

ULTRA

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wealth

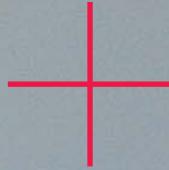
AUGUST 2015



SPOTLIGHT

DR LOO CHOON YONG

A simple secret to success



ROUNDTABLE

How to make wealth last for generations

PHILANTHROPY

An outcome-oriented approach

CHINA STOCKS:

Undervalued or bubble?

Editor's note

WHEN Dr Loo Choon Yong's father urged him to study medicine, saying: "I've never known a starving doctor", he probably never envisioned the success that his son would achieve. Dr Loo planted the seeds of the Raffles Medical Group in 1976 when he and his partner Dr Alfred Loh put up the initial capital of S\$20,000 each to acquire two clinics – at a time when Singapore's medical landscape was already highly competitive.

Today the Raffles Medical Group has a market capitalisation of S\$2.2 billion. It serves two million patients and over 6,500 corporate clients. Dr Loo's wealth is estimated by *Forbes* at well over US\$800 million in 2014. But wealth itself is not something Dr Loo wishes to discuss.

Instead, he speaks freely about Raffles Medical, its growing pains in the early years, and the challenges it has taken on today. Quite apart from steady expansion in Singapore, it has embarked on a joint venture to build a 400-bed hospital in China. The group's secret sauce, he says, is simple – and deceptively so. Just look after patients well, and "the business will look after itself", he declares.

In this issue, Dr Loo shares his pursuit of "evidence-based" medicine, which seeks to weed out unnecessary treatment and rein in costs. His path is one that is likely to stand out amid complaints about over-charging in the medical profession. It is also disciplined and not without compassion.

Elsewhere, this edition offers insights on an issue that occupies many ultra high-net-worth families – that of effecting a smooth transfer and transition of wealth from one generation to the next. It is a challenge that is deeply personal; every family will have its own dynamics in terms of communication, participation and the

complexity of its family business.

Yet, it is an issue that should be eased into – the sooner the better so that adequate preparation and guidance of younger-generation leaders can ensue. Our Roundtable panellist Annie Koh, academic director of the Business Families Institute (BFI) of the Singapore Management University, says BFI's family governance survey found that 85 per cent expect a succession to take place within the next five years, but only 17 per cent have a succession plan.

Bank of Singapore's Lee Woon Shiu, also a Roundtable panellist, proffers some key points relating to the preservation of wealth and family values. Families, he says, must weigh strategies to protect against risks relating to business and third parties, the latter arising from divorce, for instance.

Philanthropy is often seen as a means to unite family members in common causes and to articulate and cement family values. In our Philanthropy column, we cast the spotlight on Koh Poh Tiong, who helms the National Kidney Foundation (NKF) and the Singapore Kindness Movement after a long and distinguished career in the corporate world. Mr Koh retired from executive roles in 2011, but he now seems busier than ever, applying his outcome-oriented business-like approach to charities such as NKF. Doing good and taking care of the less fortunate, as he told graduands of the National University of Singapore in 2013, is a blessing. "... the ultimate legacy we leave behind is what we do for people around us", he said.

In the Ultra Wealth column, Tara Loader Wilkinson profiles Binod Chaudhary, Nepal's only billionaire, who has emerged as the most generous individual donor to the country's disaster to date. The Chaudhary Group is building transitional homes in affected areas, and Mr



PHOTO: ISTOCK

Chaudhary has used his influence to persuade other billionaires, such as Alibaba founder Jack Ma, to give as well.

Meanwhile, this edition also offers perspectives on China equities. Bhaskar Laxminarayan of Pictet Wealth Management expects the sharp correction in June to continue in the second half. He does see "pockets of opportunity" in new technology, healthcare and some services sectors. In his Viewpoint column, Leonardo Drago of AL Wealth Partners writes that the broad Chinese equities market is no longer a good indication of valuation; it presents merely an average of the extreme dispersion of various sectors. He urges investors to return to the basics of valuation analysis and cash flows.

In our Lifestyle column, we invite you to take a peek at high living on the high seas. Demand for ultra-luxurious cruises is on the rise, say operators. Guests enjoy the all-inclusive luxury of posh accommodation and fine dining, and flexible itineraries allowing them to explore places and interests with expert resources at their fingertips.

We wish you the best in your investment and philanthropic journey.

By Genevieve Cua



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