committee (RMC) was established on 1 July 2018 consequent to the division of the Audit and Risk Management Committee (ARMC) into two separate committees, namely the Audit Committee and RMC respectively. The ARMC was established on 18 April 2012.

## Roles of the RMC

The RMC assists the Board in overseeing the establishment and implementation of the risk management framework of IHH group of companies (the Group) by Management so that the Group has in place a sound, effective and robust risk management and internal control framework. The RMC also assists the Board in fulfilling its key risk oversight responsibilities in an integrated and strategic manner and provides oversight, direction, and guidance to Management on the Group's risk management matters.

In carrying out its duties and responsibilities, the RMC has the following authority:

- Obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
- Investigate any matter within its Terms of Reference (TOR), have the resources which it needs to do so and have full and unrestricted access to information pertaining to the Group and the Management, whereby all employees of the Group

are required to comply with the requests made by the RMC;

- Have direct communication channels to engage with Senior Management, such as the Managing Director and Chief Executive Officer (MD & CEO), the Chief Operating Officer and the Chief Financial Officer of the Group and its operating subsidiaries, on a continuous basis in order to be kept informed of matters affecting the Group;
- Appoint an independent party to conduct or to assist in conducting any investigation, upon the terms of appointment to be approved by the RMC; and
- Have access to the advice and services of the Company Secretary.

## Terms of Reference

The RMC is governed by a clearly defined and established TOR. The RMC TOR is reviewed and updated from time to time, as the need arises, to ensure that it remains up-to-date and in conformity with the applicable laws, regulations and the Group's policies. The TOR of the RMC was last reviewed and approved by the Board in February 2022.

The TOR of the RMC is published on the Company's website at <https://www.ihhhealthcare.com/investors/corporate-governance>.

## Composition and Meetings

The RMC is comprised exclusively of Non-Executive Directors, a majority of whom are independent. The RMC members come from diverse backgrounds with extensive experience in healthcare, banking, business strategy, risk management, legal, cybersecurity, and corporate governance.

The Board believes that the composition of the RMC provides the appropriate balance in terms of skills, experience, gender and knowledge to ensure the effective functioning of the RMC.

During the financial year under review, the RMC held four meetings in total. The composition of the RMC and the attendance record of its members for the year under review are as follows:

Director	Designation	Total Meetings Attended
Jill Margaret Watts (Chairman)	Independent Non-Executive Director	4/4
Dato' Muthanna bin Abdullah (Member)	Independent Non-Executive Director	4/4
Ong Ai Lin (Member)	Independent Non-Executive Director	4/4
Tunku Alizakri bin Raja Muhammad Alias (Member) (Ceased on 16 March 2023)	Non-Independent Non-Executive Director	4/4

## Risk Management Committee Report

The RMC meetings were attended by among others, the Senior Management of the Group; Group Head, Risk Management & Compliance; Group Head, Internal Audit; Group Head, Medical & Quality and Group Head of Branding Strategy & Environmental Social Governance to brief the RMC on agenda items of the RMC meetings.

Minutes of the RMC meetings would be circulated to all members for comments and the decisions made by the RMC would be communicated to the relevant process owners for action. At the Board meetings, the Chairman of the RMC would provide a report highlighting pertinent issues, significant points of the decisions and recommendations made by the RMC to the Board and matters reserved for the Board's approval, if any.

### Summary of Activities

During the financial year, the RMC carried out the following key activities:

#### Enterprise Risk Management

1. Reviewed the Group's consolidated Enterprise Risk Management (ERM) reports, including the progress of the ERM transformation, the ERM reports of the respective operating divisions, which covered the ERM reporting status, risk profile, risk priorities and risk mitigation plans to ensure the key risks that arise with the developments in the operating environment are effectively managed;
2. Discussed the internal audit review of the risk management conducted by the internal audit team with support from co-sourced external consultant;

#### Cybersecurity Risk Management

3. Reviewed the reports pertaining to cyber risk, which covered, among others, the cybersecurity risk universe and residual risk profile, cybersecurity threat report, cybersecurity strengthening plan and cybersecurity roadmap assessment and planning, aiming to identify and mitigate any potential cyber threat which may impact the IT systems in the respective units in the Group;

#### Bribery and Corruption Risk Management

4. Reviewed the Group's anti-bribery and corruption risk reports, including the risk profile, key controls and mitigation action plans against possible bribery and corruption, and incident reporting in line with the Group's Anti-Bribery and Corruption Policy;

#### Medical Quality and Clinical Quality Updates

5. Reviewed the reports on Medical Quality and Clinical Quality Updates, which encompassed the following:
  - (i) clinical quality indicators of the Group's operating divisions in Malaysia, Singapore, India, Hong Kong, Türkiye and Brunei with the key objectives of monitoring and assessing the clinical performance of hospitals so as to facilitate continuous quality improvement and benchmarking;
  - (ii) action plans/initiatives undertaken to drive quality improvement activities;

(iii) trend of serious reportable events which highlighted problem areas in clinical performance and opportunities for improvement; and

(iv) the Group's medico-legal litigation cases;

#### Sustainability

6. Discussed the sustainability roadmap and progress;
7. Reviewed and recommended to the Board the approval of the material matters and sustainability governance structure;
8. Reviewed and recommended to the Board the approval of the revised sustainability policy for the Group;
9. Reviewed and recommended to the Board the approval of the Group sustainability goals;
10. Discussed the approach and content of the Sustainability Report for the financial year 2022;

#### Other Activities

11. Reviewed and recommended to the Board for approval the RMC Report, as well as Statement on Risk Management and Internal Control for inclusion in the Annual Report 2021;
12. Reviewed the proposed revisions to the TOR of the RMC to align with the Malaysian Code on Corporate Governance (MCCG) and Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Berhad; and
13. Reviewed and recommended to the Board for approval the setting up of a treasury vehicle and the treasury policy for the Group.

# Statement on Risk Management and Internal Control

The Board of Directors of IHH Healthcare Berhad (IHH or the Company), together with that of its subsidiary companies (the Group), is committed to maintaining a sound system of risk management and internal control. In accordance with Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad, the Board is pleased to provide the following Statement on Risk Management and Internal Control prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

### Board Responsibility

The Board, in discharging its responsibilities, is wholly committed to upholding a sound system of risk management and internal control, as well as to regularly review its adequacy, integrity and effectiveness to safeguard shareholders' investment and the Group's assets.

By nature, the risk management and internal control system is designed to manage key risks that could prevent the Group from achieving its business objectives while maintaining an acceptable risk profile. The systems put in place can only manage risks within tolerable and known levels, rather than completely eliminating the risk of failing to achieve business objectives, due to the limitations inherent in any system of risk management and internal control.

### Control Structure

The Board is assisted by the Audit Committee (AC) which consists of four Independent Non-Executive members of the Board, and the Risk Management Committee (RMC) which consists of three Independent Non-Executive members and one Non-Independent Non-Executive member of the Board.

The Board, through the AC and RMC, maintains risk oversight within the Group to ensure that the implementation of the approved policies and procedures on risks and controls is as intended. The approved policies and appropriate key internal controls have been put in place to mitigate the key risk areas which have been identified and assessed by the respective departments in-charge for the year under review and

up to the date of approval of this statement for inclusion in the annual report.

The Board, through the AC, provides constructive focus and an independent view on the financial reporting process and ensuring Management maintains a sound system of internal controls to safeguard and enhance enterprise value.

The internal control system covers areas of finance, operations and compliance, and provides reasonable assurance that the following objectives have been achieved:

- (i) Reliability and integrity of financial reports;
- (ii) Transparent/appropriate disclosure;
- (iii) Compliance with relevant regulations, policies, procedures and laws;
- (iv) Safeguarding of assets;
- (v) Effective and efficient utilisation of resources; and
- (vi) Ensuring the Group's long-term sustainability

The Board believes that the current internal control system is adequate and adhered to the best of its ability for the year ended 2022. The opinion is based on the following key internal controls practised:

#### Limits of Authority

The Limits of Authority established by the Group serves to govern the operations of all companies within the Group. It encompasses authorised signatories for Procurement and Payment, Treasury, Human Capital Management, Corporate Transactions, Legal Obligations and Documentation; and Donations. It defines

the authority limit for each level of management in the business units and the Group as a whole. Major capital investment, change of business purpose, acquisition and disposal of assets are approved by the Board of the business units and the Board of the Group.

#### Recommendations by Internal Auditors

The Group has an Internal Audit function to review the effectiveness of the material internal controls of the business units, based on the approved annual audit plan. Unannounced visits are sometimes conducted to provide greater assurance.

Consequently, Management ensures that the recommendations made by the Internal Auditors to strengthen and improve the internal controls have been implemented.

#### Performance Monitoring and Budgets

Annual budgets of the business units are consolidated into the IHH Group Budget for approval by the IHH Board.

The IHH Board discusses and monitors the performance of the Group, together with that of the business units, at the quarterly IHH Board Meetings.

#### Procurement and Project Management

There is a Centralised Procurement function in each business unit for major purchases, such as hospital equipment, drugs, maintenance expenditures and expansion projects. This ensures adherence to the Group Procurement Guidelines and provides economies of scale during negotiations.

## Statement on Risk Management and Internal Control

Major expenditures are subject to Tender procedures and evaluated by the Management Tender Committee or IHH Board Steering Committee as appropriate.

There is also a Centralised Project Management office in each business unit to handle and manage major renovation and expansion projects undertaken by the respective business units.

### Legal and Regulatory

The business units adhere strictly to the applicable Acts and Regulations, as required of an institution operating private hospitals, medical clinics, private higher education, and healthcare services. This includes the established Acts and Regulations applicable in the jurisdictions in which the Group operates. Clinical audits are also conducted by the Medical Affairs and Quality Division on an ongoing basis.

### Fraud Prevention

The Board strives to have zero incidences of fraud with strong internal accounting controls, proper segregation of duties in the work processes, and regular audits carried out by the Group Internal Audit team.

The inherent system of internal controls is designed to provide a reasonable, though not absolute, assurance against the risk of fraud, material errors or losses.

## Clinical Governance

### International Clinical Governance Advisory Council (ICGAC)

In its seventh year as an independent high-level advisory committee, the Council continues to serve as an advisory in the areas of Clinical Governance which covers the management of Clinical Affairs, including Quality and Patient Safety, Clinical Risk Management, Continuing Professional Development and Clinical Training.

The Council comprises the following members:

- Tan Sri Dato' Abu Bakar Suleiman, Chairman,** International Medical University Malaysia (IMU) Group

- Tan Sri Datuk Dr K. Ampikaipakan, Consultant respiratory physician** at Pantai Hospital, Kuala Lumpur, Malaysia
- Dr E.H Akalin, Independent academic consultant,** Istanbul, Türkiye
- Professor Yeoh Eng Kiong, Director** at the JC School of Public Health and Primary Care of The Chinese University of Hong Kong (CUHK)

For the year ended 31 December 2022, Management continues to make significant progress on the implementation of the following actions based on the recommendations by the ICGAC:

- Strengthening the overall Clinical Governance framework, through defining the roles and responsibilities of key committees and personnel with regards to clinical governance;
- Measuring and reporting on Quality
  - Establishing a standardised quality report and
  - Implementing a process to select, define, analyse and report process and outcome quality indicators;
- Improving Quality group-wide by
  - Providing an annual system wide quality plan;
  - Establishing unit-based skills in quality;
  - Strengthening system-wide cross learning;
  - Improving the quality of care and reduce cost through standardisation of common processes;
- Further enhancing doctor engagement through greater participation in physician-led peer review committees, value based healthcare and clinical pathway initiatives.

### IHH Clinical Audit

To ensure that correct processes are followed in all IHH Hospitals and reduce the risk of harm to patients, IHH has designed an internal clinical audit framework. IHH MAQ identified 10 high risk and high patient volume areas in hospitals and for each 2-3

audit standards have been defined. These standards were based on international and national clinical audit standards in the countries that IHH operates. Results of the audit are determined by the percentage of time the standards are met. Over the space of a year, all 10 risk areas are covered with 2-3 areas audited each quarter. Trained clinical staff conduct these audits in each country and the results are submitted to IHH group. Gaps are identified and countries submit action plans with timelines with regards to when the gaps will be closed. Unlike other national and international level audits which are conducted once every 3 years, the IHH clinical audit which is conducted yearly ensures continuous compliance with IHH clinical standards. In addition, as the audit standards are common across IHH, this allows inter country and hospital comparison of the standard of care and patient safety in IHH. This clinical audit process, performed by management, is supplemented by clinical internal audits performed by Group Internal Audit.

### Control Environment

In terms of the management of business units, the operating structure includes a clearly defined delegation of responsibilities. The Group's policies clearly define and outline the limit of authority.

These policies and procedures are reviewed regularly and, if required, updated.

A Whistleblowing Policy is in place within the Group's business units. This policy encourages employees to report any wrongdoing by any person in the Group to the proper authorities so that the appropriate business action can be taken immediately.

During the year, we revised the Whistleblowing process to enhance it and increased the awareness. We have engaged with an external party to administer a new hot line, making it easier for people to report concerns. We communicated to all IHH employees about the revised Whistleblowing process. Posters are displayed across IHH facilities to help employees better understand how to access the whistleblowing platform.

The system of risk management and internal control, covers not only financial controls but also operational, risk and compliance controls as well. These systems are designed to manage, rather than eliminate, the risks arising from failure to comply with policies and deviating from goals and objectives.

Such systems provide reasonable, rather than absolute, assurance against material incidents or loss.

### Risk Management

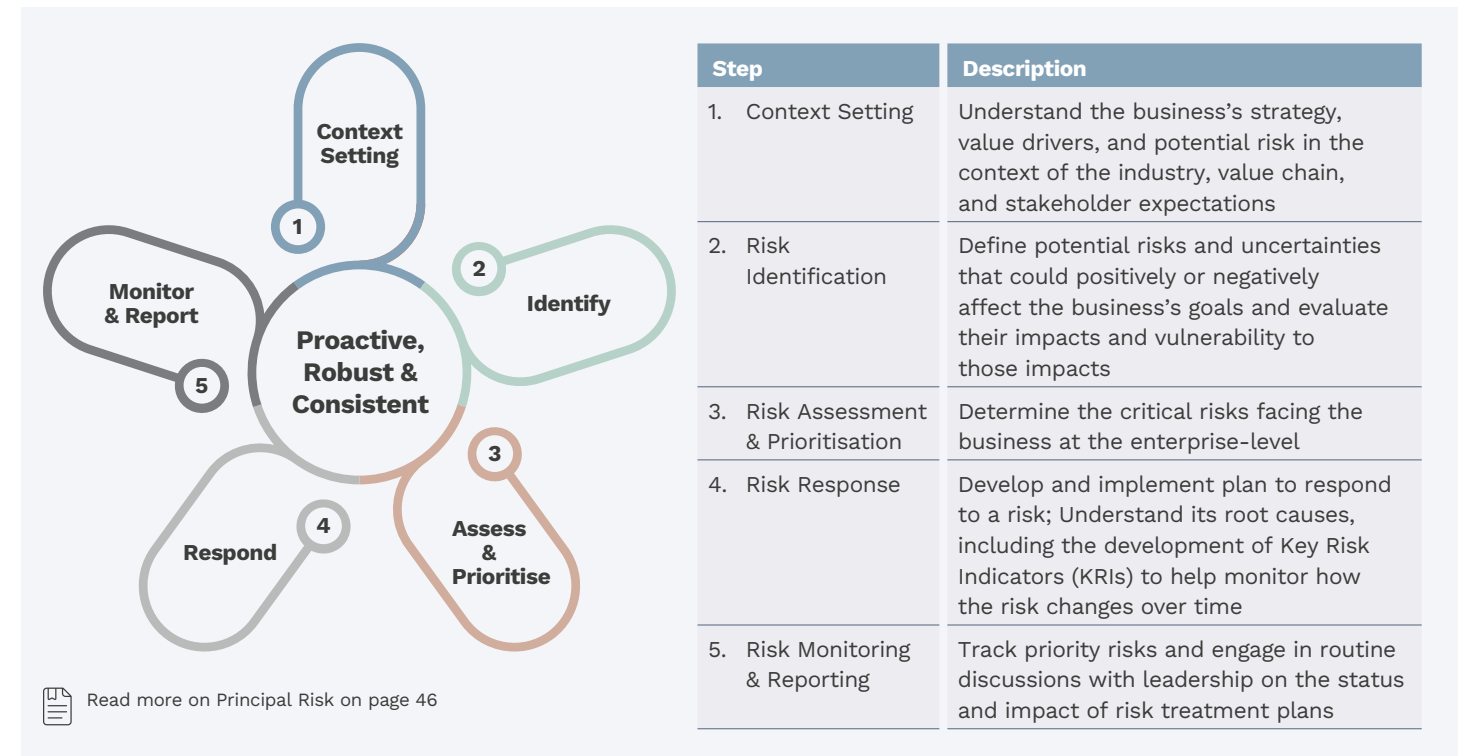
Risk Management and Compliance Department (RMCD) assists the Board and RMC in discharging their risk oversight responsibilities.

Group management and business units have a primary responsibility for managing risk exposures. The way RMCD is structured allows IHH business units all over the world to receive adequate risk and compliance advisory support. RMCD serves as the central resource for managing the portfolio of risks that the Group as a whole has taken on and

collaborates closely with business units to strengthen their risk management practices and capabilities as well as to guide the priorities and direction of the Group's risk management activities. Risk updates are consolidated and analysed for monitoring and reporting to the Group's RMC on a quarterly basis.

The Group recognises that Enterprise Risk Management (ERM) is a proactive management system for anticipating emerging risks and putting in place pre-emptive action plans so that the effect of uncertainties on fulfilling business goals and objectives are minimised. Environmental, Social & Governance (ESG) risks are managed with the same care and discipline as any other business risks. ESG is further governed by a newly formed Sustainability Committee chaired by MD & CEO. ESG risks are assessed, and metrics tracked in Group's quarterly risk report. Sustainability has been integrated into our ERM framework, where matters that are critical to the Group are assessed and managed based on defined risk rating criteria of likelihood

and impact. This approach allows us to compare sustainability issues with other business risks and prioritise resources to manage risks. In 2022, we enhanced our sustainability framework, anchoring it to the expectations of our four key stakeholders – Patient, People, Public and Planet. We believe that if we meet their expectations with a solid governance structure, our company performance will naturally follow. Therefore, our sustainability strategy is fully embedded into our business strategy and sustainability considerations are part of every business decision we make. We conducted a materiality assessment exercise through engagement with different stakeholders upon which 11 material matters were prioritized. Executive leads were assigned to each material matter and workshops were conducted to come up with our sustainability goals as well as short and long term initiatives to achieve the goals. Ensuring the implementation of these sustainability initiatives across our operations to meet our goals are the Sustainability Committee's responsibility.



## Statement on Risk Management and Internal Control

For more information on our ESG initiatives, refer to our inaugural standalone Sustainability Report.

The Group has in place a Risk Management Framework aligned to Standard ISO 31000:2018 Risk Management – Guidelines and adopting good practices from the Committee of Sponsoring Organisations of the Treadway Commission’s (COSO) Enterprise Risk Management (ERM) Framework. We undertake ongoing reviews to ensure the effectiveness, adequacy and integrity of the Group’s risk management and internal control systems.

The framework encompasses practices relating to the identification, assessment and measurement, response, and action, as well as monitoring and reporting of the strategic and operational control risks pertinent to achieving our key business objectives. This framework is continuously enhanced to remain relevant and resilient in ensuring effective management of risk.

### Evaluate-Response-Monitor (E-R-M) Process

For the year ended 31 December 2022, the major risk management activities undertaken during the year were as follows:

1. Conducted annual risk review through workshop and/or questionnaire in line with the business planning cycle;
2. Assessed emerging risks and developed risk action plans with internal stakeholders;
3. Established Group Key Risk Indicators to monitor risk performance across the Group;
4. Partnered Group Internal Audit to review the adequacy and effectiveness of the risk control processes and risk reporting systems;
5. Continued implementation of key initiatives under ERM transformation roadmap;
6. Administered Data Protection and Compliance training initiatives;

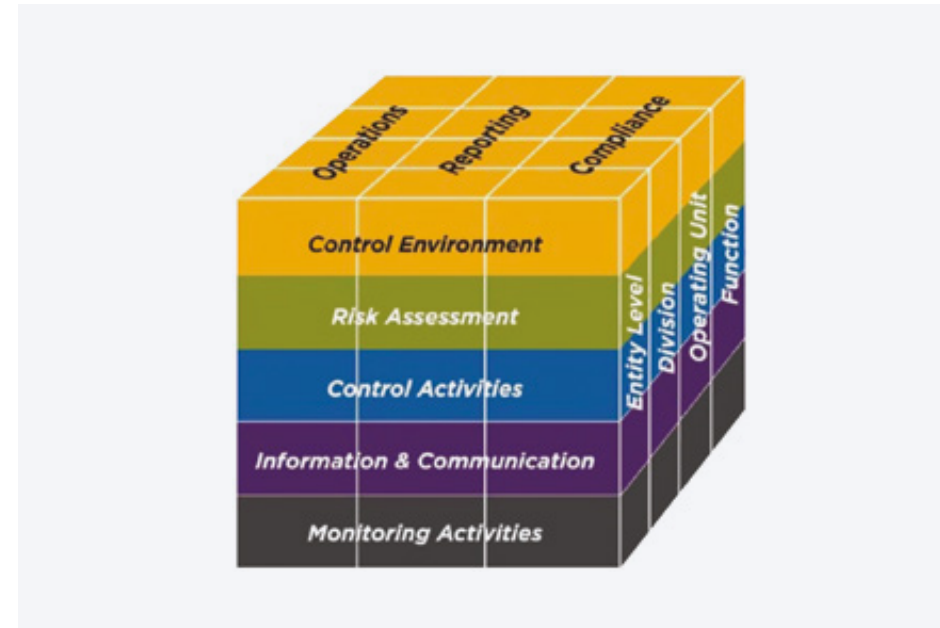
7. Reconceptualised Group anti-corruption governance through development of new frameworks with commitment to substantially implement in 2023;
  8. Continued implementation of the IHH Personal Data Protection Policy through augmentation of Group data protection risk management and incident response management practices;
  9. Enhanced the IHH Indian Insider Trading Compliance Framework through augmentation of standard operating procedure for management of non-compliance, and digitalisation/automation of compliance processes;
  10. Commenced Group review of risk exposure in relation to sanctions compliance;
  11. Reviewed our IT risk universe in consultation with external risk consultant;
  12. Enhanced our business resilience through a pilot project with Business Continuity Management (BCM) consultants at Gleneagles Hospital Singapore;
  13. Undertook placements and renewals of the Group Insurance Programme, including the Group’s Directors & Officers Policy;
  14. Monitored cost of insurance claims and claims settlement through quarterly claims meetings with insurance service providers; and
  15. Carried out ad-hoc assignments requested by Senior Management.
- For 2022, the consolidated risk report includes those of Fortis Healthcare Limited and PLife REIT risk profiles. The consolidated risk report and updates are analysed and reported to the Board RMC on a quarterly basis.
- The compliance culture is driven with a strong tone from the top, complemented by the tone from the middle, to embed the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activities across the Group.

### Group Internal Audit

The group has an independent internal audit function which provides an independent, objective assurance and consulting function designed to add value and improve the organisation’s operations. This is done by not only highlighting the observations but sharing insights, good practices and improvement opportunities. Common audit themes are leveraged across countries to benchmark and improve.

Group Internal Audit (GIA) function helps the organisation to accomplish its goals by bringing an objective and disciplined approach consistent with the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework to evaluate and improve the effectiveness of risk management, internal control, anti-corruption and governance processes. GIA also drives the whistle blowing refresh initiative.

The internal audit function is under the responsibility of the Group Internal Audit (Group IA) department led by the Group Head, Internal Audit. Group IA is independent and reports directly to the AC. Group IA has direct control over internal audit activities in Malaysia, Singapore, China and India (excluding Fortis Healthcare Limited Group which is a publicly listed company in India). Group IA maintains oversight of Acibadem’s internal audit activities through close partnership with the internal audit function of Acibadem. Apart from IMU Group and Gleneagles Hong Kong, the majority of the Group’s internal audit function is undertaken in-house and supported by co-sourcing with independent external subject matter experts, where necessary. Fortis Healthcare Limited Group undertakes its internal audit function in-house which is also supported by outsourced independent internal audit firms periodically. Group IA has visibility and ability to influence those internal audit activities at all levels throughout the Group including in respect of those operating companies’ internal audit function which are outsourced to independent internal audit firms.



Audits are performed on all major business units and areas based on the risk assessment performed during the preparation of Annual Internal Audit Plan which is reviewed and approved by the AC annually. The recommendations developed during the audits are based on the root cause analysis performed. Further, the GIA function performs ad-hoc reviews and investigations requested by the AC and/or Senior Management and follow up on the implementation of agreed management actions on quarterly basis to ensure all the key risks are addressed. The GIA function has also introduced new initiatives such as the guest auditor programme by inviting subject matter experts from different functions and business units; and co-source partnership when there is a need for specialised skills in certain audit areas. Representatives from the GIA function completed the Lean Six Sigma Certification to help focus on process improvement, understanding of root cause and greater analysis skills.

GIA carried out the following major activities for the year ended 31 December 2022 to broaden

key business risks coverage not limited to financial risk:

1. Clinical internal audit focusing on medication management, credentialing of medical practitioners and legionella infection control within IHH Malaysia and review of IVF department covering the follow up of embryo storage years, payment collections and destruction processes in Acibadem.
2. Financial and operational audit on key balance sheet reconciliation, credit control, fire & safety, visiting physician process, hospitals operations, laboratories operations, and inventory management within the Group.
3. Conducted asset management audit by reviewing the preventive maintenance of fixed asset and fixed asset movement within IHH Malaysia.
4. Performed a gap analysis on business continuity management for IHH Malaysia.
5. Reviewed the medication management with the focus on governance, monitoring and assurance within IHH Healthcare Berhad.
6. Witnessed the tendering process for procurement of services or assets to

ensure the activities in the tendering process were conducted in a reasonably fair and transparent manner.

7. Performed ad-hoc review such as review of new/renewal of Related Party Transactions that were going for AC and Board approval.
8. Conducted information technology (IT) audits, IT risk and control assessments, cybersecurity and control reviews across the entities of the Group.
9. Greater use of data analytics during audits to provide enhance audit coverage and provide better assurance.

### Other Risk and Control Processes

The overall governance structure, and formally defined policies and procedures play a major part in establishing the control and risk environment of the Group.

Although the Group is a networked organisation, a documented and auditable trail of accountability has been established within the business units of the Group.

Each business unit of the Group is tasked with undertaking these corporate governance and risk management practices, as well as implementing the same:

1. A governance and management structure is established within each hospital for functional accountability with operational/functional heads reporting financial, legal, operational (clinical and non-clinical) risks, compliance with statutory and regulatory requirements and reputational risks to the Hospital Chief Executive Officer (CEO)/Director;
2. Hospital CEOs/Directors, Business Heads, Business Unit Heads and Corporate Heads report on business operations issues to the Senior Management on a monthly basis. Matters such as nursing issues, clinical incidents with lapses, adverse outcomes, potential legal issues and media exposure, are reported and addressed at the hospitals’ Quality Assurance meetings and attended by the Hospitals’ CEOs, supported by the relevant Country functions;

## Statement on Risk Management and Internal Control

3. The Medical Affairs and Quality Division oversees the accreditation, as well as the qualifications and experience of our medical practitioners, and do not hesitate to remove their privileges if they are found to be unethical or negligent;
4. The respective Quality Assurance committees of the business units ensure that the quality of clinical care delivered within the hospitals complied with the government regulations;
5. On a quarterly/monthly basis, the operations divisions are to submit to the Group CEO updates pertaining to legal cases, IT, hospital development projects, business matters, HR matters, financial performance and analyses, group target savings, as well as the outlook for the business and strategic projects. This information will form the body of the Executive Report by MD & CEO to IHH Board;
6. Senior management tracks the development of legal cases. Any significant risk exposures or trends, in terms of incident type or case categorisation, are highlighted to the Board/RMC quarterly;
7. Insurance policies relating to workforce compensation, property damage and equipment breakdown, cyber liability and network business interruption, third party liability, professional indemnity and medical malpractice liability, are procured to meet the local regulatory requirements and business requirements of the operational divisions and the wider Group;
8. Financial risk management processes are in place to address credit risk, liquidity risk, market risk, interest rate risk and foreign currency risk;
9. Group Internal Audit independently audit and report findings on financial, operational and compliance controls to the AC or the Board. In addition, on annual basis, the external auditors perform statutory audit and report findings on financial controls relevant to the statutory audit to the AC; and

10. Employees must abide by the Code of Conduct and avoid any dealings or conduct that could appear to be in conflict with the Group's interests, unless such business relationships are consented to by the Board.

### Adequacy and Effectiveness of the Group's Risk Management and Internal Control Systems

IHH's Management is accountable to the Board for the implementation of the processes involved in identifying, evaluating and managing risk and internal control. In the financial year under review and up to the date of approval of this Statement, the Board has received assurances from the Group Chief Operating Officer, as well as Group Chief Financial Officer, that the Group's system of operating is adequate and effective in all material aspects, based on the risk management and internal control system of the Group. Taking into consideration the information and assurances given, the Board is satisfied with the adequacy, integrity and effectiveness of the Group's system of risk management and internal control. For the financial year under review, there were no material control failures or adverse consequences that have directly resulted in any material losses to the Group. For matters that occurred prior to IHH's acquisition of Fortis, the investigations on Fortis Group by the Securities and Exchange Board of India have concluded but are now pending appeal. The investigations by the Serious Fraud Investigation Office are still ongoing. Additional control procedures were initiated and various enquiries were conducted by the Board of Fortis on the aforementioned investigations and certain historical transactions with assistance from external experts. All amounts identified in these enquiries had been previously provided for or expensed in the financial statements of the Fortis Group. There are no other improper transactions identified by the enquiries which have not been expensed or provided for. The Group expects challenges with its operations and investments in China and will review its asset portfolio to minimise ongoing losses.

The measures to protect and enhance shareholders' value and business sustainability continue to be a focal point of the Group and, therefore, the system of risk management and internal control across the Group continues to be subject to enhancement, validation and regular review.

The Group's system of risk management and internal controls does not cover associates and joint ventures.

### Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (AAPG) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA), for inclusion in the annual report of the Group for the year ended 31 December 2022, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problem.

# Investor Relations Report

There is no substitute for constant effective communication to foster trust and confidence between IHH, our shareholders and the public. Each year, we engage in active dialogue with stakeholders via multiple avenues to ensure the timely and accurate dissemination of news and announcements.



As a publicly listed healthcare group managing the care of patients in many parts of the world, the performance of IHH is highly watched by the investment community and other stakeholders both domestically and beyond.

To foster understanding of and confidence in our business, our Investor Relations (IR) and Corporate Communications departments facilitate communication with our shareholders and other stakeholders using strategic platforms across the year. These platforms include our Annual Report, Annual General Meeting, quarterly financial results briefings, announcements via Bursa Malaysia and the Singapore Exchange (SGX), on which we proactively share timely, accurate and comprehensive information about the Group's corporate developments, financial performance and material operations.

on pushing digital healthcare in the post-pandemic era.

In Singapore, we celebrated our 10<sup>th</sup> year of listing with fanfare at the SGX Trading Pit in September. IHH also participated in the Corporate Connect Webinar organised by the Securities Investors Association (Singapore) in April 2022 – the event was supported by SGX. Key decision makers within IHH have also been featured editorially on the SGX Research website.

### Our Flagship IR Programme and More

Following its successful debut in 2021, we held our sophomore session of our flagship programme, the IHH Healthcareinsider webinar this year. Webinar host Joerg Ayrle, IHH's Group CFO led an esteemed panel in a discussion on developing a global diagnostics platform. Invitations to the webinar were extended to shareholders, staff, business partners, members of the public and the media.

On top of the Group's quarterly financial results briefings and updates on our website and social media, the IR team would regularly update the Board on shareholding position, IR activities, analysts' recommendations, investors' feedback and share price movements. We also keep financial analysts, institutional shareholders and fund managers around the world abreast of IHH developments with:

- Physical and virtual investor conferences
- Non-deal roadshows (NDRs)
- In-house meetings and hospital visits
- Conference calls
- Push notifications via Telegram

### Noteworthy Initiatives

Regular engagements with the stock exchanges in Malaysia and Singapore form a significant part of IHH's IR efforts. We are a champion for the Bursa Malaysia Public Listed Companies Transformation (PLCT) programme, which aims to steer public companies towards accelerating their growth strategies and improving performance, as well as increasing the attractiveness of public listed companies in Malaysia. IHH's aspiration to 'Care. For Good.' for the betterment of our patients, our people, the public and our planet was featured in the programme's first guidebook.

In June 2022, we also participated in the Malaysia Healthcare Day organised by Bursa Malaysia and Maybank. IHH's MD and CEO Dr Kelvin Loh was a panel speaker for a discussion



## Investor Relations Report

Board members endorse our IR policy, which is designed to ensure comprehensive communication processes with stakeholders.

As COVID-19 restrictions continue to ease off and with exciting growth plans ahead, we look forward to further deepening dialogue with all of our stakeholders in physical and virtual settings.

### Group Corporate Website and Social Media

IHH's corporate website is a one-stop platform to access all essential information about the organisation. This includes IHH's corporate profile, profiles of Board Members and Senior Management, share prices, financial results, dividend policy, annual reports, media releases, investor presentations, and information about the Annual General Meeting.

We regularly update the IR section of the website and provide the latest disclosures. Regulatory announcements made by IHH to Bursa Malaysia and SGX are also available on our Investor Relations

webpage at <https://www.ihhhealthcare.com/investors/investor-relations>. Investor inquiries or concerns regarding the Group can be directed to the IR Department.

In addition, the Group actively publishes interesting highlights pertaining to IHH on the IHH Healthcare LinkedIn, Twitter pages and Telegram.

### Quarterly Analyst Briefings

In 2022, IHH's Senior Management conducted four analyst briefings and one media briefing to discuss and communicate the Group's quarterly and annual financial results. A recording of these conference calls and materials related to the results announcements were uploaded to IR's website.

### Analyst Coverage

Domestic and international equity research houses continued to show high interest in IHH. As of 31 March 2023, the Group received coverage from 24 analysts. In addition, IHH was regularly featured in widely circulated

and esteemed mainstream media in Malaysia, Singapore and beyond.

### Dividend Distribution

IHH will continue to follow the dividend policy, whereby not less than 20% of the Group's profit after tax and minority interests, excluding exceptional items, is distributed to its shareholders in respect of any financial year. The Board of Directors declared a first and final dividend of 7 sen per share for Bursa shareholders and 2.16 cents per share for SGX shareholders (based on an indicative rate of SGD/RM = 3.2468 as at 31 December 2022), an increase of 17% from a year ago. IHH has been paying Malaysian Ringgit to IHH's shareholders listed on Bursa Malaysia and Singapore Dollar to IHH's shareholders listed on SGX.

A number of factors guided the Board of Directors in considering dividend payments, including:

- (i) the amount of cash and cash equivalents the Group has available;
- (ii) its return on equity and retained earnings; and
- (iii) the projected levels of capital expenditure and other investment plans.

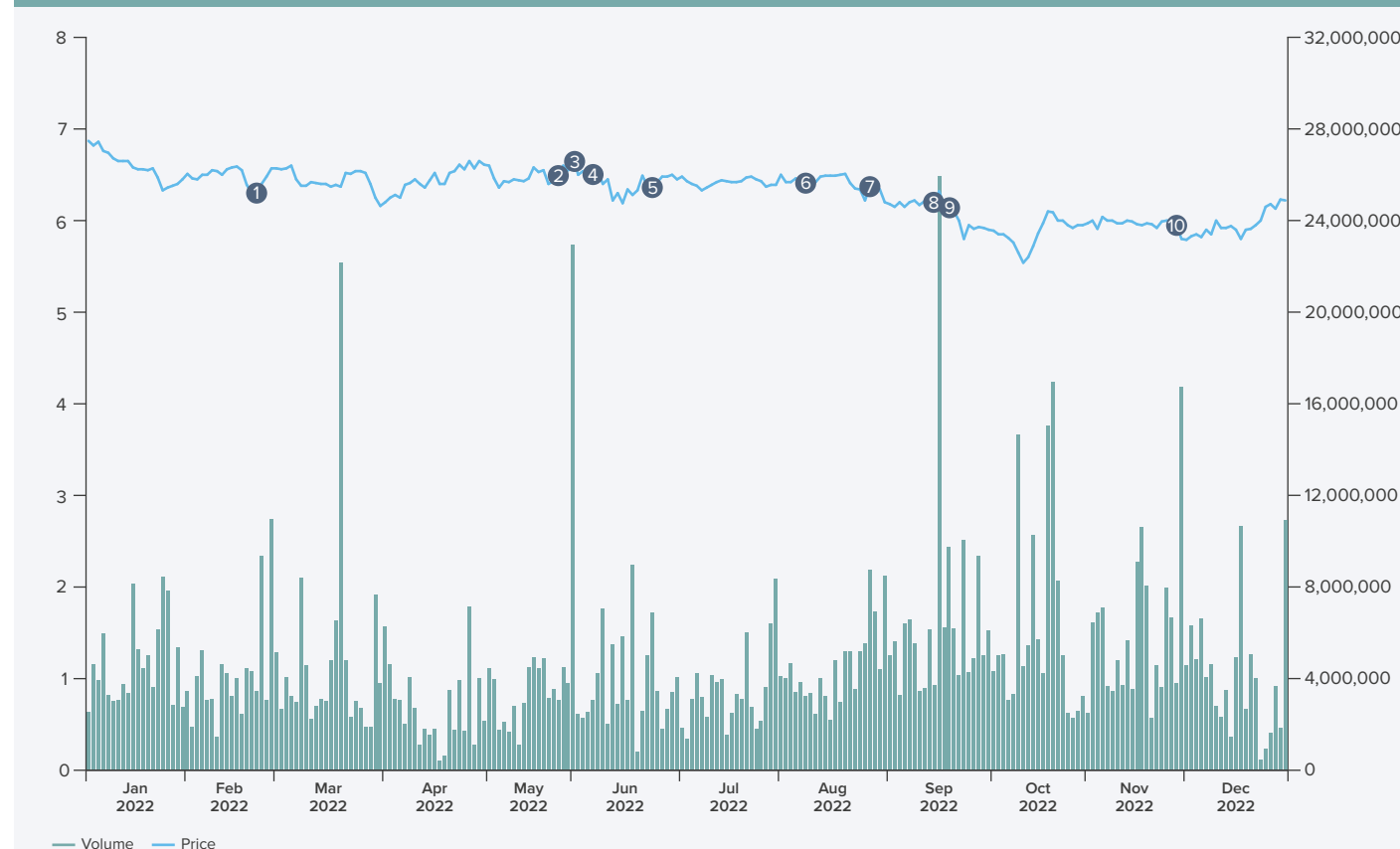
These materials are included for each quarter:

- A press release highlighting key operational and financial highlights;
- A consolidated quarterly financial report;

- A set of presentation slides with operational and financial data;
- On-demand access to a recording of the briefing.

We also live-streamed our analyst briefings via webcast for the benefit of stakeholders who were unable join the sessions in person.

IHH Stock Performance for Full Year 2022



No.	Event	Date	RM
1	IHH Healthcare more than Doubles Net Operating Income for Full Year 2021; Unveils 'Care. For Good.' Strategy As It Celebrates 10 <sup>th</sup> Anniversary	23 Feb	6.30
2	IHH Healthcare Reports 31% Y-O-Y Rise in Net Income in Q1 2022; to Develop IHH Laboratories as a Core Business for the Group	26 May	6.49
3	All Resolutions Passed at IHH Healthcare's 12 <sup>th</sup> Annual General Meeting: Celebrating 10 Years as One IHH Family	31 May	6.70
4	IHH Healthcare to Divest Medical Education Arm, International Medical University, to a Consortium Led by TPG's The Rise Fund and the Hong Leong Group	7 Jun	6.50
5	IHH Takes Home Five Accolades at Institutional Investor's 2022 All-Asia Executive Rankings, Places Third Overall for its Sector	23 Jun	6.36
6	Pantai Hospital Penang Breaks Ground to Increase Service Capacity and Cater to Medical Tourism	8 Aug	6.41
7	IHH Healthcare Reports Higher Net Income in Q2 2022 on Resilient Core Operations, Amid Headwinds and Tapering of COVID-19 Related Services	25 Aug	6.37
8	IHH Healthcare Signs MOU with Ministry of Health Malaysia to Provide Free Radiotherapy and Radiosurgery for Cancer Patients from Government Hospitals	14 Sep	6.20
9	IHH Marks 10 <sup>th</sup> Anniversary with Commitment to Net Zero; Leading Industry by Setting Comprehensive Sustainability Goals	20 Sep	6.14
10	IHH Healthcare Core Operating Performance Improves, Reports Lower Net Income of RM251.8 Million due to Exceptional Items	29 Nov	5.95

No.	Equity Research Firms Covering IHH in 2022
1	Affin Securities Sdn Bhd
2	AmInvestment Bank Berhad
3	Bank of America Merrill Lynch Global Research
4	BIMB Securities Sdn Bhd
5	CIMB Securities Pte Ltd
6	Citigroup Global Markets Asia
7	CLSA Limited
8	Credit Suisse Holdings USA Inc
9	DBS Vickers Securities
10	Goldman Sachs India Sec Pte Ltd
11	Hong Leong Investment Bank Bhd
12	J.P. Morgan Securities (Malaysia) Sdn Bhd

No.	Equity Research Firms Covering IHH in 2022
13	KAF Seagroatt & Campbell Sec Sdn Bhd
14	K&N Kenanga Holdings Bhd
15	Macquarie Securities Ltd
16	Maybank Kim Eng Securities
17	MIDF Amanah Investment Bank Bhd
18	Morgan Stanley
19	Nomura Securities Co Ltd/Tokyo
20	Public Investment Bank
21	RHB Research Institute Sdn Bhd
22	TA Securities Holdings Bhd
23	UBS Securities Malaysia Sdn Bhd
24	UOB Kay Hian Pte Ltd