

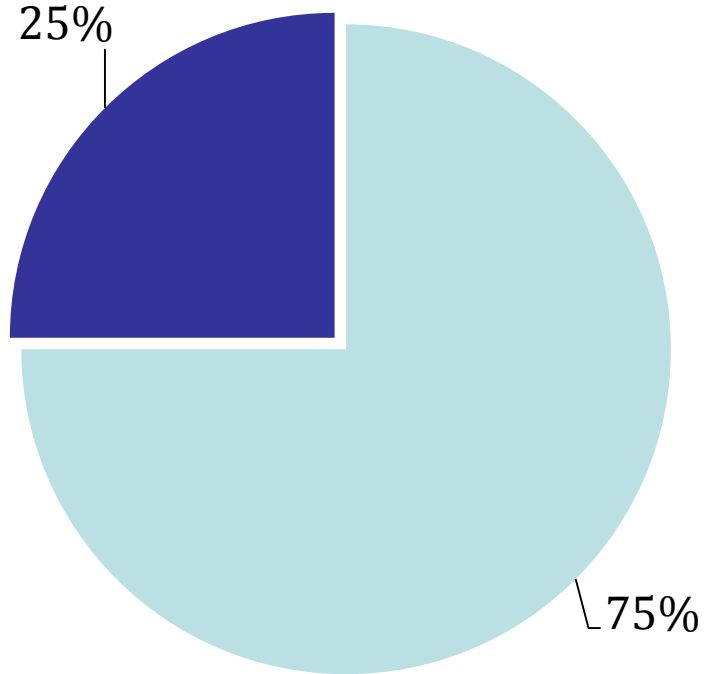


1Q 2016

HEALTHCARE INDUSTRY IN MALAYSIA

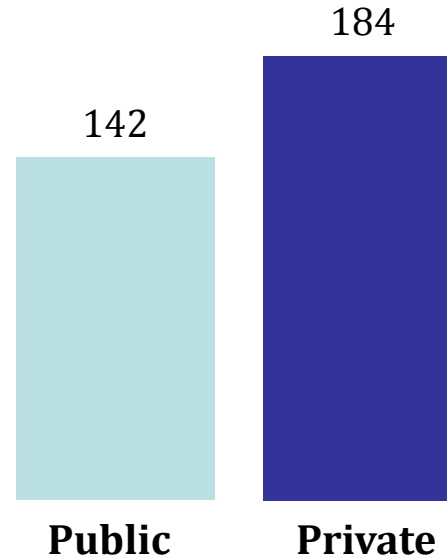
Malaysia Healthcare System 2014

Healthcare Provider

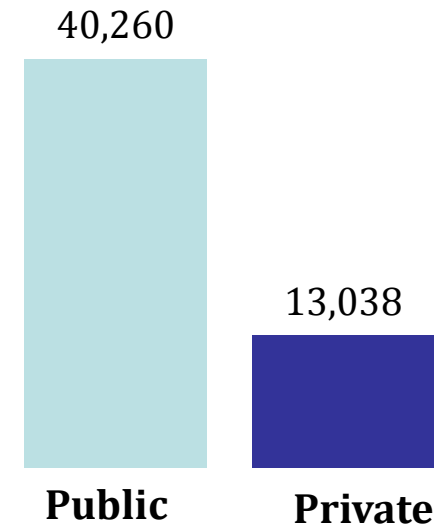


Legend :
Public ■
Private ■

No. of Hospitals



No of. Beds



Public	No
Health & Dental Clinics	4,527
Mobile Health & Dental Clinic Team	582
Inpatient (pax)	2,465,162
Outpatient (pax)	55,719,981

Private	No
Maternity & Nursing Homes	35
Ambulatory care	66
Medical clinics	6,978
Dental clinics	1,758
Inpatient (pax)	1,083,201
Outpatient (pax)	4,000,395

HEALTHCARE INDUSTRY IN MALAYSIA



MALAYSIA RANKED 27TH WORLD'S MOST EFFICIENT HEALTHCARE SYSTEM

(ahead of Thailand, Netherlands and US)

Source: Bloomberg Survey 2014



Hospital facilities

- modern & high international standards
- Accreditation by MSQH (40 Private Hospitals Nationwide of which 16 are KPJ Hospitals)
- Accreditation by JCI (12 Private Hospitals Nationwide of which 4 are KPJ Hospitals)

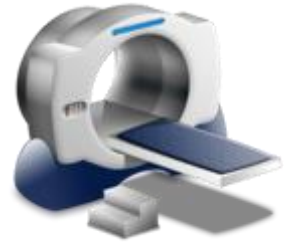


Health Tourism

- among the world's most favored destinations

Latest Medical Equipment

- diagnostic and therapeutic resources
- endoscopic suites, cardiac catheterization, oncology suites and MRI



Cost

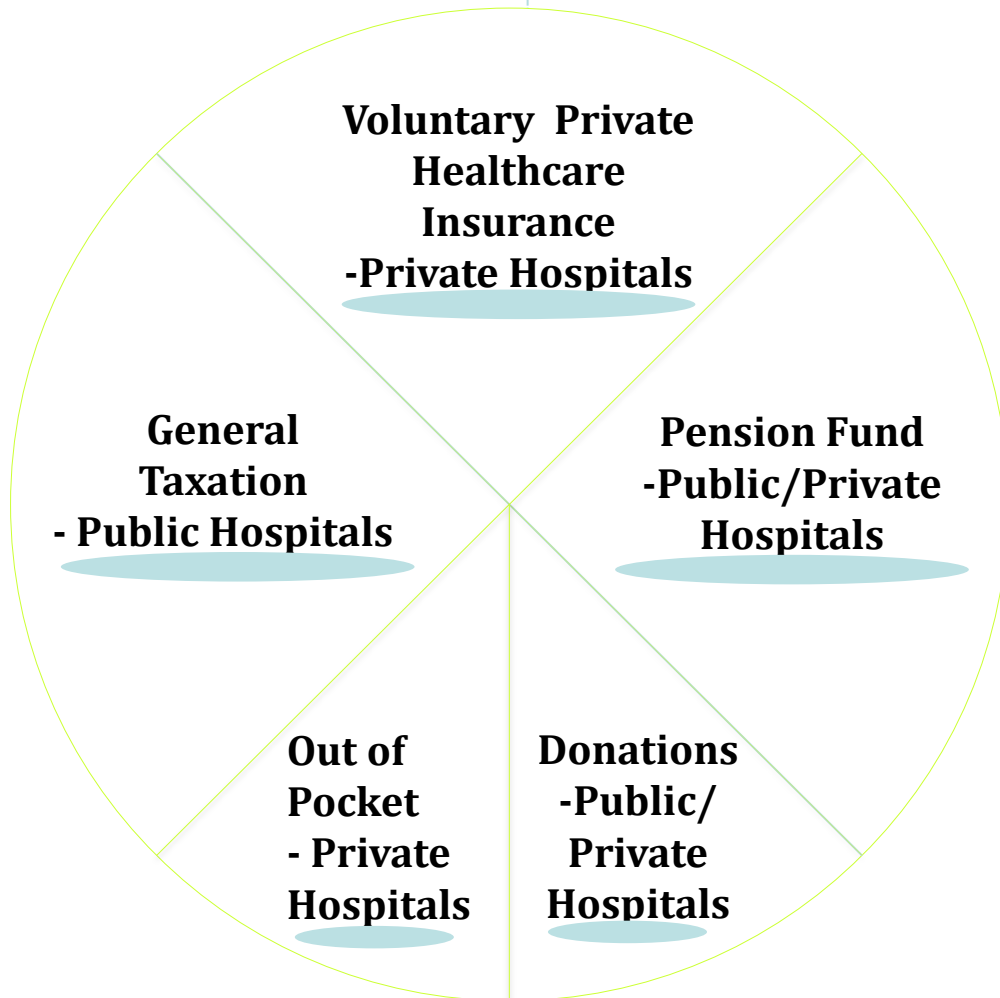
- low cost
- very competitive pricing
- lower than neighboring countries



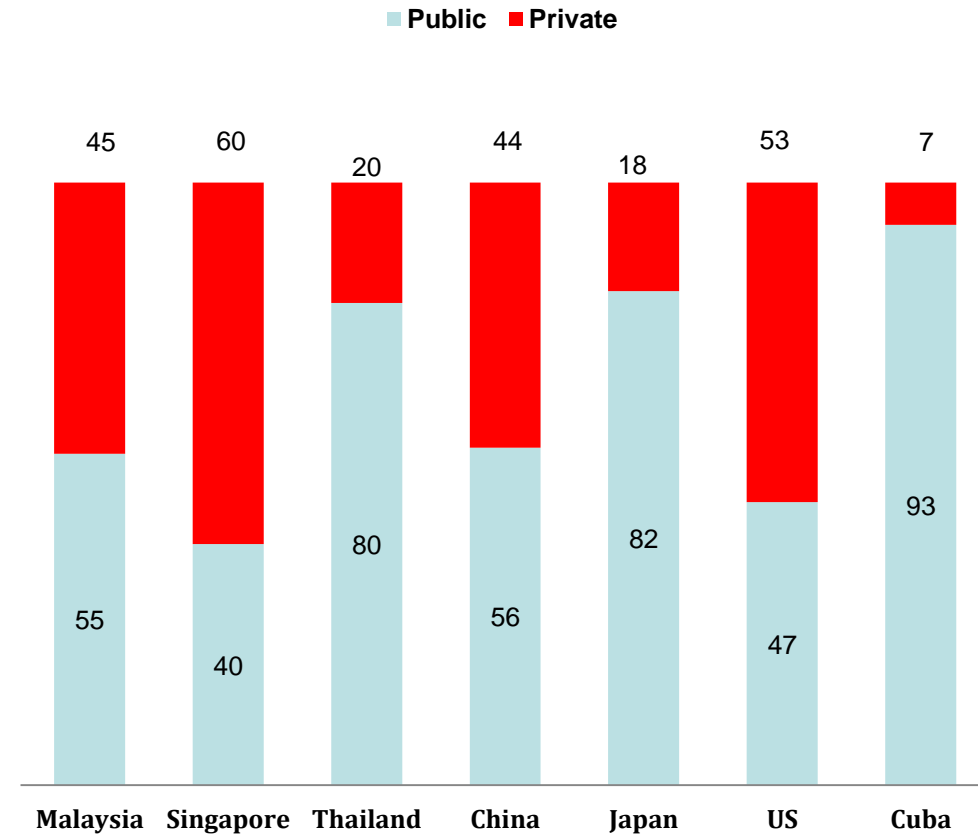
HEALTHCARE INDUSTRY IN MALAYSIA



Methods of Funding



Public vs Private Healthcare Expenditure % 2013



Source : 2015 World Development Indicators

KPJ At a Glance YE2015



25 → **Malaysia**
2 → **Indonesia**
1 → **Thailand**
1 → **Bangladesh**

Retirement & Aged Care



1 in Australia
2 in Malaysia

OUTPATIENTS

2,476,297

INPATIENTS

279,419



2,912
Beds



Medical Consultants

1,088



EMPLOYEES

12,329

KPJ Healthcare University College



38 Programmes

1 PhD
10 Master
6 Bachelor
6 Diploma
14 Post Basic & Certificate
1 Foundation Studies



RM2 million
sponsorship in
2016

100%
Employability Rate

7,877
Alumni



Years Education

25

1st Private Healthcare University approved to offer Postgraduate Medical Programmes

3 Branches



Nilai



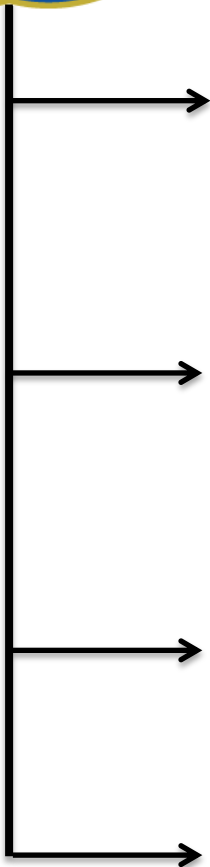
Johor Bahru



Penang

ABOUT KPJ

Shareholdings Stats



JOHOR CORPORATION

44.57%



12.29%



KWAP
Kumpulan Wang Persaraan (Diperbadankan)
RETIREMENT FUND INCORPORATED

3.41%

FOREIGN SHAREHOLDERS

9.33%



Bangladesh



- >1 Hospital
- >Low-cost entry
- >Presence in Indian sub-continent

Thailand



- >1 Hospital
- >Medical tourism agenda going forward
- >Focusing upper-mid tier market segment

Indonesia



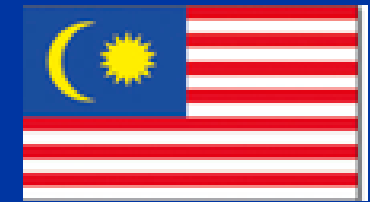
- >2 hospitals
- >Promising demographics (growing – middle class)

Australia



- >1 Aged Care Centre in Brisbane
- >Transfer of aged care know-how for Malaysian operations

Malaysia



>1st Hospital Opened in 1981

>1st private Healthcare Group Listed on the Bursa Malaysia

>Market Cap RM 4.3Billion

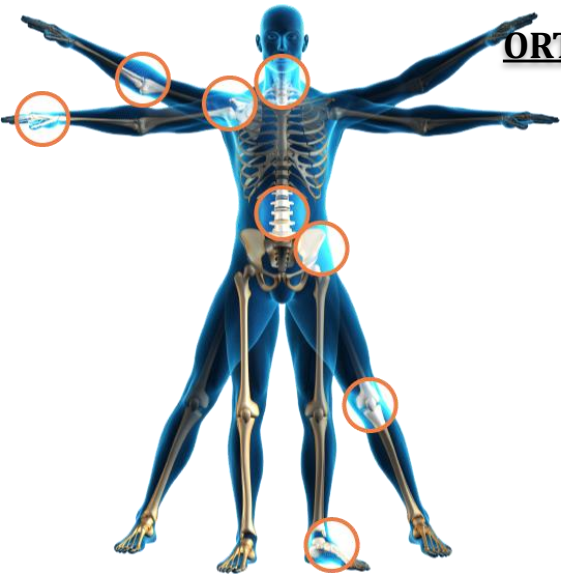
>25 hospitals & 2 Aged Care Centre

>Target – 2 new hospitals p.a

>Accreditation: MSQH – 17 hospitals & JCI – 4 hospitals

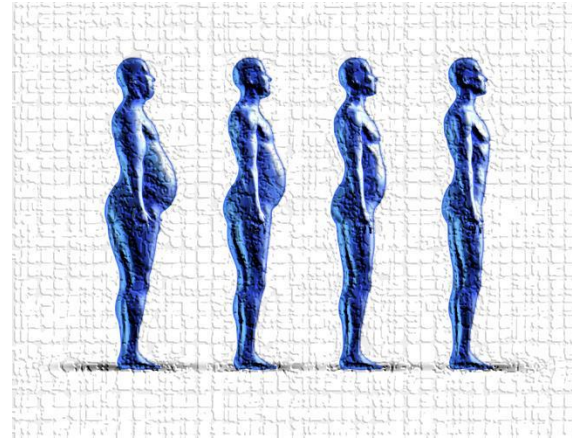
Our Presence

KPJ's NICHE SERVICES



ORTHOPEDIC CARE

- ✓ KPJ Ampang Puteri
- ✓ KPJ Damansara
- ✓ KPJ Ipoh
- ✓ KPJ Johor
- ✓ KPJ Kajang
- ✓ Kedah
- ✓ KPJ Penang
- ✓ KPJ Perdana
- ✓ KPJ Selangor
- ✓ KPJ Seremban
- ✓ KPJ Tawakkal

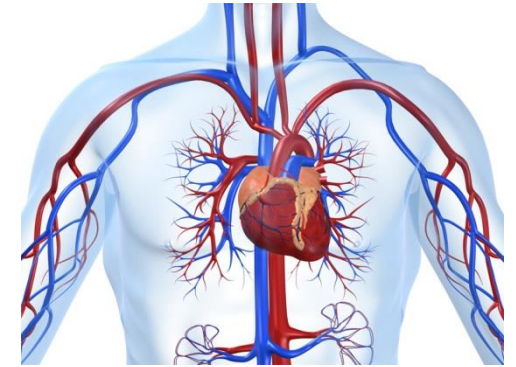


BARIATRIC (Obesity) SURGERY

- ✓ KPJ Damansara

CARDIOLOGY

- ✓ KPJ Damansara
- ✓ KPJ Ipoh
- ✓ KPJ Johor



ONCOLOGY (Cancer)

- ✓ KPJ Damansara
- ✓ KPJ Ipoh
- ✓ KPJ Johor
- ✓ KPJ Selangor

RECONSTRUCTIVE & PLASTIC SURGERY

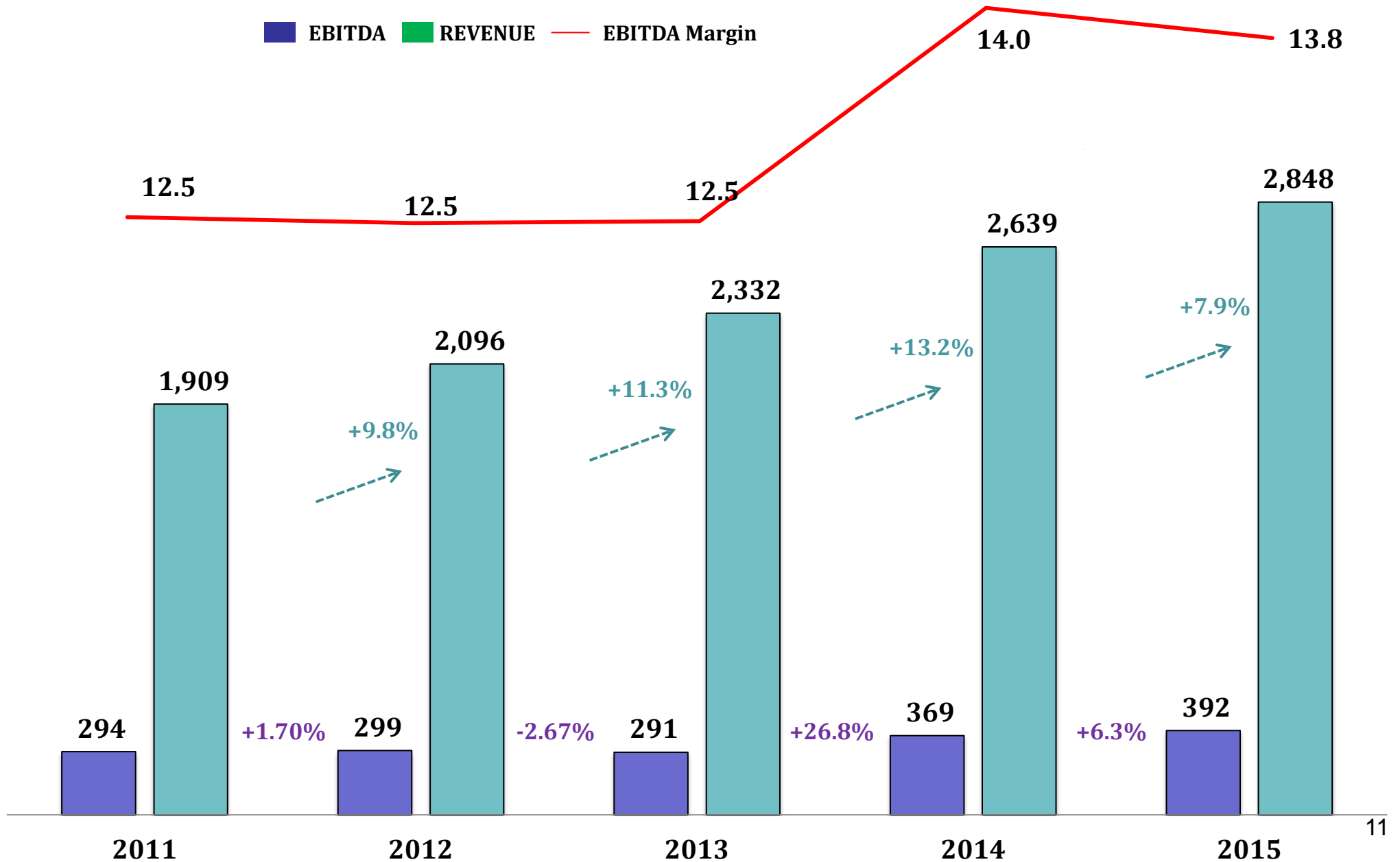


- ✓ KPJ Ampang Puteri
- ✓ KPJ Damansara
- ✓ KPJ Johor

FINANCIAL TRENDS

KPJ 5 years Revenue & EBITDA

■ EBITDA ■ REVENUE — EBITDA Margin



Group Financials 2015



YE2015 vs YE2014

RM'000	YE2015 vs YE2014		
	YE2015	YE2014	Var (%)
Revenue	2,847,593	2,639,136	7.9
Gross Profit	826,371	773,698	6.8
Profit from Operations	220,836	207,544	6.4
Finance Income	13,731	12,982	5.8
Finance Cost	(64,157)	(42,857)	49.7
Share of Results from associates	39,198	40,415	(3.0)
Profit before zakat and tax	209,608	218,084	(3.9)
Zakat	(2,280)	(2,272)	0.4
Profit Before Tax	207,328	215,812	(3.9)
Taxation	(62,199)	(68,566)	(9.3)
Net Profit	145,129	147,246	(1.4)
Basic EPS (sen)	13.04	14.06	

Key Ratios

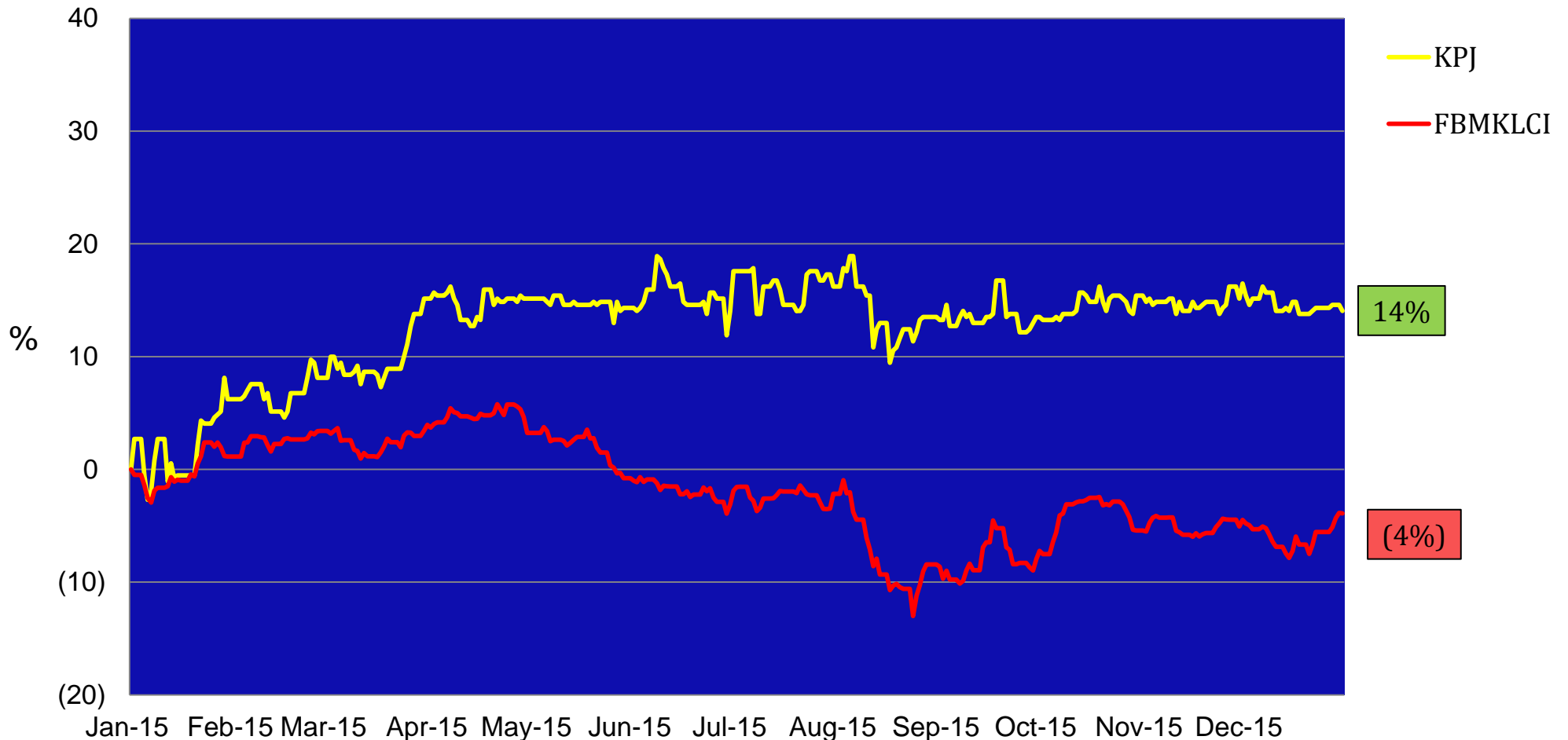
Year End - 31 Dec 2015

	YE 2015 (%)	YE 2014 (%)	Var
Gross Profit (GP) Margin	29	29.3	(1.0%)
Profit Before Tax (PBT) Margin	7.4	8.3	(10.8%)
EBITDA Margin	13.8	14	(0.2)
Net Profit Margin	5.1	5.6	(0.5)
Dividend per share	7.0	7.5	(6.7%)
Gearing Ratio:			
Gross	1.0	0.9	0.1
Net	0.7	0.7	-
Net assets per share (RM) - at par value RM0.50	1.50	1.33	0.17

KPJ Share Price vs FBMKLCI

FY2015

KPJ Share Price performance throughout the year was quite commendable and closed the year at RM4.22 compared to RM3.70 in 2014. This represented a 14% increase in KPJ share price performance, compared to the FBMKLCI of almost 4%, year-on-year.



Group Financials 2016



1Q2016 vs 1Q2015

RM'000	3M FY16 vs 3M FY15		
	3M FY16	3M FY15	Var (%)
Revenue	743,946	709,887	4.8
Gross Profit	232,246	218,571	6.3
Profit from Operations	61,137	53,732	13.8
Finance Income	2,693	2,558	5.3
Finance Cost	(20,747)	(14,609)	(42.0)
Share of Results from associates	8,338	8,935	(6.7)
Profit before zakat and tax	51,421	50,616	1.6
Zakat	(400)	(570)	29.8
Taxation	(14,398)	(13,666)	(5.4)
Profit after zakat and tax	36,623	36,380	0.7
Equity holders of company	34,173	33,894	0.8
Non-controlling interest	2,450	2,486	(1.4)
Net profit attributable to shareholders	36,623	36,380	0.7
Basic EPS (sen)	3.25	3.23	

Key Ratios

1Q2016 vs 1Q2015

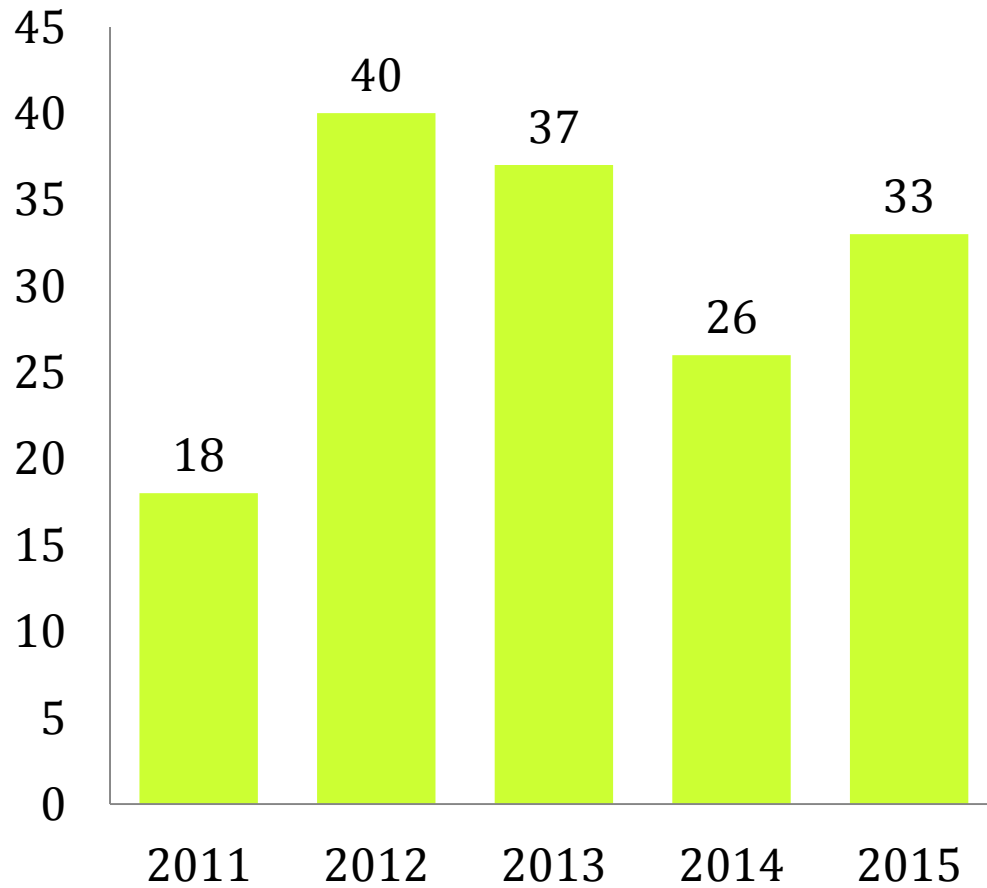
	3M FY16 %	3M FY15 %	Var
Gross Profit (GP) Margin	31.2	30.8	1.3%
Profit Before Tax (PBT) Margin	6.9	7.1	(2.8%)
EBITDA Margin	13.9	15.8	(1.9)
Net Profit Margin	4.9	5.1	(3.9%)
Dividend per share	1.75	2.6	(32.7%)
Gearing Ratio:			
Gross	0.9	1.0	(0.1)
Net	0.7	0.8	(0.1)
Net assets per share (RM) - at par value RM0.50	1.52	1.32	0.2

KEY FINANCIAL HIGHLIGHTS

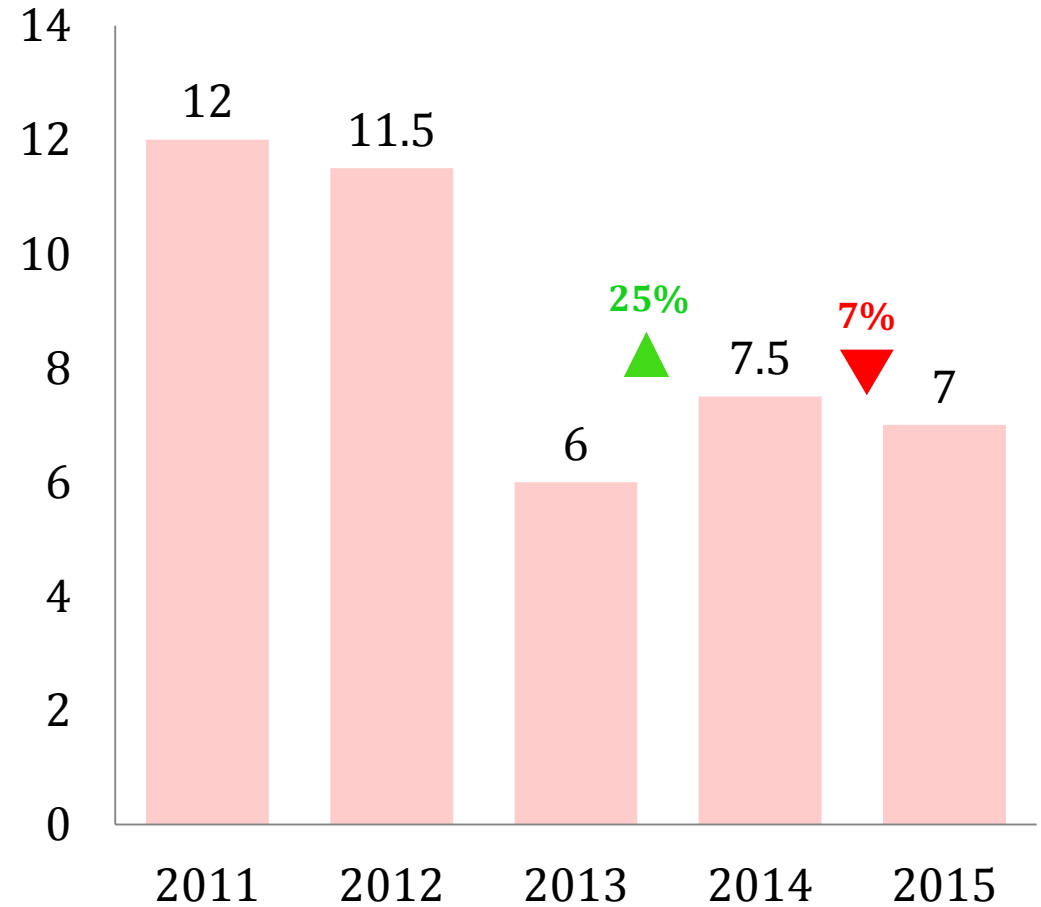


FY2011-FY2015

PE R Historical



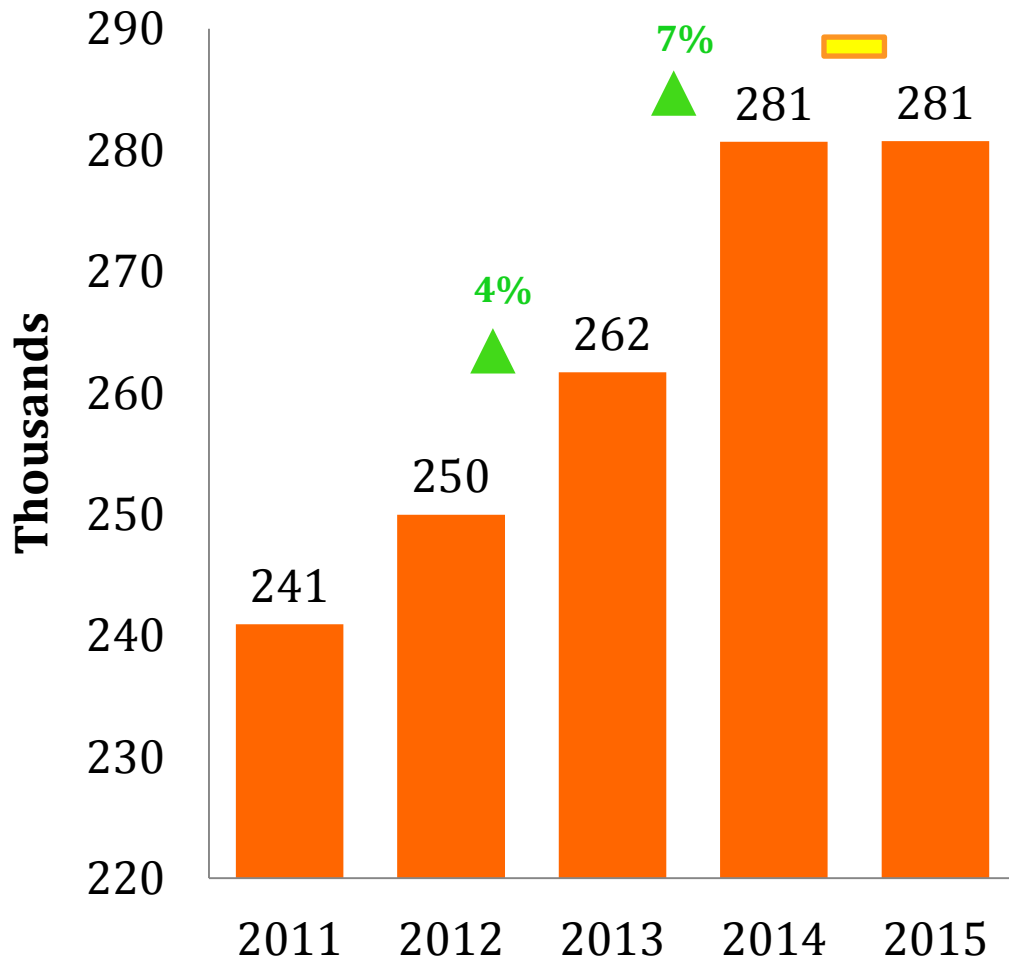
Dividend (sen)



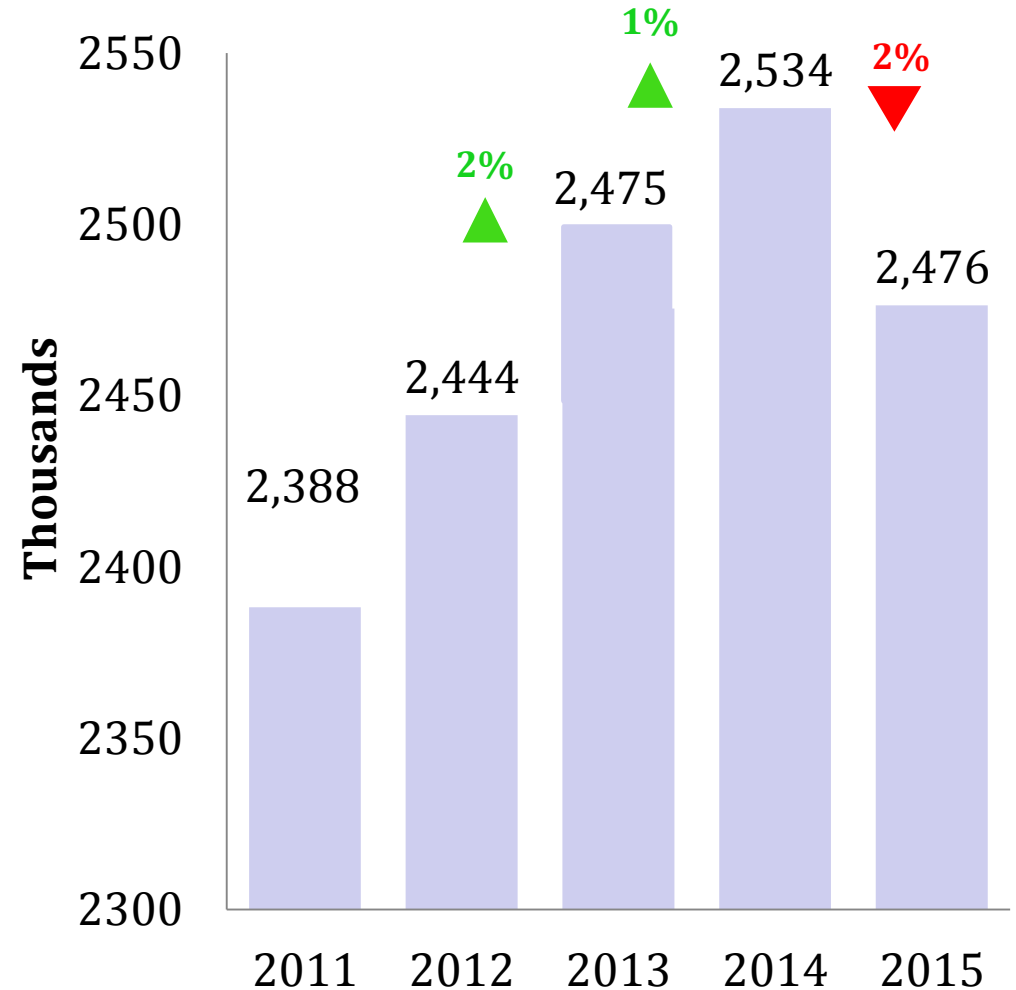
Key Operational Highlights

FY2011-FY2015

No of Inpatients



No of Outpatients

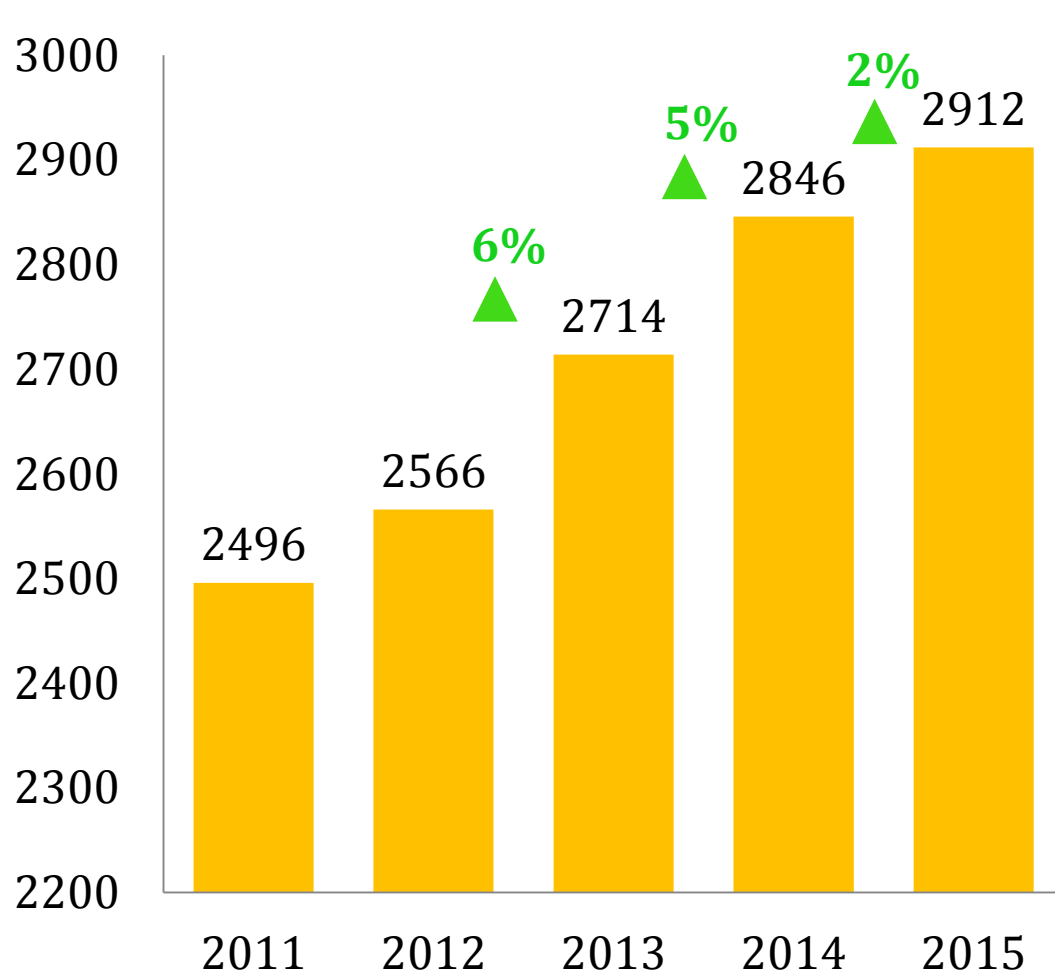


Key Operational Highlights

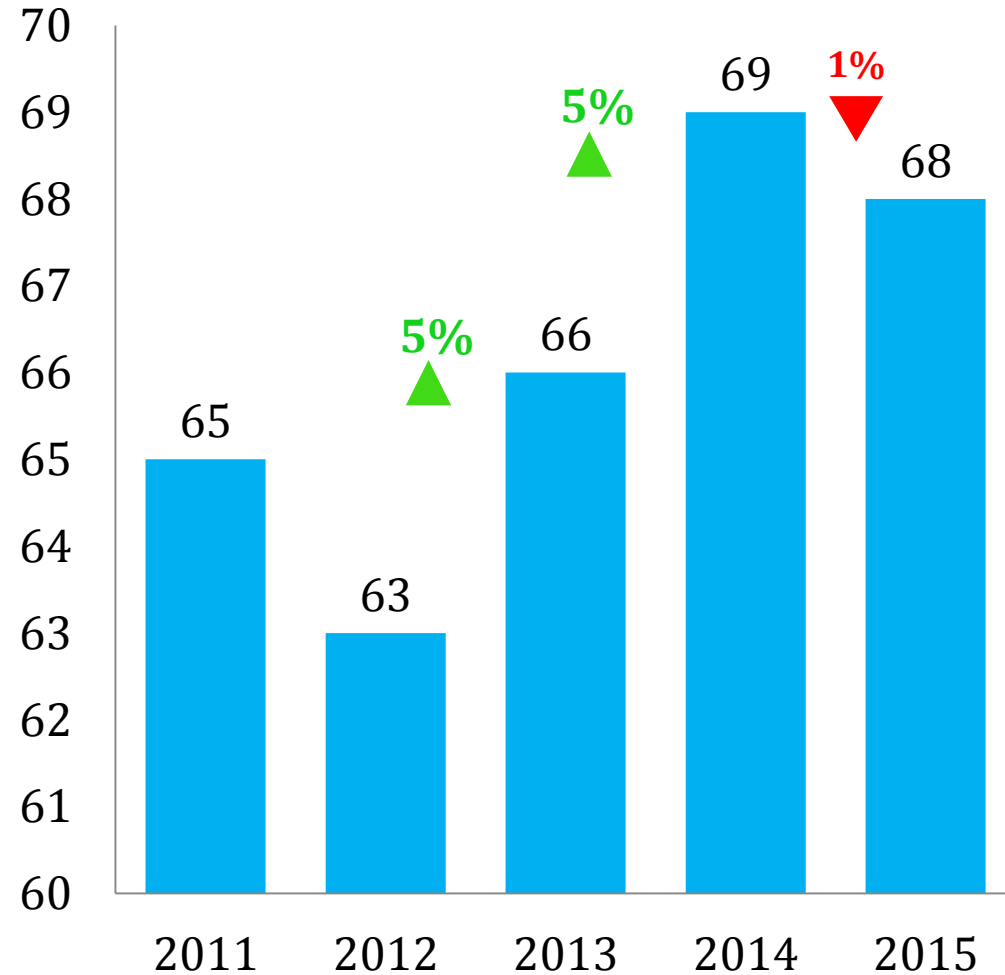
FY2011-FY2015



No of Operating Beds



Occupancy Rates (%)



Summary of KPJ Hospitals' Performance

3M FY2016 vs 3M FY2015

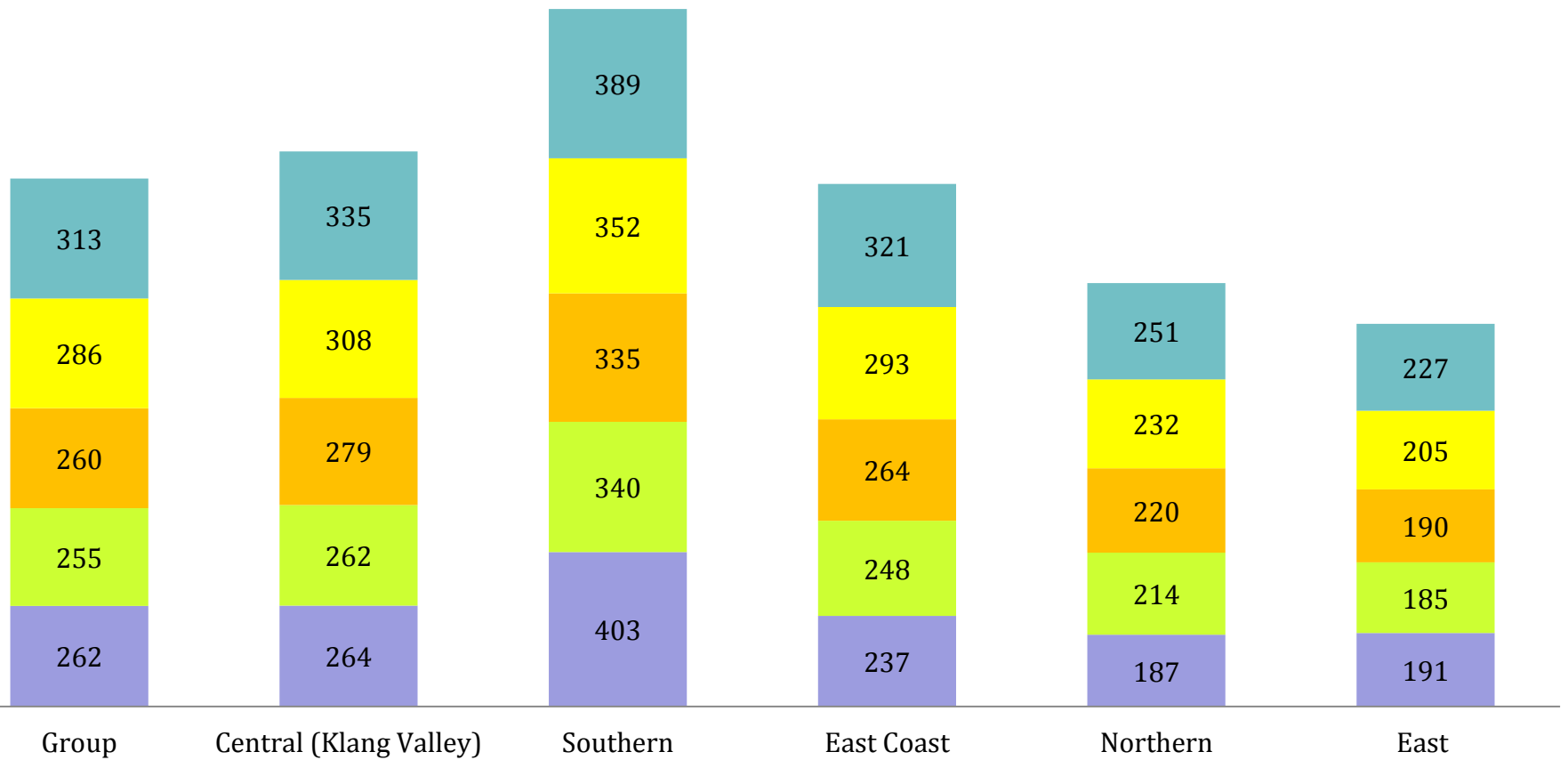
Hospital Indicators	3M FY2016	3M FY2015	Var (%)
No of Outpatients	633,753	627,976	0.9
No of Inpatients	73,602	70,954	3.7
No. of Operating Beds	2,903	2,866	1.5
Occupancy Rate	71.5	70.4	1.6
Avg. Length of Stay	2.57	2.59	(0.8)

AVERAGE SPENDING

Summary of KPJ Hospitals' Performance

Average Revenue per Outpatient of Hospital by Region (RM)

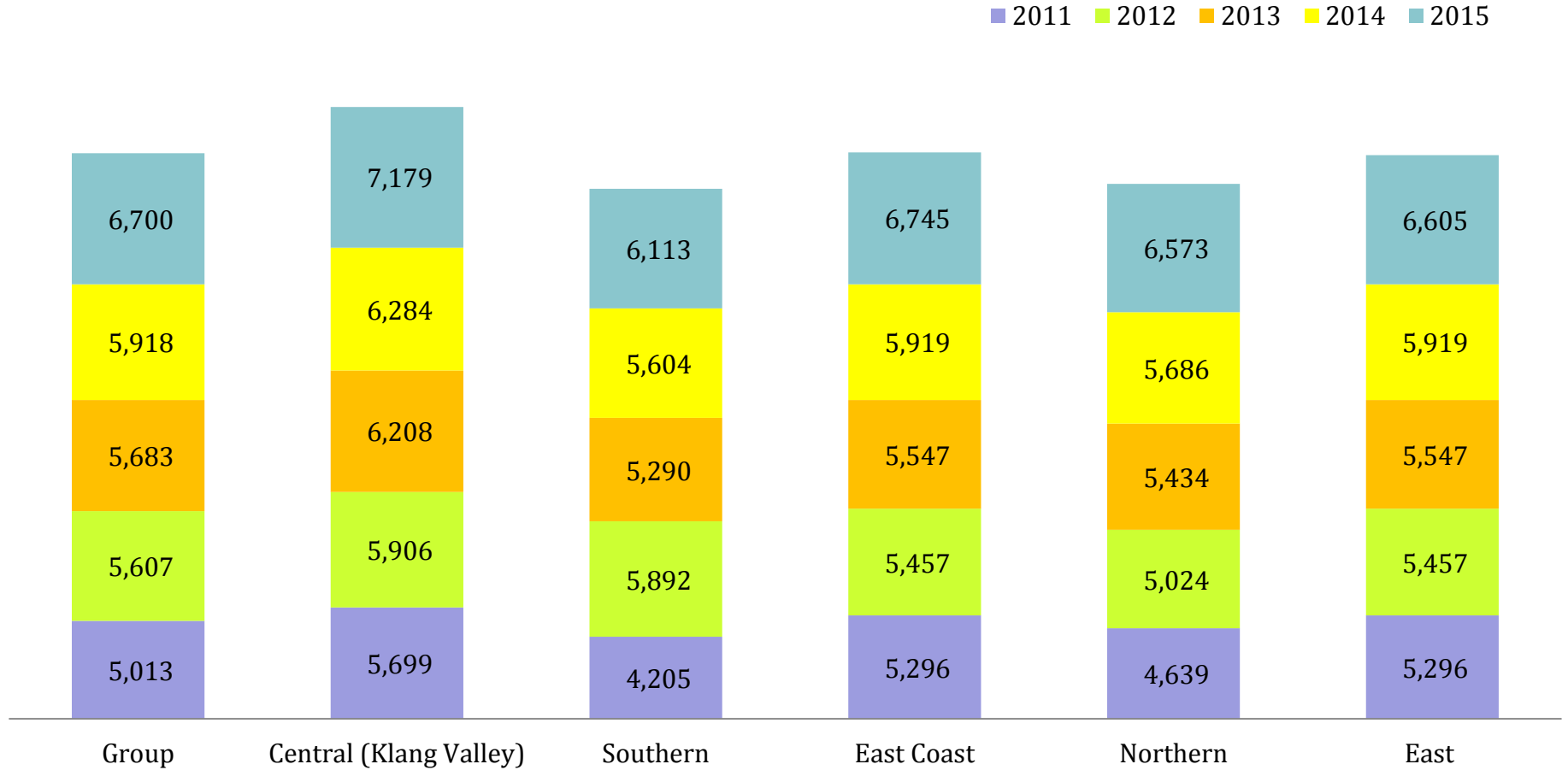
2011 2012 2013 2014 2015



AVERAGE SPENDING

Summary of KPJ Hospitals' Performance

Average Revenue per Inpatient of Hospital by Region (RM)

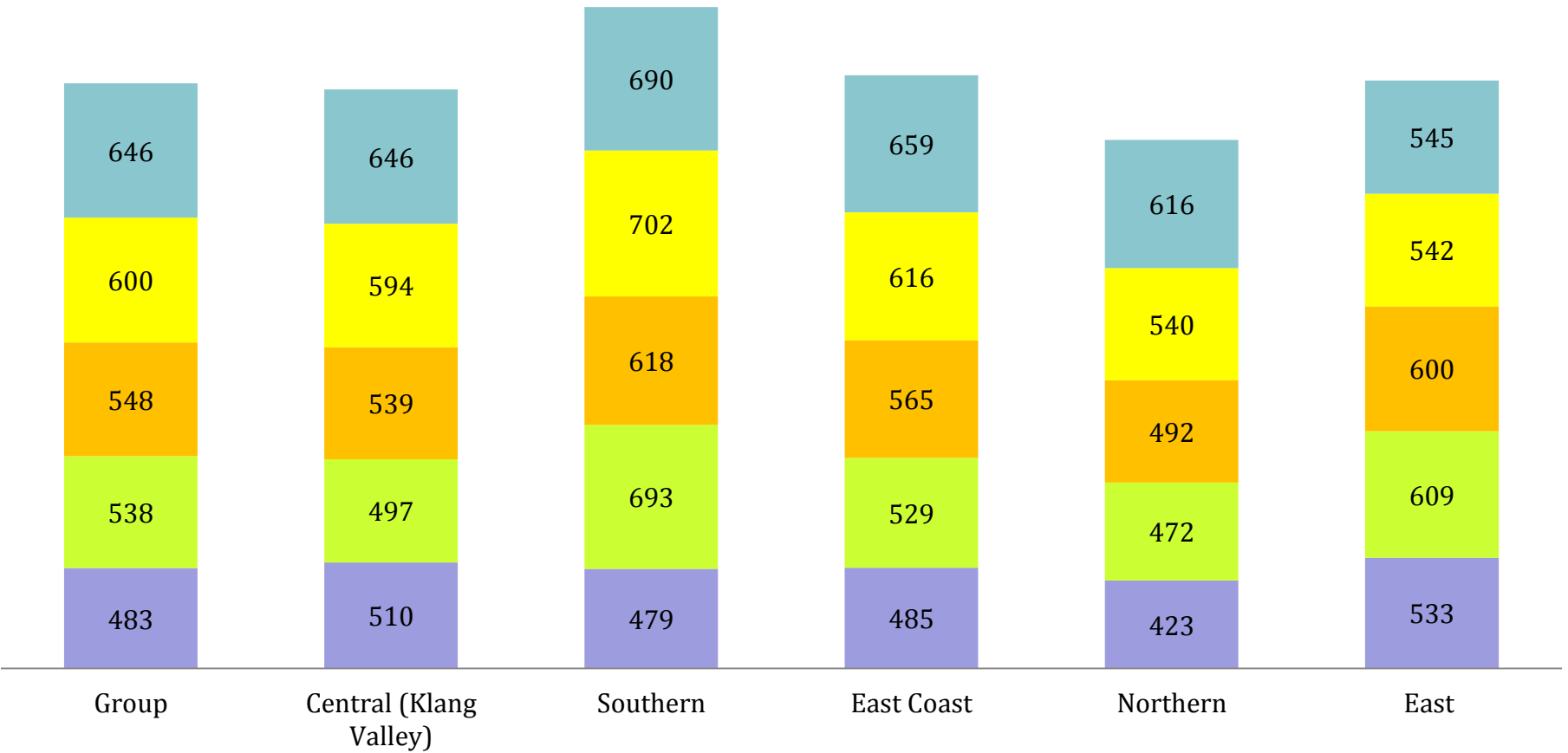


AVERAGE SPENDING

Summary of KPJ Hospitals' Performance

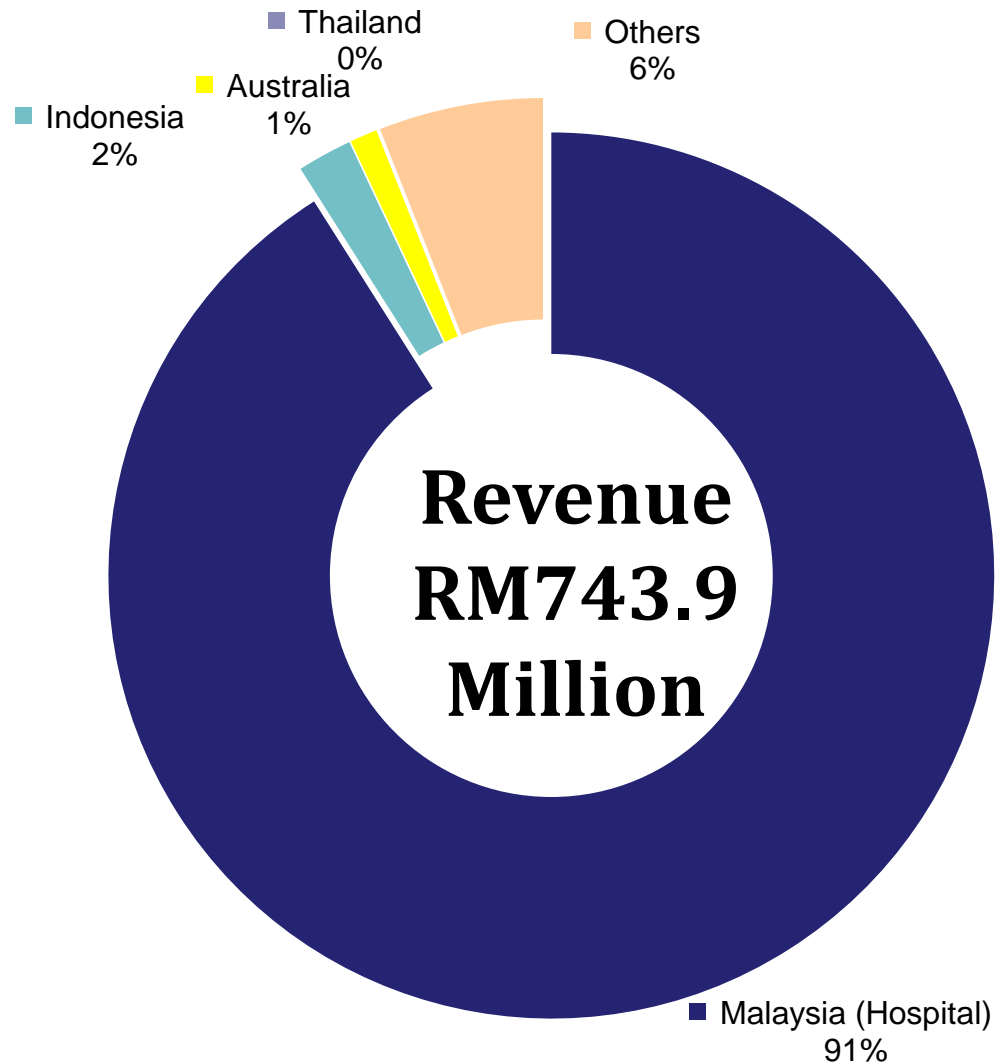
Average Revenue Per Bed
by Hospital by Region (RM'000)

2011 2012 2013 2014 2015



Revenue Contributions

1Q 2016



Segmental

1Q2016 vs 1Q2015

HOSPITALS		1Q 2016 (RM'000)	1Q 2015 (RM'000)	Var (%)
MALAYSIA	Revenue	707,613	675,951	4.7
	PBT	58,025	55,453	4.6
	EBITDA	104,264	95,685	8.9
INDONESIA	Revenue	13,585	11,549	17.6
	PBT	593	251	136.3
	EBITDA	1,391	920	51.1
AUSTRALIA	Revenue	10,855	11,989	(9.5)
	PBT	(3,388)	(1,158)	(188.2)
	EBITDA	(2,949)	(981)	(200.6)
OTHERS	Revenue	11,893	10,398	14.4
	PBT	(3,809)	(3,930)	3.1
	EBITDA	682	448	52.2

Jeta Gardens - Brisbane, Australia

Senior Living Care

Financials	3M FY 2016 (RM'000)	3M FY 2015 (RM'000)	Var (%)
Revenue	10,855	11,989	(9.5)
Profit/(Loss) After Tax	(3,338)	(1,158)	(188.2)

Facilities	3M FY 2016	2015	2014
Aged-Care Facility	180	180	108
Retirement Villas	33	33	33
Apartments Unit	32	32	32
Occupancy Rate	94%	70%	98%

KPJ's Indonesian Hospitals

Financials Group Indonesia Hospitals	3M FY 2016 (RM'000)	3M FY 2015 (RM'000)	Var (%)
Revenue	13,585	12,211	17.6
Profit/(Loss) After Tax	593	251	136.3
RS Permata Hijau	3M FY 2016	3M FY 2015	Var (%)
No. of Bed	92	92	-
Occupancy rate (%)	57.5	48.9	17.6
Outpatients	11,725	12,498	(6.2)
Inpatients	1,519	1,366	11.2
RS Bumi Serpong Damai	3M FY 2016	3M FY 2015	Var (%)
No. of Bed	75	56	34
Occupancy rate (%)	48	56	(14)
Outpatients	15,480	14,493	6.8
Inpatients	1,226	1,077	13.8

KPJ Investment in Thailand – Vejthani Hospital, Bangkok

Financials	3M FY 2016 (RM'000)	3M FY 2015 (RM'000)	Var (%)
Revenue	45,836	47,574	(3.7)
Net Profit	2,318	3,427	(32.4)
Outpatient	70,223	73,103	(3.9)
Inpatient	2,203	2,193	0.5

Education - KPJ Healthcare University College

Financials	3M FY 2015 (RM'000)	3M FY 2014 (RM'000)	Var (%)
Revenue	10,790	2,926	268.8
PBT	701	(14)	5107.1
Students	2,336	2,041	14.5

Academic Program

KPJ offered 38 programmes ranging from the Foundation to PhD levels at all campus.

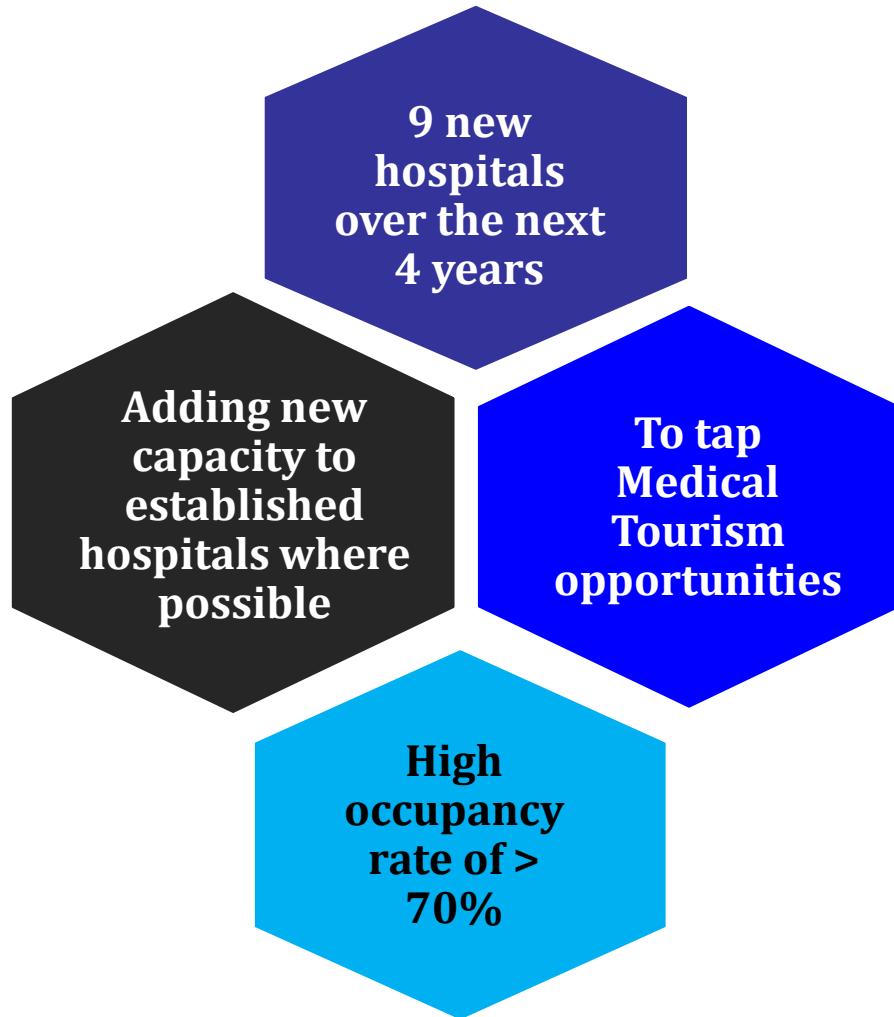
1. School of Medicine
2. School of Pharmacy
3. School of Nursing
4. School of Health Sciences
5. School of Business & Management
6. School of Behavioral Science and Humanity

Current Program

- 1 PHD
- 10 Master
- 6 Bachelor
- 16 Diploma
- 14 Post Basic & Certificate
- 1 Foundation Science

GROWTH & STRENGTHENING CAPACITY

Expanding Network



Growth Strategies

Focus on Quality Medical Care

- Compliance with > Clinical Governance guidelines
- >Quality / Accreditation standards
- >14 hospitals with MSQH accreditation
- >4 hospitals with JCI accreditation

Medical Tourism

- Strong cooperation with Malaysian Govt – ETP, MHTC, MOH & Tourism Malaysia
- Targeting tourists arrivals from Indonesia, China, Middle East, East Africa & Indochina

Explore niche market such as Aged / Senior Living Care

- > Jeta Garden, Australia
- > Sibü
- >Tawakkal Health Centre

Medical Tourism



KPJ's Involvement

- MHTC
- MOH
- Tourism Malaysia
- Govt / Corporates targets

Marketing agents in target market

- INDONESIA
- MENA Countries
- CHINA

Opportunities

- Price advantage over regional peers
- World class facilities
- Reputable & talented doctors pool



Limitations

- Hospital capacity constraint
- No price differential
- Logistic ease



Medical Tourism

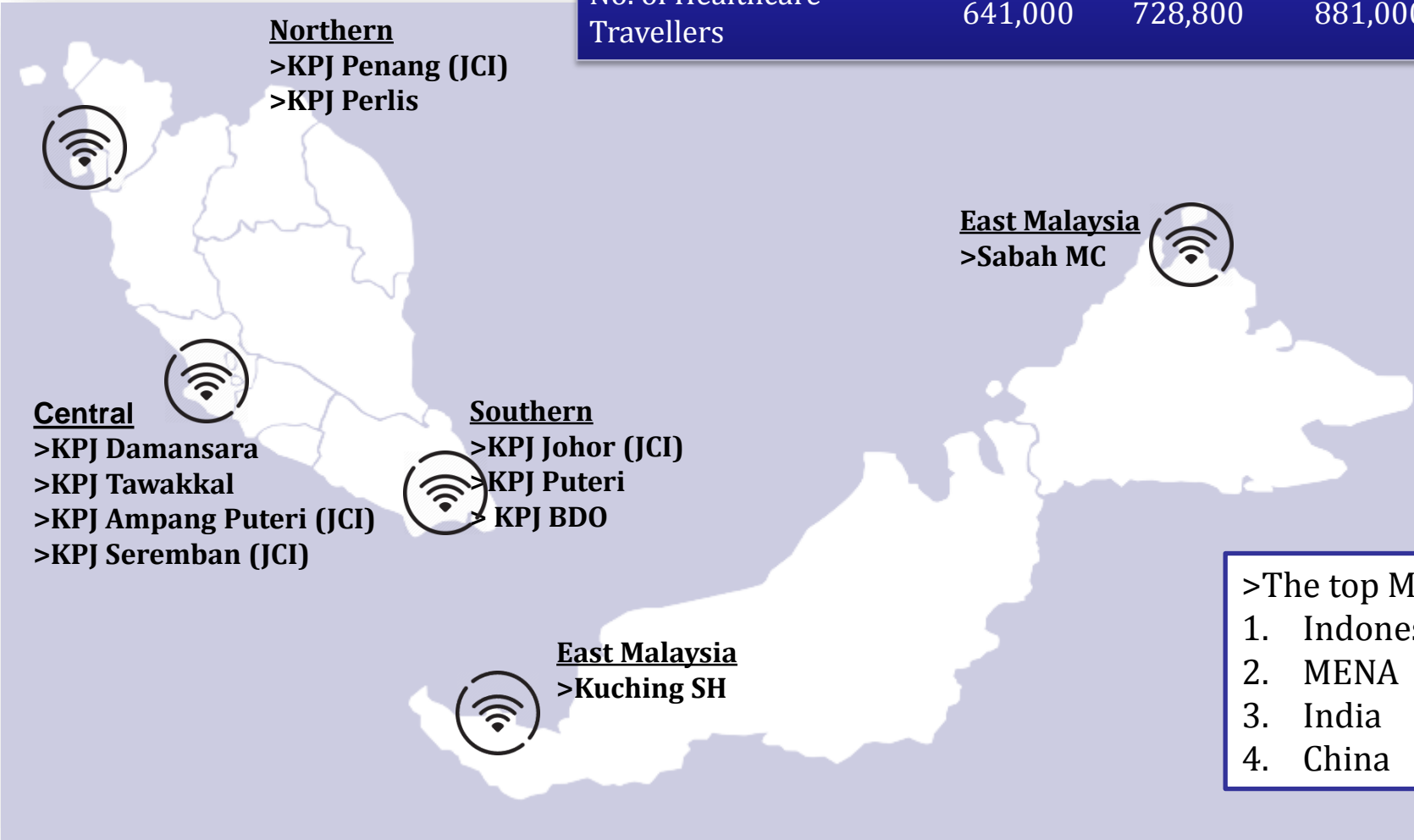
KPJ MT Hub



Comparison of Healthcare Travelers to Malaysia between 2011-2015

Year	2011	2012	2013	2014	2015
No. of Healthcare Travellers	641,000	728,800	881,000	882,000	850,000

Source:
Malaysia Health Travel Council



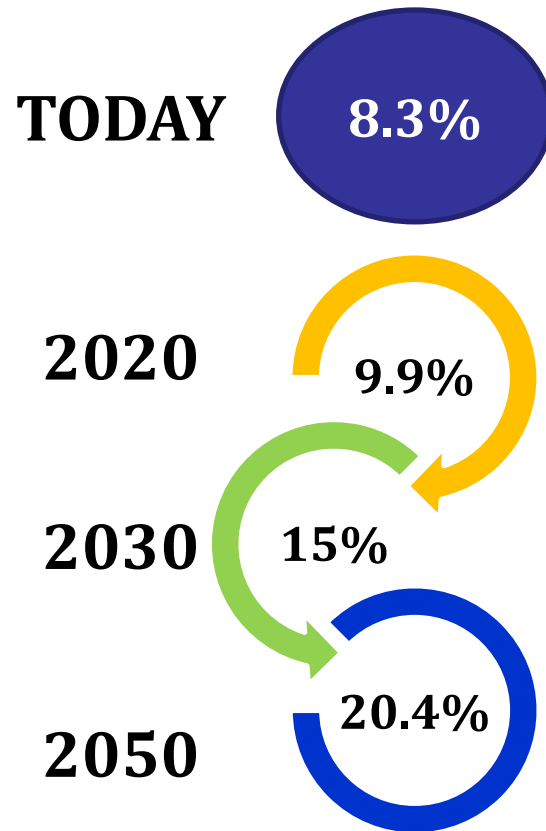
- >The top MT patients
1. Indonesia
 2. MENA
 3. India
 4. China

Aged Care Projection of Elderly Population

Malaysia is in the Top 5 for The World Best Places to Retire in 2016

Global Retirement Index 2016 (<http://internationalliving.com>)

> By 2050, 20% of Malaysian population will be over 60 years old.



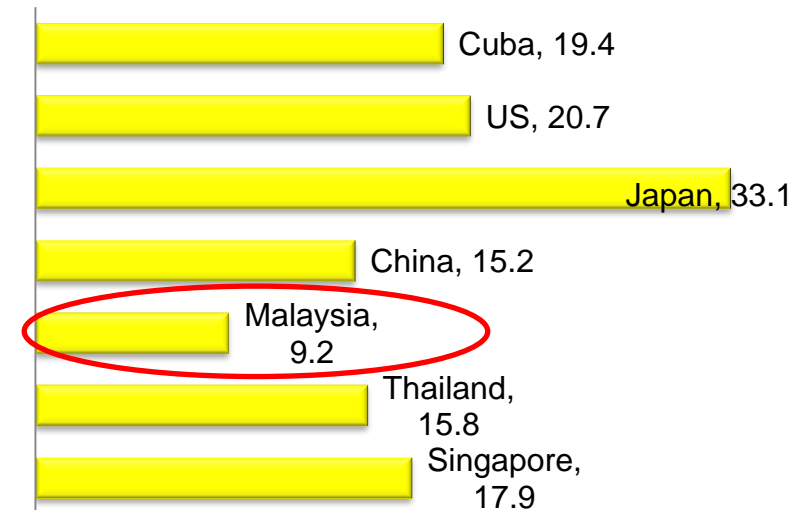
Source :
>MOH (Overview Of Development Of Malaysia Healthcare Towards Medical Tourism, 15 June 2015)
>Global Age Watch

Challenges

- . Culture
- . Legal framework
- . Funding mechanism



% Population & Aged > 60 years 2015



Source : United Nations, Department of Economic and Social Affairs, Population Division (2015.)

Aged Care & KPJ

Business of the future

Facilities

- **AUSTRALIA - Jeta Garden, Queensland**
 - 64-acre retirement village
 - Independent & dependent living facilities

- **MALAYSIA**
 - Tawakkal Health Centre (pilot)
 - Senior Living Care
 - Sibu Geriatric



> KPJ Presence in Aged Care Segment

Distribution of elderly population (above 60) by state (2020 projection)

State	% elder population	Remarks
Selangor	16%	*KPJ Ampang *KPJ Damansara
Johor	12%	*Coronation Square *BDO *KPJ Puteri *KPJ Johor
Sarawak	9%	Sibu Geriatric
Kuala Lumpur	6%	Tawakkal Health Centre
Pahang	6%	*KPJ Kuantan

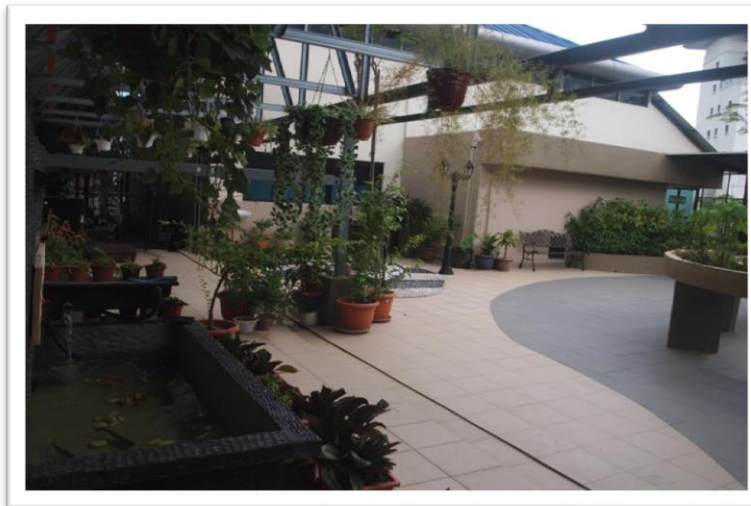
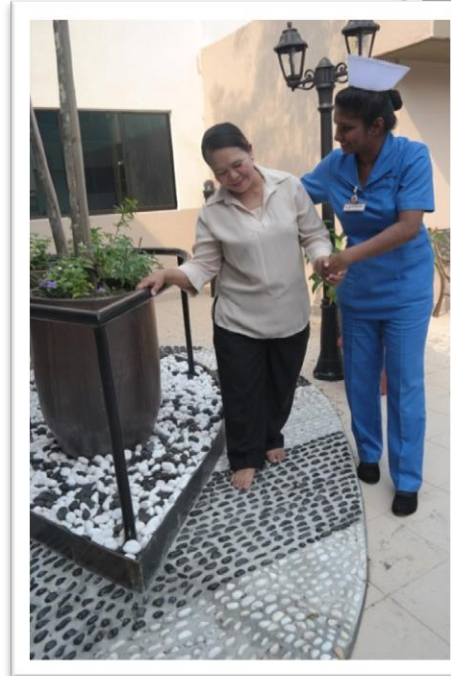
** Planning*

Jeta Gardens – Brisbane, Australia



KPJ Tawakkal Health Centre

Senior Living Care



	1Q2015	2Q2015	3Q2015	4Q2015
Beds	42	42	42	42
Occupancy Rate (%)	24.7%	37.8%	44.6%	48.61%
ALOS	15	19	21	21

Network Expansion

New Hospitals



PROJECT	LOCATION	TOTAL CAPACITY (Beds)	OPERATING BEDS	COMPLETION	OPENING
Tg Lumpur	Pahang	190	120	4Q2015	2Q2016
Perlis	Perlis	90	60	4Q2016	1Q2017
Kuching	Sarawak	150	130	3Q2017	4Q2017
BDO	Johor	150	90	3Q2017	4Q2017
Miri	Sarawak	100	60	2Q2018	3Q2018
UTM	Johor	150	60	2Q2018	3Q2018
Melaka	Melaka	90	60	TBA	-
K/Bayuemas	Selangor	180	110	TBA	-

Total Beds

1,100

690

Network Expansion

Hospital Expansion / Renovation

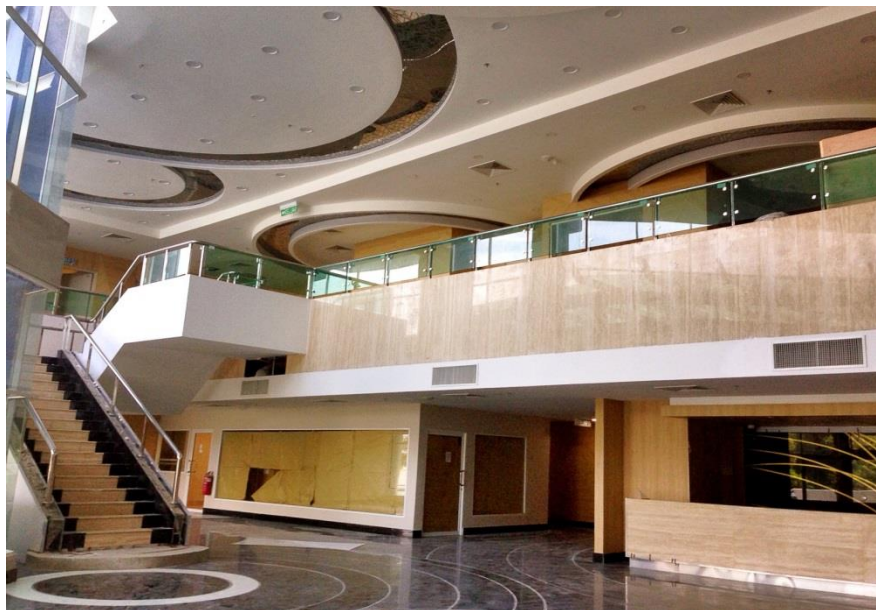
HOSPITALS	DESCRIPTION	CAPACITY	COMPLETION	OPENING
KPJ Selangor	Clinics	54	1Q2016	2Q2016
KPJ Puteri**	Beds	66	4Q2016	1Q2017
Taiping	Clinics	18	4Q2016	1Q2017
KPJ Ampang	Beds	150	1Q2017	2Q2017
	Clinics	33		
KPJ Johor	Beds	53	1Q2017	2Q2017
Sri Manjung	Beds	30	1Q2017	2Q2017
KPJ Seremban	Beds	90	2Q2017	3Q2017
KPJ Penang	Beds	156	2Q2017	3Q2017

Total Beds **545**

Total Clinics **105**

New Hospitals in 2015 & beyond

KPJ Pahang Specialist Hospital



New Hospitals in 2015 & beyond

Bandar Dato' Onn
Specialist Hospital



BDC Specialist Hospital



Hospital Expansion

KPJ Selangor Specialist Hospital



KPJ Seremban Specialist Hospital



1. Limited pool of healthcare professionals for sub-specialty
– potential high cost

2. Highly regulated industry
>lower margin compared to regional peers

3. Keeping new hospital development on track
> costs & timeline

4. Managing bottom line during gestation period of greenfield projects
> between 3 to 5 yrs

5. Potential structural changes
>1 Care, AEC, AFTA

6. Competition
>from other players & government hospitals

KPJ

CHALLENGE



Current Issues

GST

Impact on cost of living

TPPA & RM Weakness



Conclusion

- Despite all the challenges, the healthcare industry in which the Group operates is forecasted to enjoy steady growth due to the increase of the world's ageing population and rapid growth of the middle income group.
- The Group sees this as a growth opportunity to further strengthen its presence in Malaysia and Asia via expansion of existing hospitals as well as the building of new hospitals and acquisition of brownfield hospitals.



“Future Proof Our Network Today, To Ensure Sustainable Growth Tomorrow”



1Q 2016