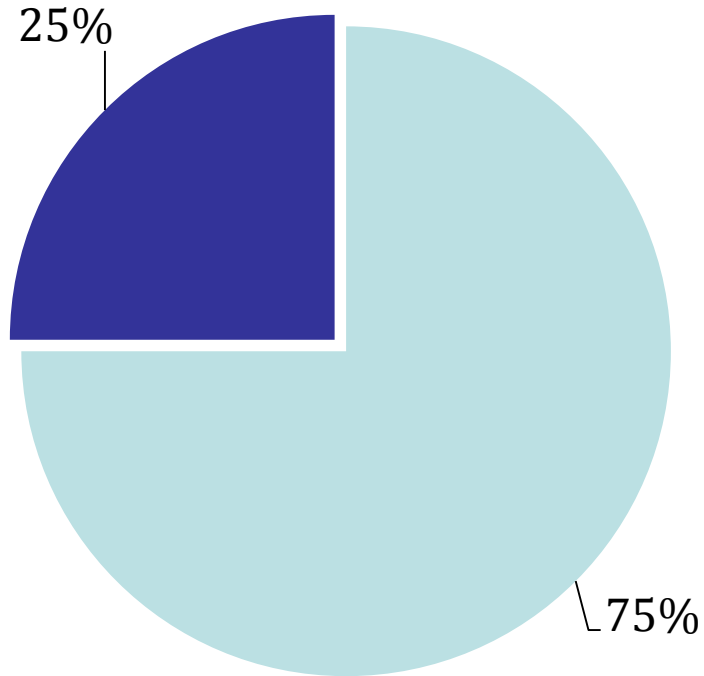




HEALTHCARE INDUSTRY IN MALAYSIA

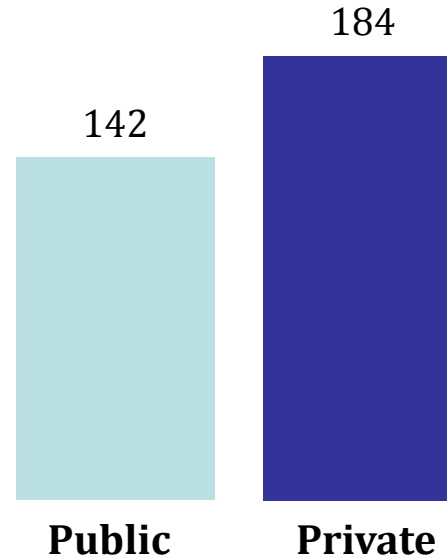
Malaysia Healthcare System 2014

Healthcare Provider

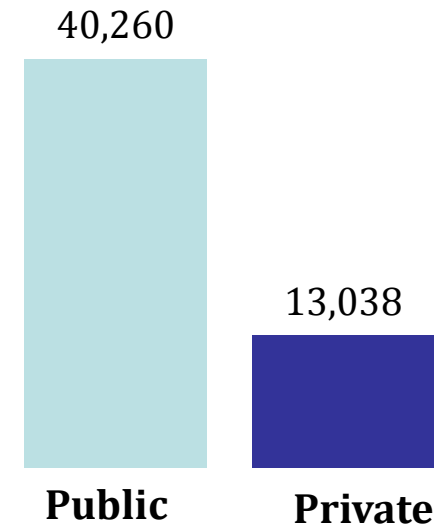


Legend :
Public ■
Private ■

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)

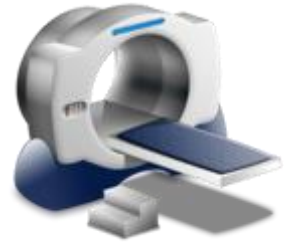


Health Tourism

- among the world's most favored destinations

Latest Medical Equipment

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



Cost

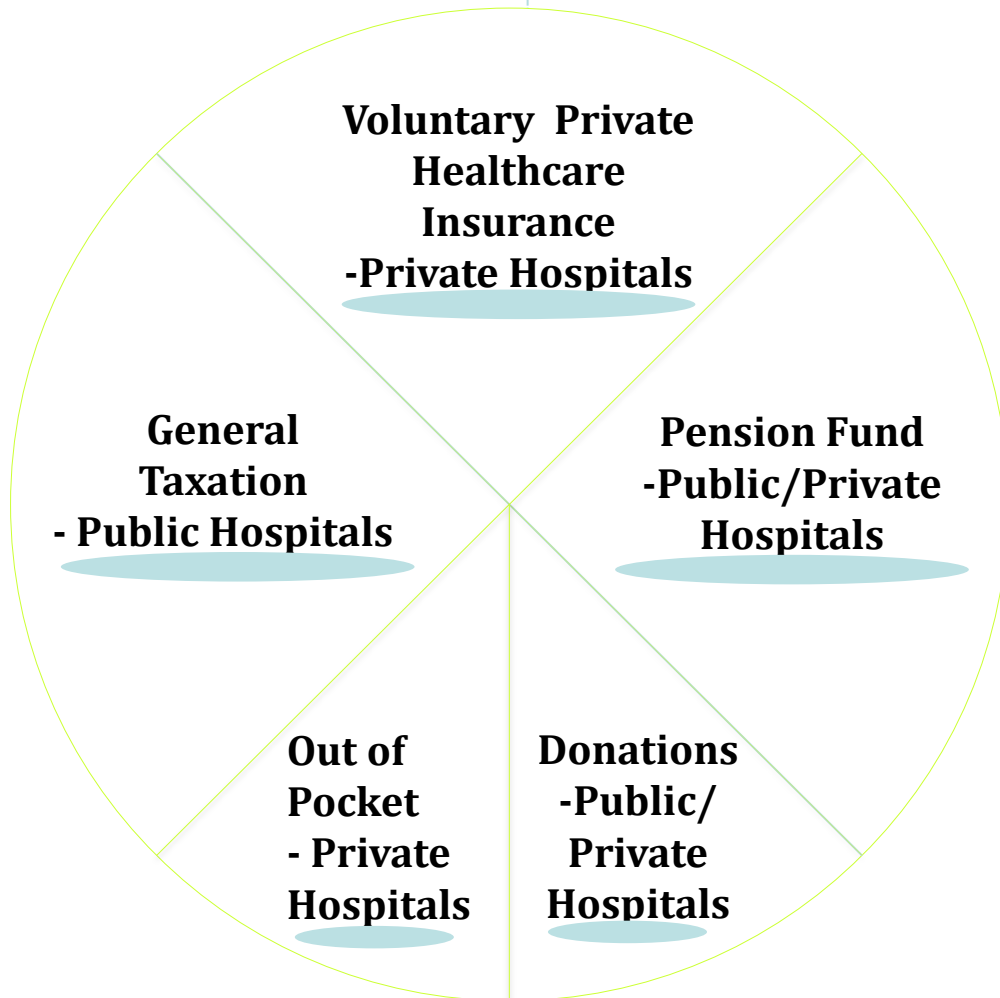
- low cost
- very competitive pricing
- lower than neighboring countries



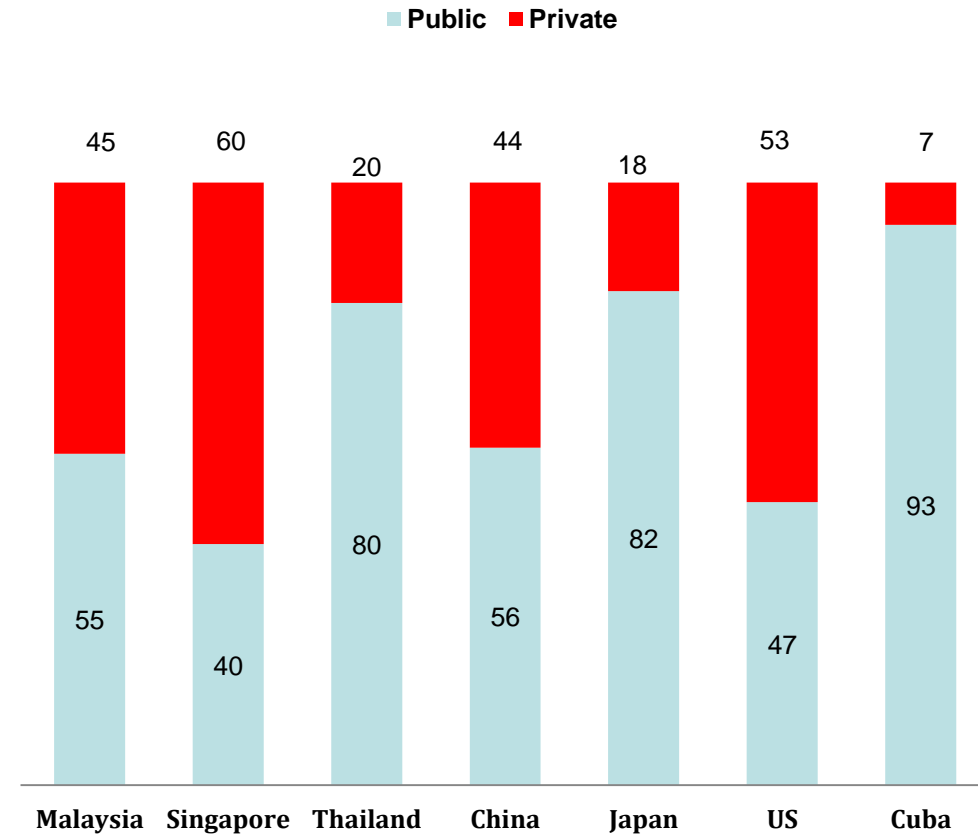
HEALTHCARE INDUSTRY IN MALAYSIA



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



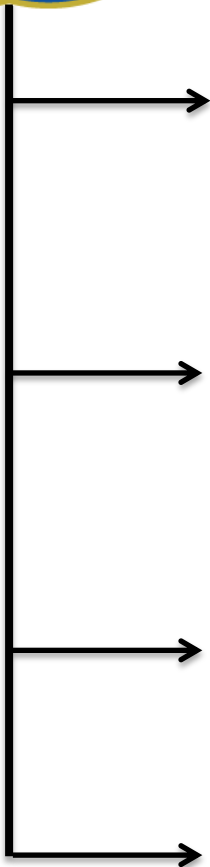
Johor Bahru



Penang

ABOUT KPJ

Shareholdings Stats



JOHOR CORPORATION

44.44%



12.90%



KWAP
Kumpulan Wang Persaraan (Diperbadankan)
RETIREMENT FUND INCORPORATED

3.40%

FOREIGN SHAREHOLDERS

9.01%



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



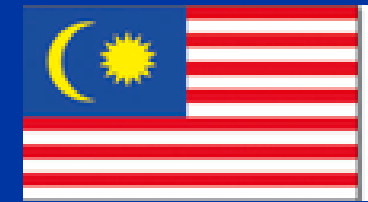
- >2 hospitals
- >Promising demographics (growing – middle class)

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

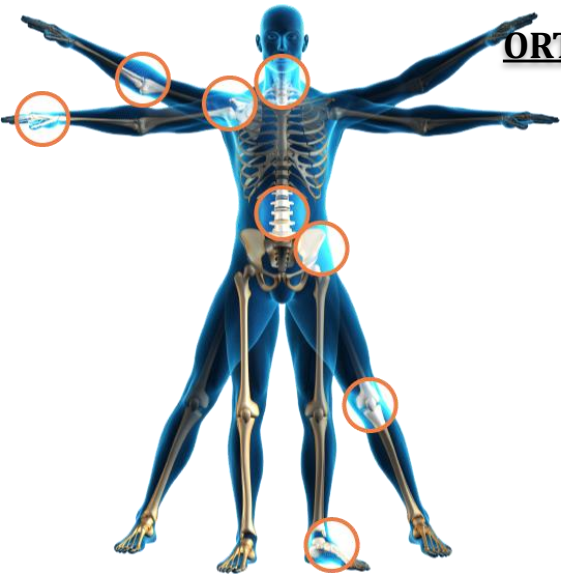
>25 hospitals & 2 Aged Care Centre

>Target – 2 new hospitals p.a

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

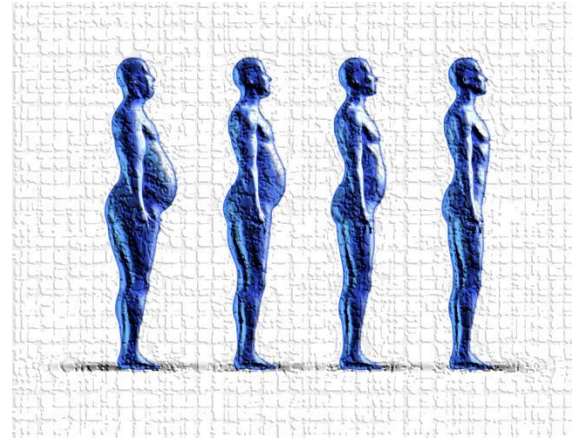
Our Presence

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

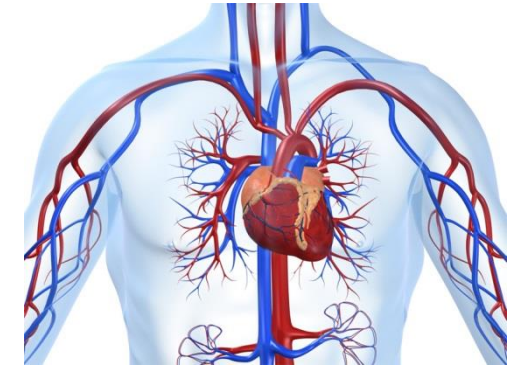


BARIATRIC (Obesity) SURGERY

- ✓ KPJ Damansara

CARDIOLOGY

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



ONCOLOGY (Cancer)

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

RECONSTRUCTIVE & PLASTIC SURGERY

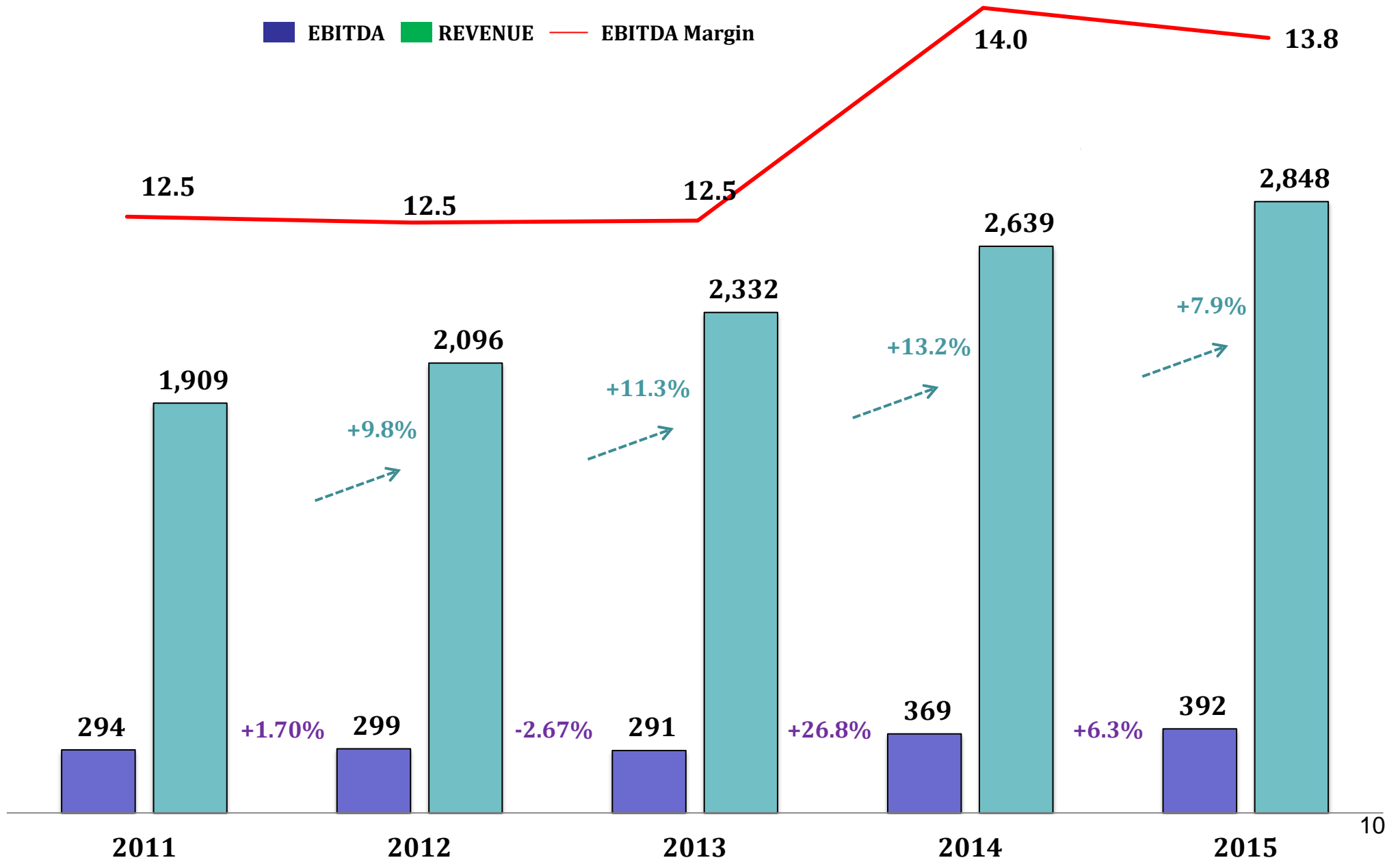


- ✓ KPJ Ampang Puteri
- ✓ KPJ Damansara
- ✓ KPJ Johor

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

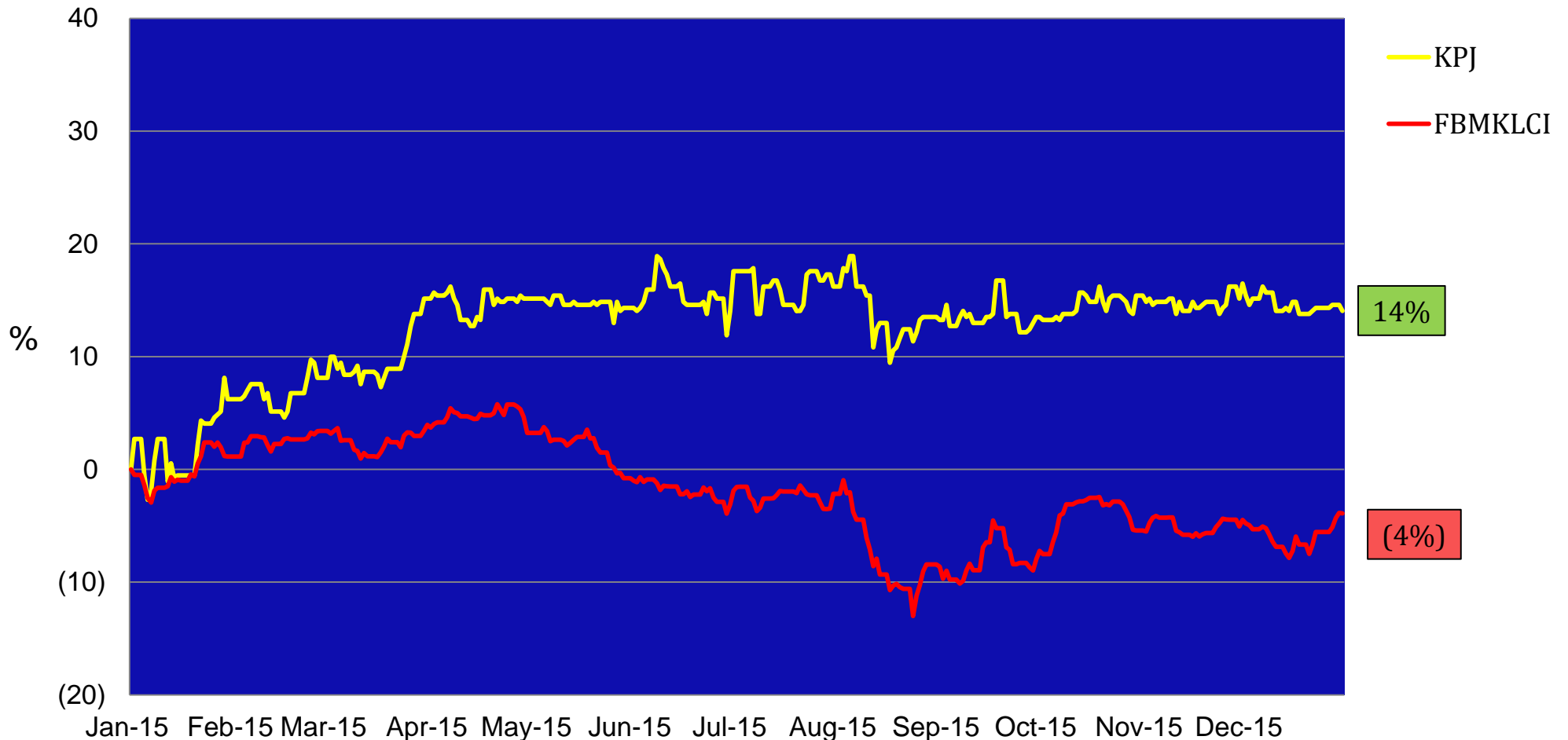
Year End - 31 Dec 2015

	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

2Q2016 vs 2Q2015



RM'000	3M FY16 vs 3M FY15			6M FY16 vs 6M FY15		
	3M FY16	3M FY15	Var (%)	6M FY16	6M FY15	Var (%)
Revenue	765,124	714,272	7.1	1,509,070	1,424,159	6.0
Gross Profit	222,151	224,026	(0.8)	454,397	442,597	2.7
Profit from Operations	51,139	59,272	(13.7)	112,276	113,004	(0.6)
Finance Income	2,434	3,057	(20.4)	5,127	5,615	(8.7)
Finance Cost	(16,392)	(15,903)	(3.0)	(37,139)	(30,512)	(21.7)
Share of Results from associates	8,905	9,008	(1.1)	17,243	17,943	(3.9)
Profit before zakat and tax	46,086	55,434	(16.9)	97,507	106,050	(8.1)
Zakat	(740)	(570)	29.8	(1,140)	(1,140)	-
Taxation	(13,879)	(16,165)	(14.14)	(28,277)	(29,831)	(5.2)
Profit after zakat and tax	31,467	38,699	(18.7)	68,090	75,079	(9.3)
Equity holders of company	30,334	35,994	(15.7)	64,507	69,888	(7.7)
Non-controlling interest	1,133	2,705	(58.1)	3,583	5,191	(30.9)
Net profit attributable to shareholders	31,467	38,699	(18.7)	68,090	75,079	(9.3)
Basic EPS (sen)	2.81	3.59	(21.7)	6.06	6.77	(10.5)

Key Ratios

2Q2016 vs 2Q2015

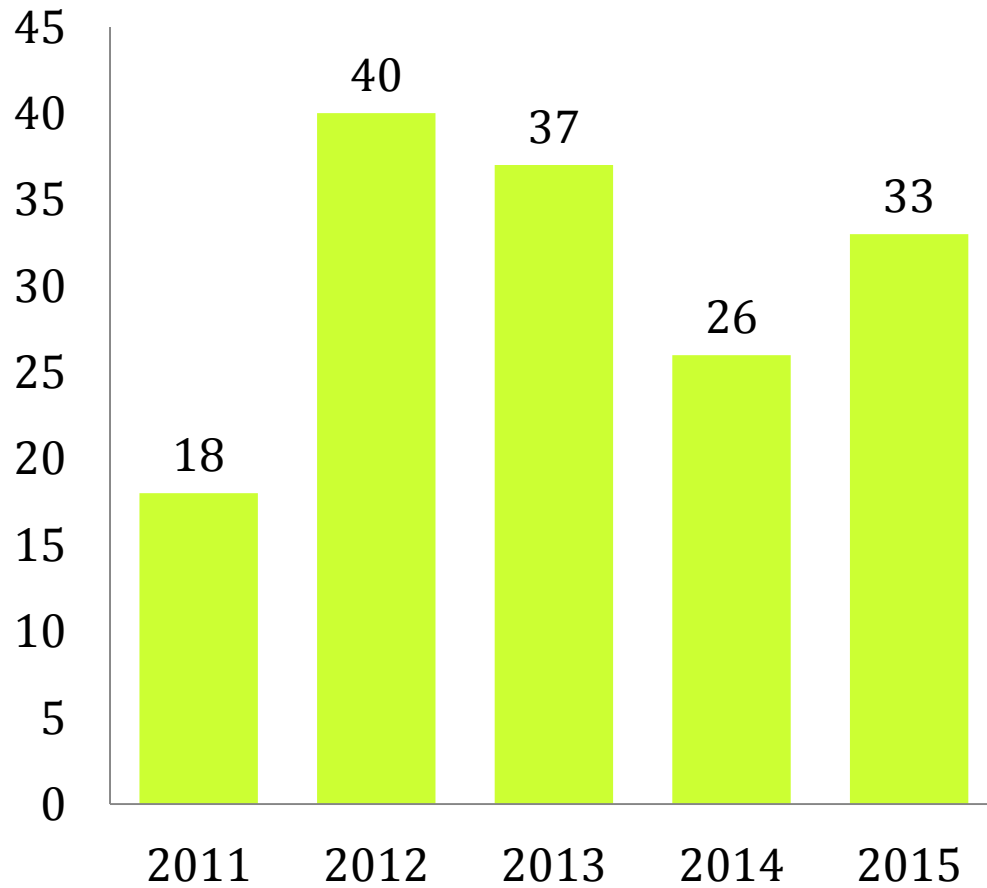
	6M FY16 %	6M FY15 %	Var
Gross Profit (GP) Margin	30.1	31.1	(3.2)
Profit Before Tax (PBT) Margin	6.5	7.4	(12.1)
EBITDA Margin	13.0	13.6	(4.4)
Net Profit Margin	4.5	5.3	(15.1)
Dividend per share	3.55	4.35	(18.4)
Gearing Ratio:			
Gross	1.03	0.90	14.4
Net	0.78	0.71	9.9
Net assets per share (RM) - at par value RM0.50	1.44	1.40	(2.8)

KEY FINANCIAL HIGHLIGHTS

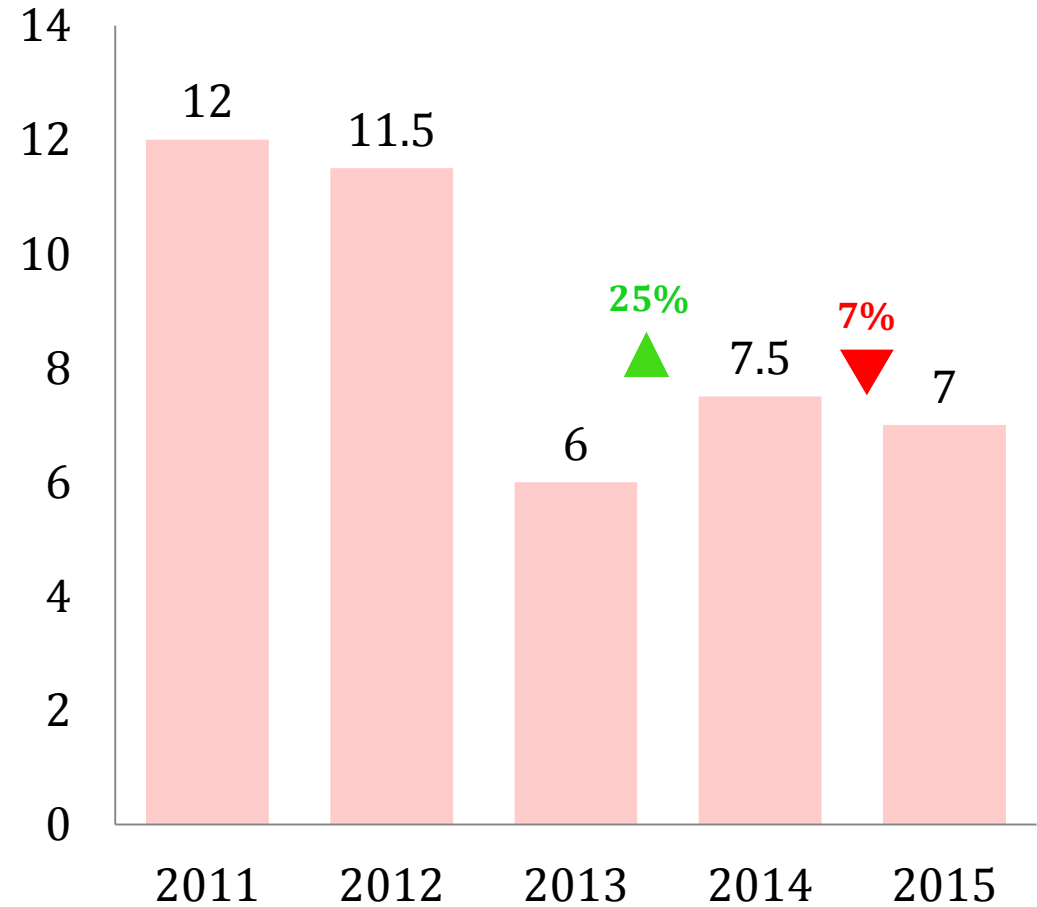


FY2011-FY2015

PE R Historical



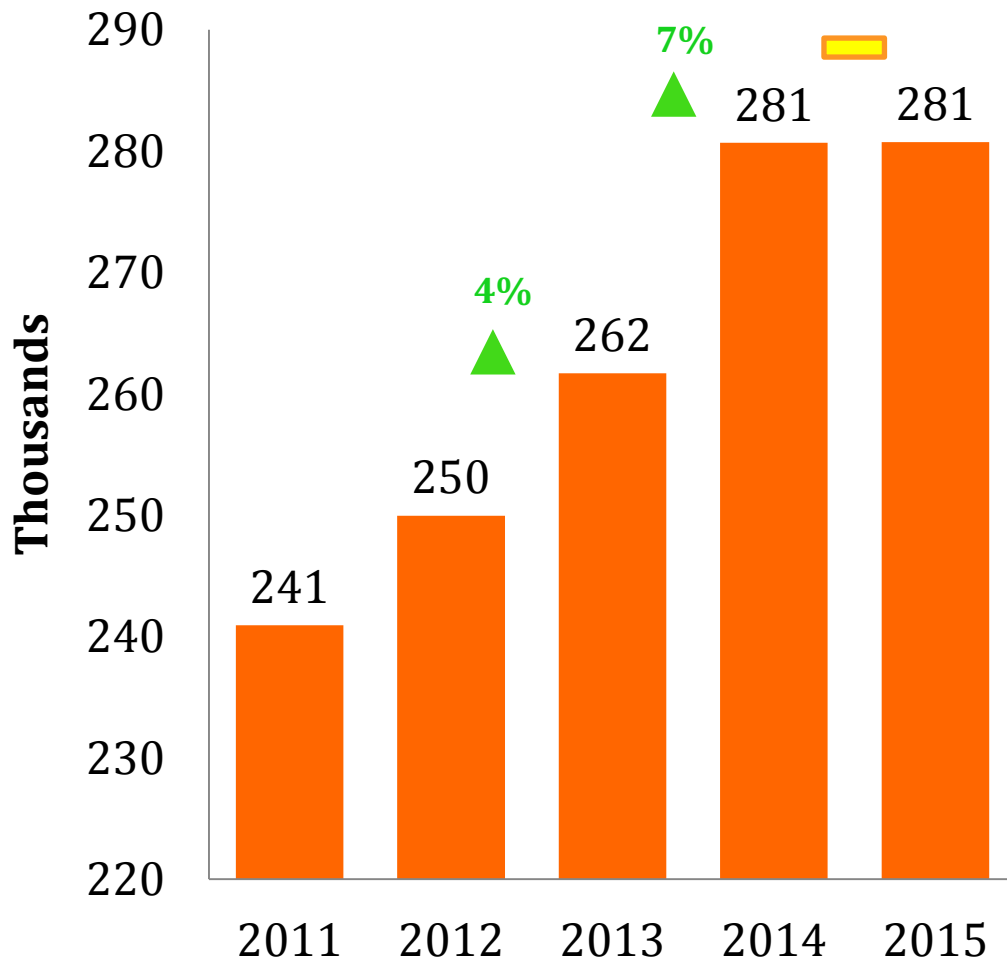
Dividend (sen)



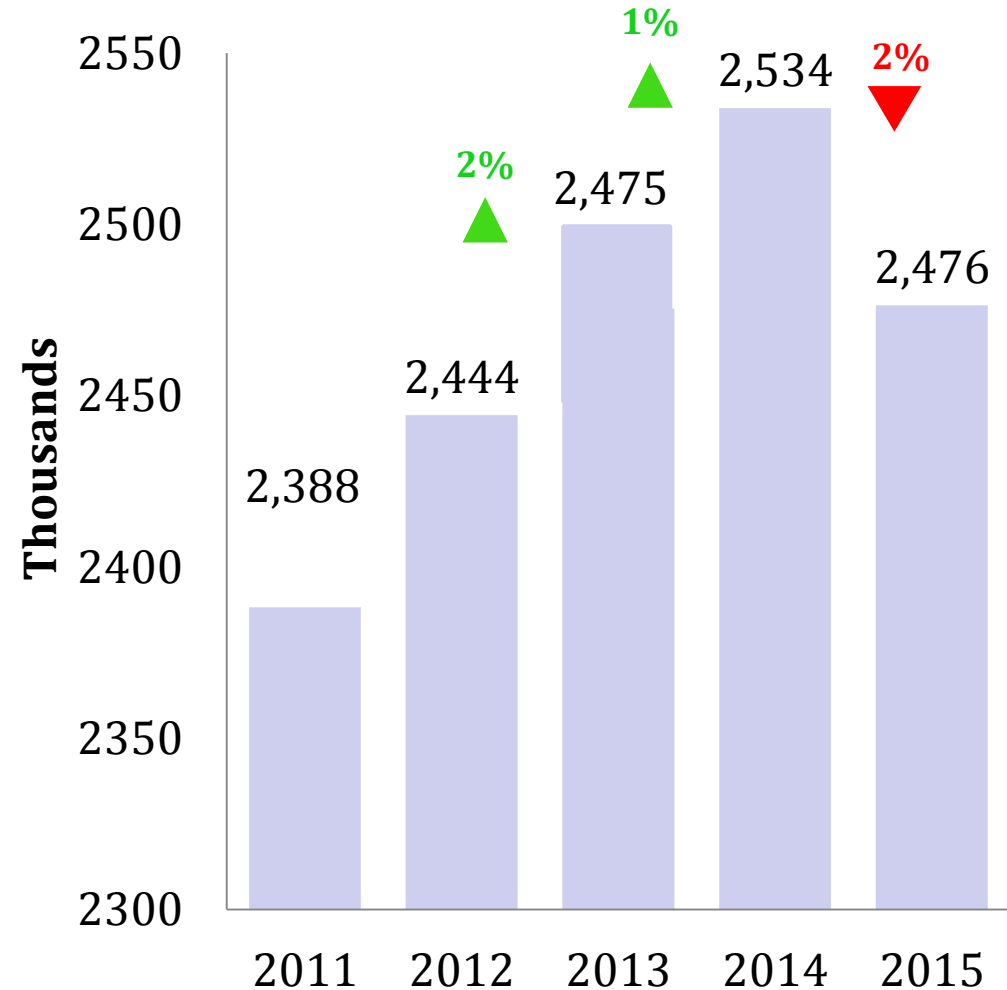
Key Operational Highlights

FY2011-FY2015

No of Inpatients



No of Outpatients

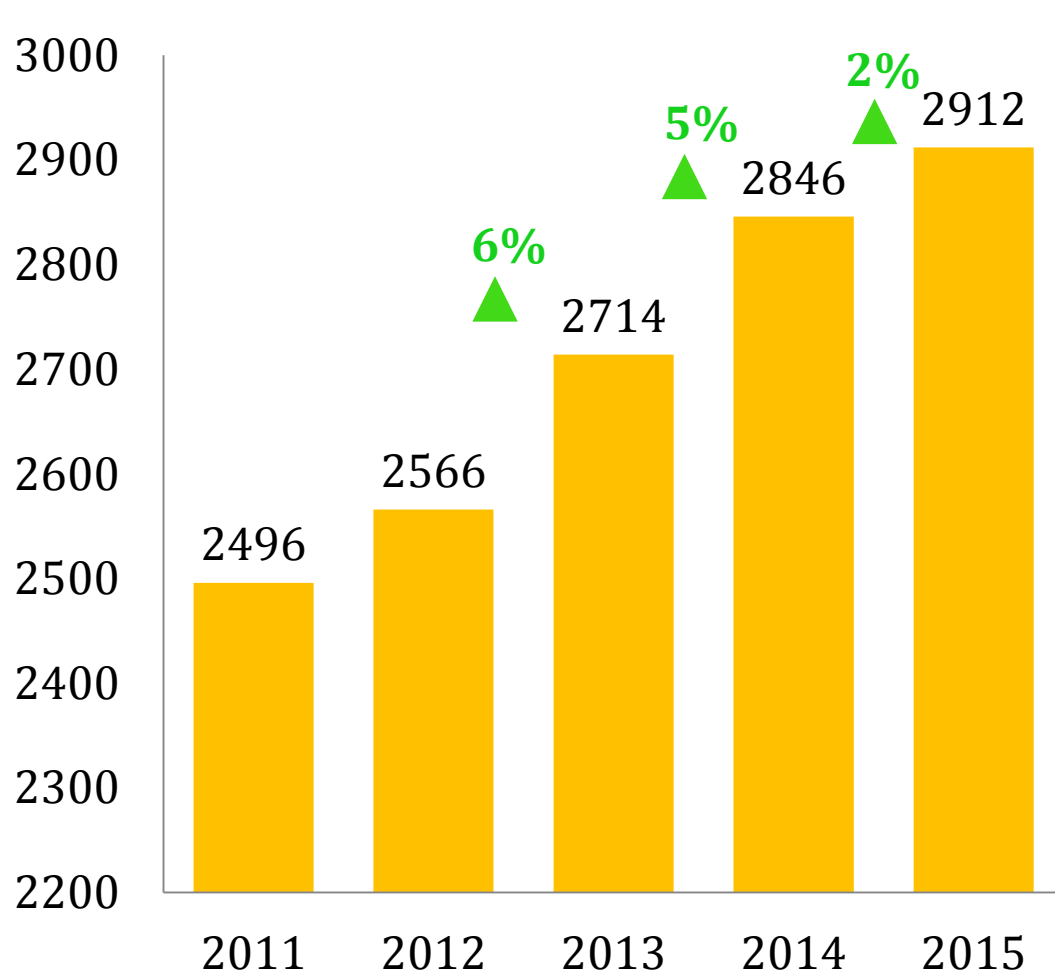


Key Operational Highlights

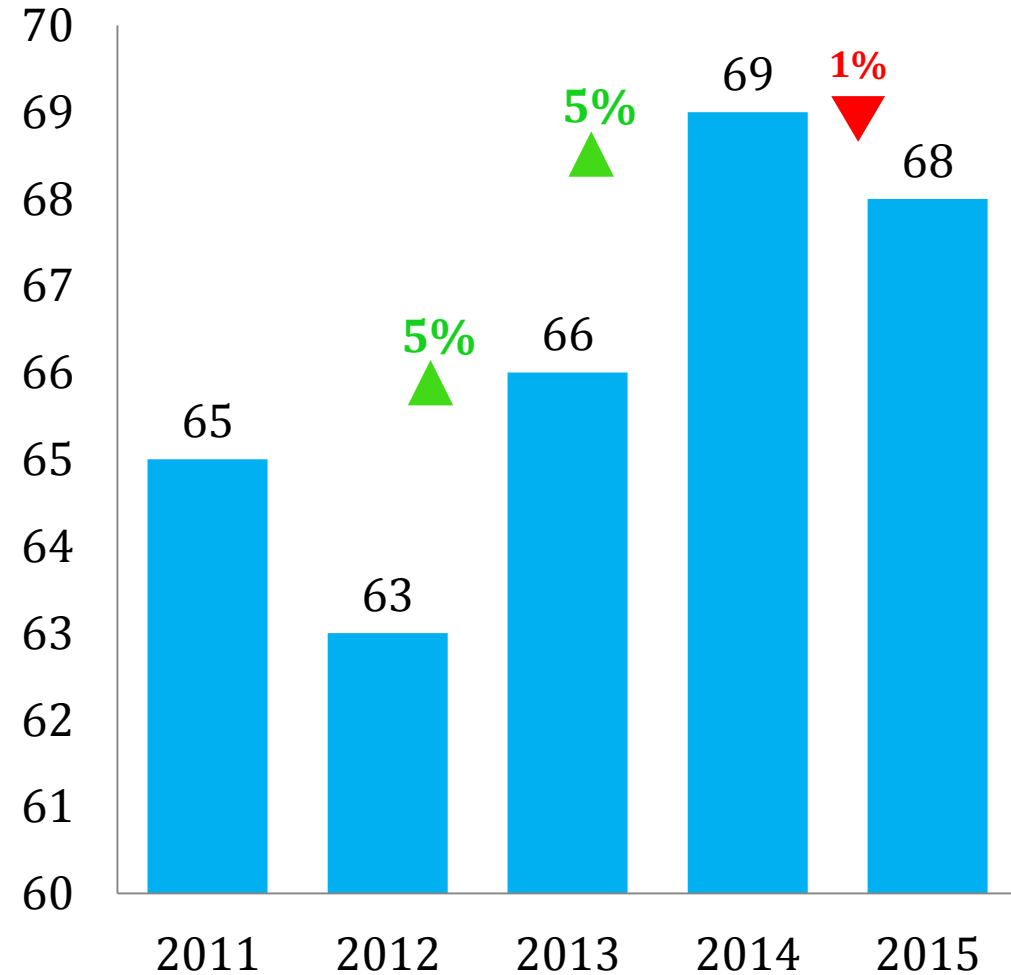
FY2011-FY2015



No of Operating Beds



Occupancy Rates (%)



Summary of KPJ Hospitals' Performance

6M FY2016 vs 6M FY2015

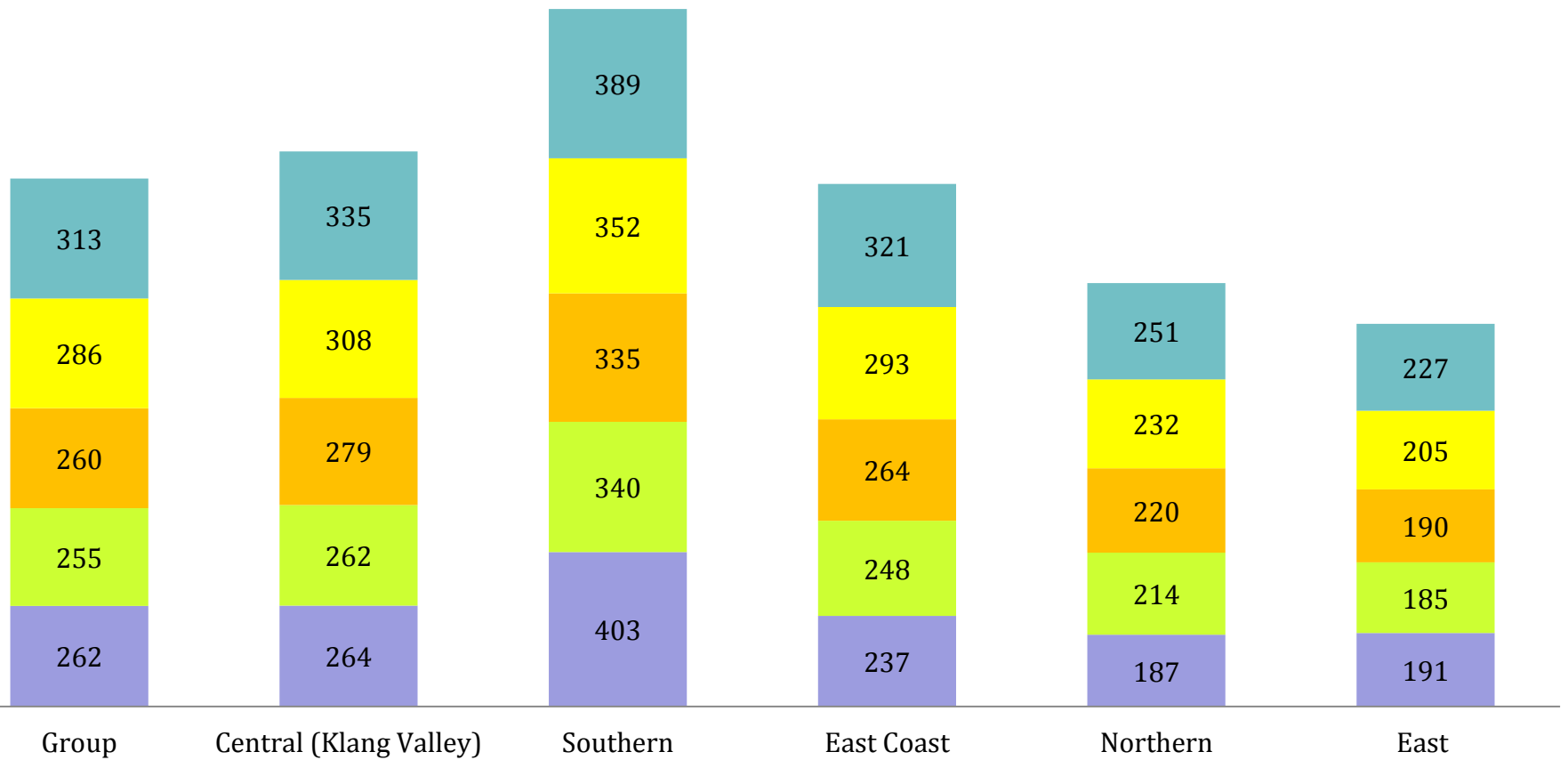
Hospital Indicators	6M FY2016	6M FY2015	Var (%)
No of Outpatients	1,257,385	1,262,501	(0.4)
No of Inpatients	142,339	142,079	0.2
No. of Operating Beds	2,946	2,891	1.9
Occupancy Rate	68.6	70.4	(2.5)
Avg. Length of Stay	2.61	2.53	3.0

AVERAGE SPENDING

Summary of KPJ Hospitals' Performance

Average Revenue per Outpatient of Hospital by Region (RM)

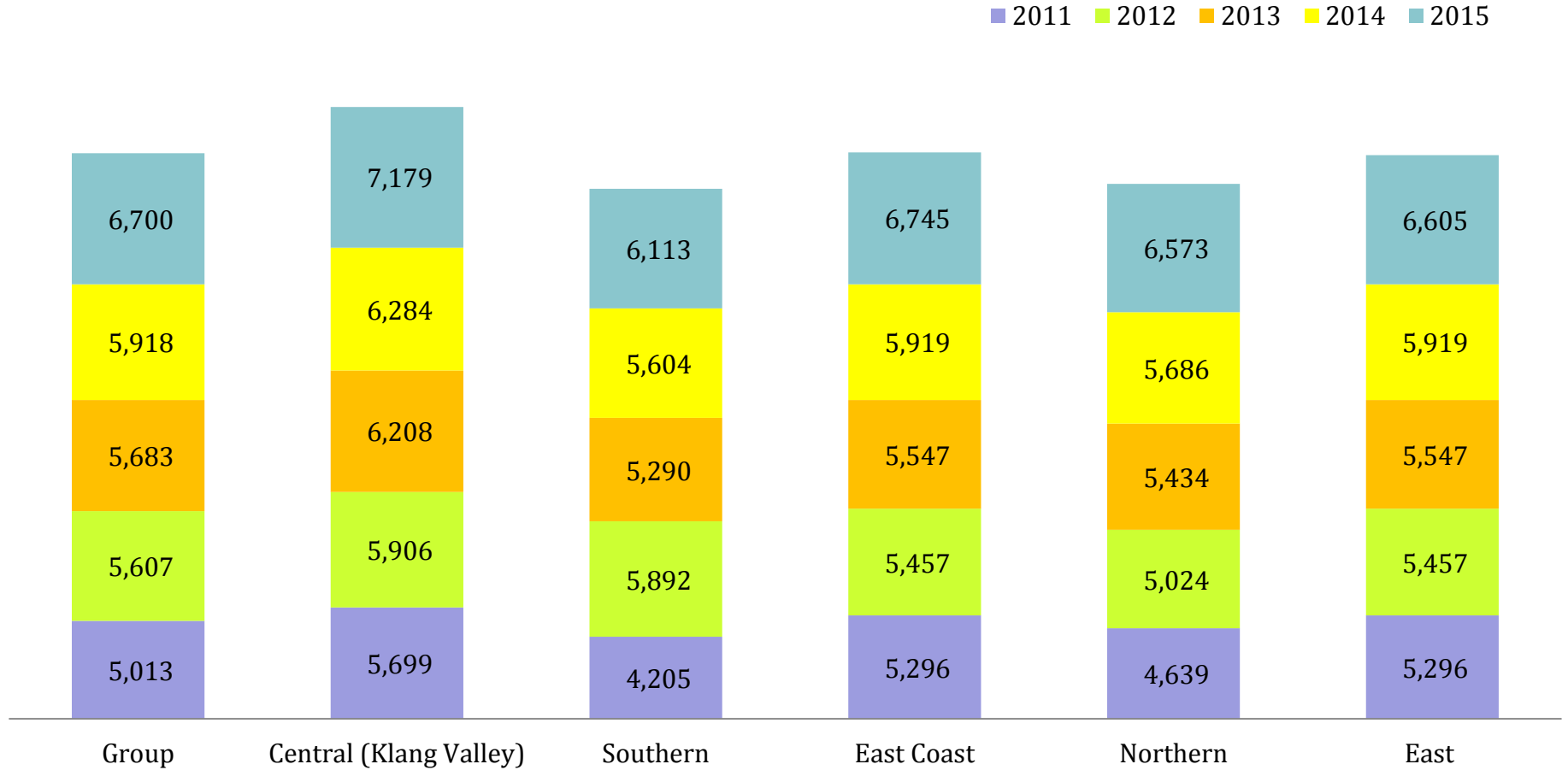
2011 2012 2013 2014 2015



AVERAGE SPENDING

Summary of KPJ Hospitals' Performance

Average Revenue per Inpatient of Hospital by Region (RM)

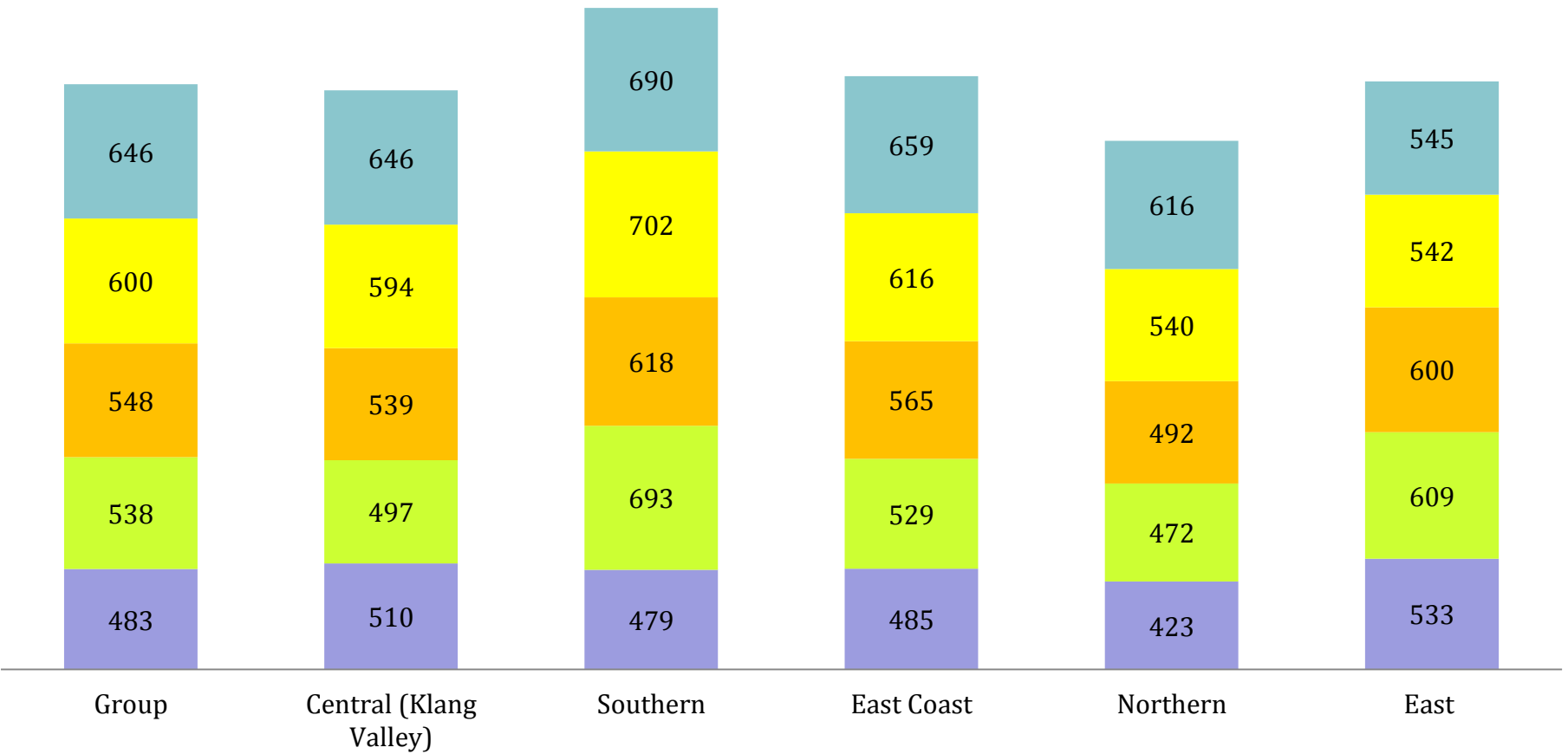


AVERAGE SPENDING

Summary of KPJ Hospitals' Performance

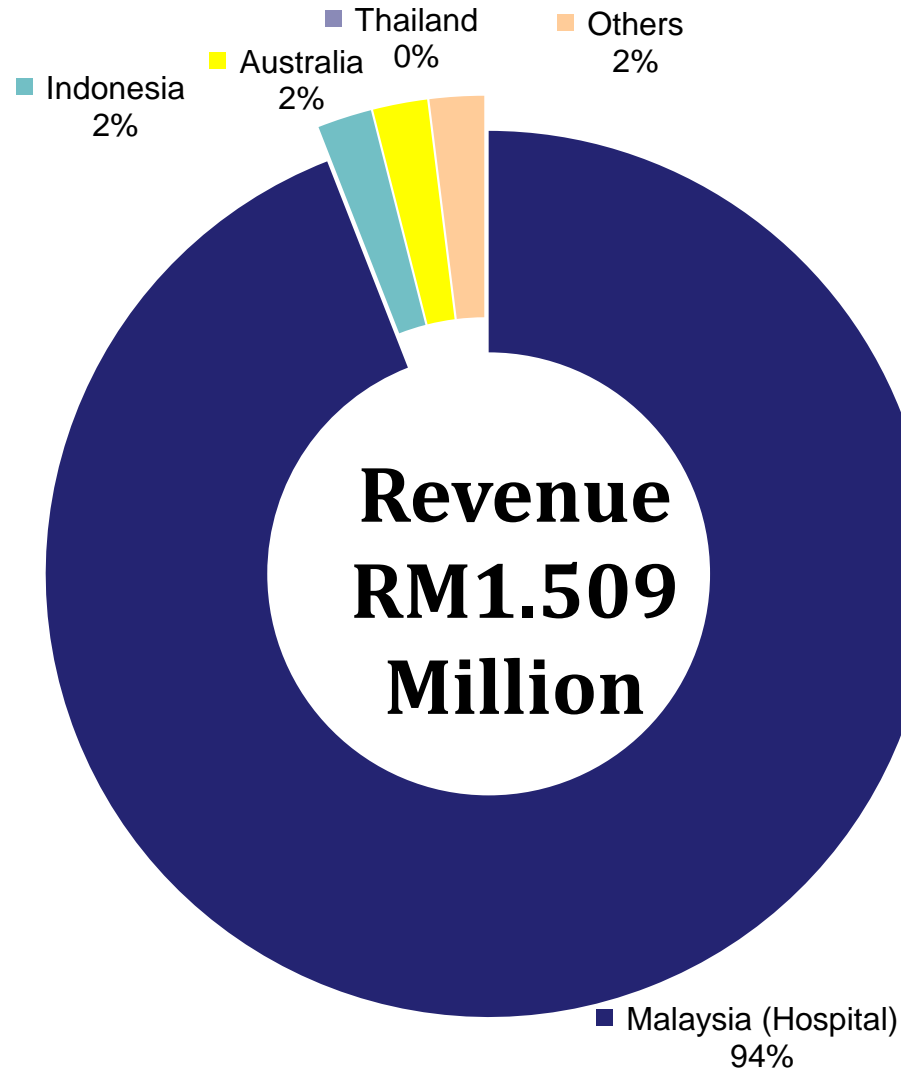
Average Revenue Per Bed
by Hospital by Region (RM'000)

2011 2012 2013 2014 2015



Revenue Contributions

2Q 2016



Segmental

2Q2016 vs 2Q2015

HOSPITALS		2Q 2016 (RM'000)	2Q 2015 (RM'000)	Var (%)
MALAYSIA	Revenue	1,431,986	1,358,334	5.4
	PBT	104,197	108,494	(3.9)
	EBITDA	199,181	193,323	3.0
INDONESIA	Revenue	28,262	23,735	19.0
	PBT	837	833	0.5
	EBITDA	2,497	2,659	(6.1)
AUSTRALIA	Revenue	23,874	21,886	9.0
	PBT	(5,687)	(3,203)	(77.5)
	EBITDA	(4,764)	(3,036)	(56.9)
OTHERS	Revenue	24,948	20,204	23.5
	PBT	(1,840)	(74)	(2,386)
	EBITDA	205	1,496	(629.7)

Jeta Gardens - Brisbane, Australia

Senior Living Care

Financials	6M FY 2016 (RM'000)	6M FY 2015 (RM'000)	Var (%)
Revenue	23,874	21,886	9.1
Profit/(Loss) Before Tax	(5,687)	(3,203)	(77.5)

Facilities	As at June 2016	2015	2014
Aged-Care Facility	180	180	108
Retirement Villas	33	33	33
Apartments Unit	32	32	32
Occupancy Rate	78%	70%	98%

KPJ's Indonesian Hospitals

Financials Group Indonesia Hospitals	6M FY 2016 (RM'000)	6M FY 2015 (RM'000)	Var (%)
Revenue	28,262	23,735	19.0
Profit/(Loss) Before Tax	837	833	(4.8)
RS Permata Hijau	6M FY 2016	6M FY 2015	Var (%)
No. of Bed	92	92	-
Occupancy rate (%)	54.3%	47.9%	13.4
Outpatients	22,560	23,962	(5.9)
Inpatients	2,735	2,669	2.5
RS Bumi Serpong Damai	6M FY 2016	6M FY 2015	Var (%)
No. of Bed	75	75	-
Occupancy rate (%)	45.0%	55.9%	(19.5)
Outpatients	31,747	30,878	2.8
Inpatients	2,285	2,218	3.0

KPJ Investment in Thailand – Vejthani Hospital, Bangkok

Financials	6M FY 2016 (RM'000)	6M FY 2015 (RM'000)	Var (%)
Revenue	99,202	97,743	1.5
Net Profit	2,532	8,166	(68.9)
Outpatient	133,806	138,899	(3.7)
Inpatient	3,998	4,129	(3.2)

Education - KPJ Healthcare University College

Financials	6M FY 2016 (RM'000)	6M FY 2015 (RM'000)	Var (%)
Revenue	22,017	19,176	14.8
PBT	245	1,388	(82.3)
Students	2,719	2,561	6.1

Academic Program

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

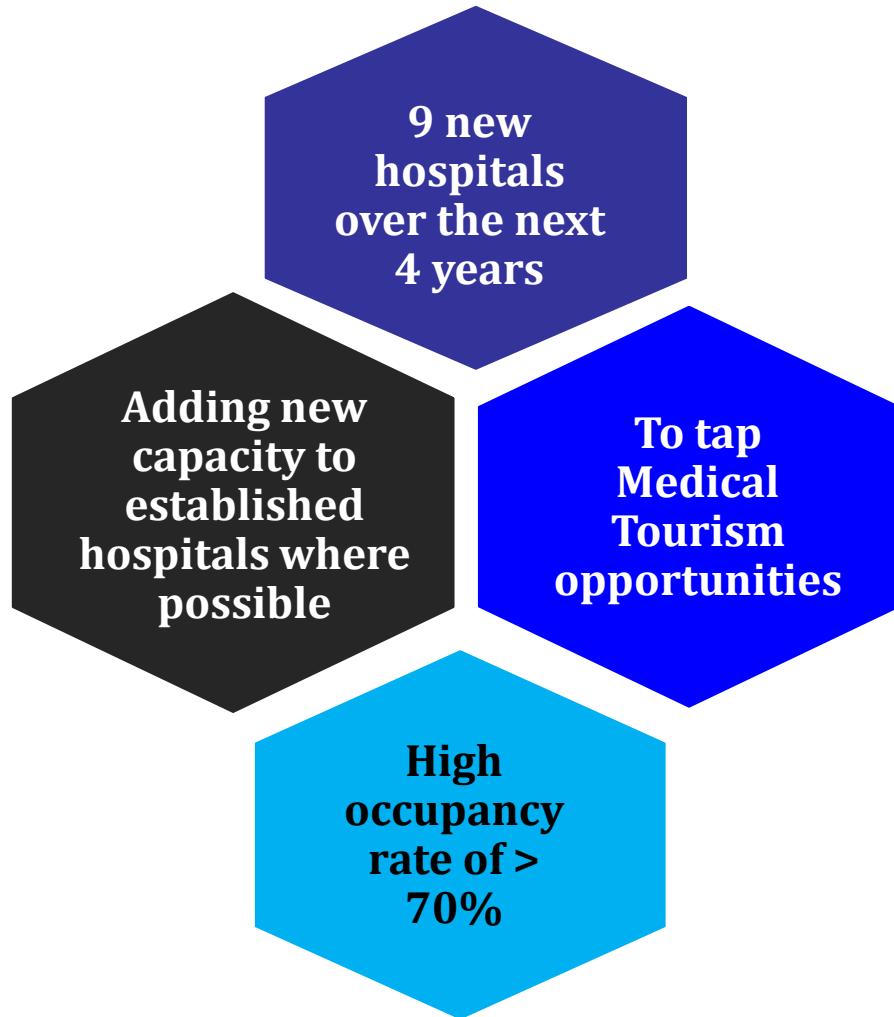
1. School of Medicine
2. School of Pharmacy
3. School of Nursing
4. School of Health Sciences
5. School of Business & Management
6. School of Behavioral Science and Humanity

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
- > Sibiu
- >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

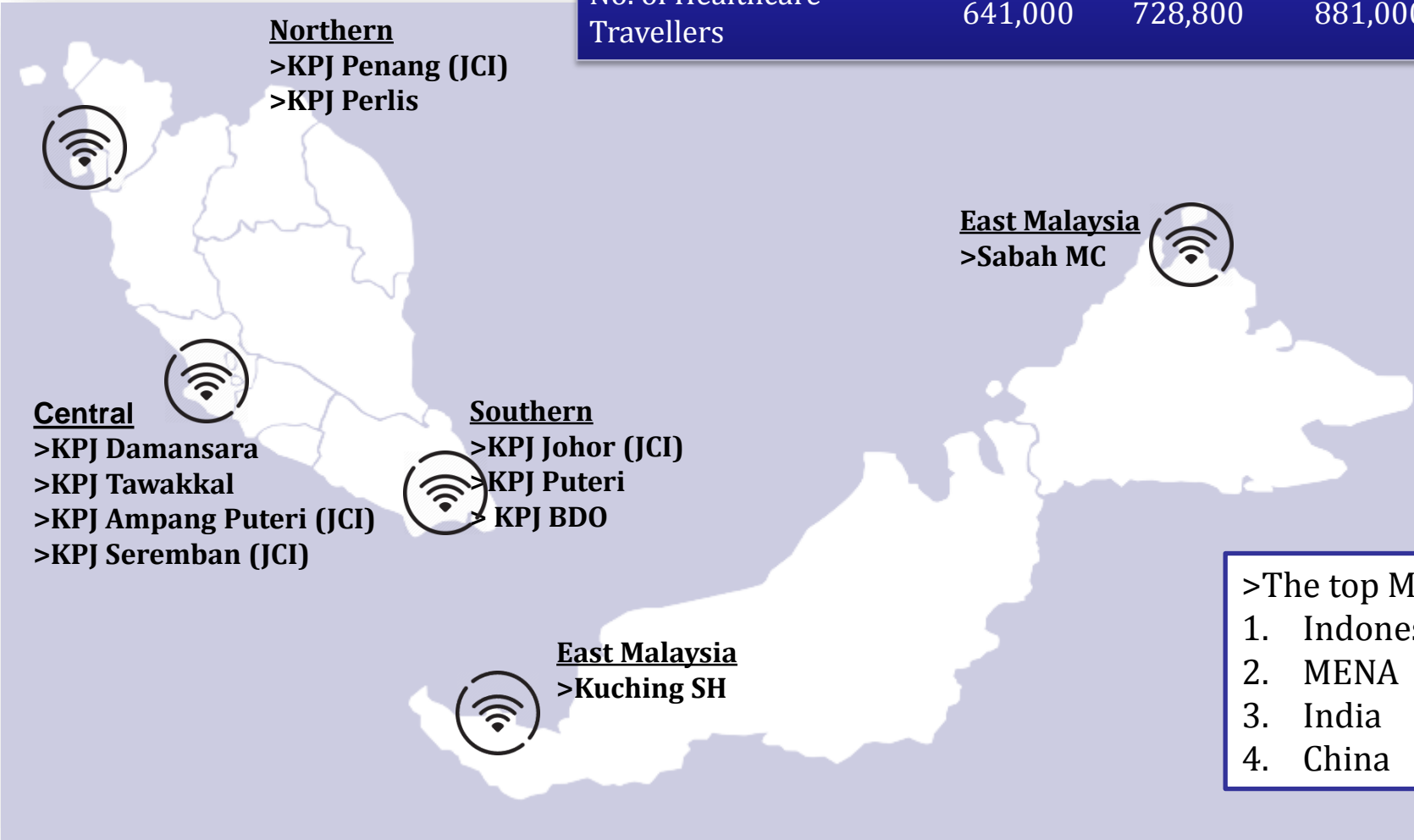
KPJ MT Hub



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



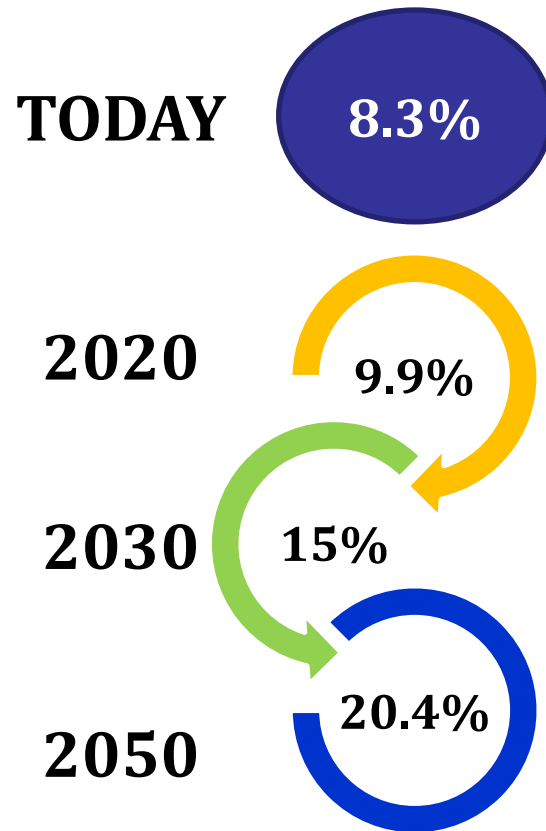
- >The top MT patients
1. Indonesia
 2. MENA
 3. India
 4. China

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.



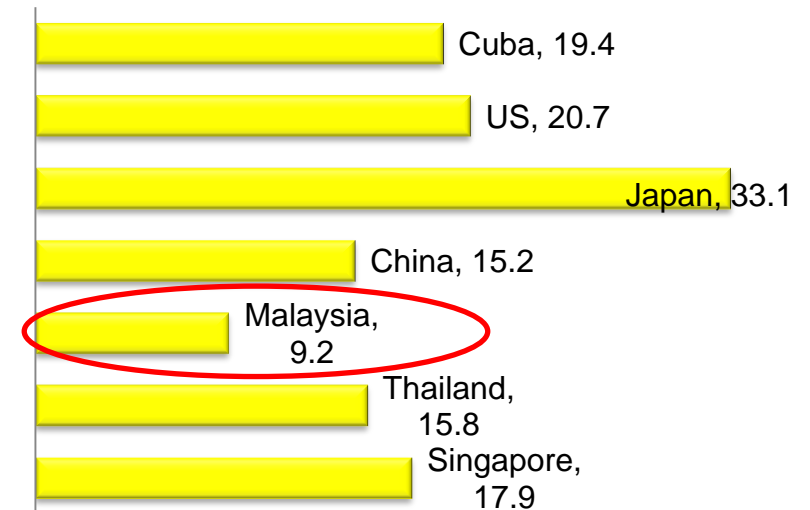
Source :
>MOH (Overview Of Development Of Malaysia Healthcare Towards Medical Tourism, 15 June 2015)
>Global Age Watch

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

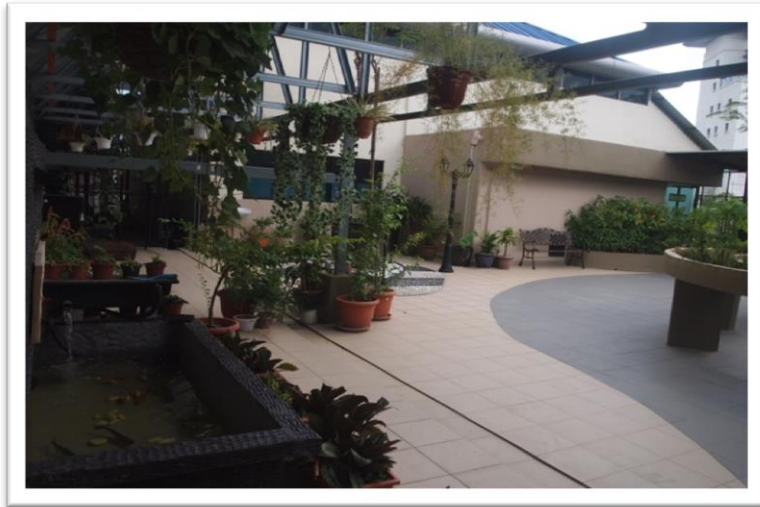
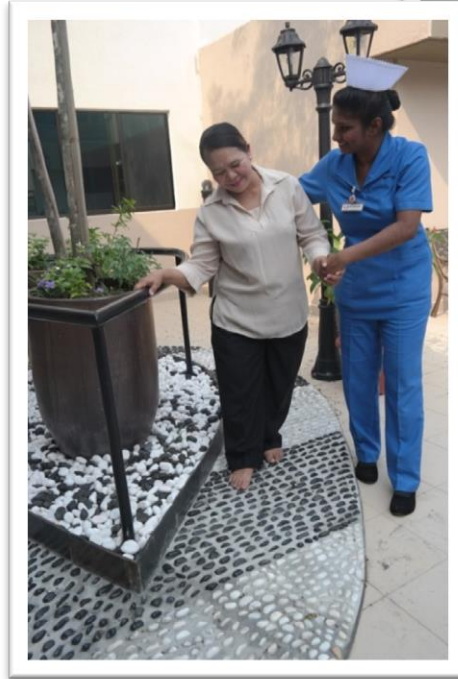
** Planning*

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	May 2016
Perlis	Perlis	90	60	4Q2016	1Q2017
Kuching	Sarawak	150	115	3Q2017	4Q2017
BDO	Johor	150	90	3Q2017	4Q2017
Miri	Sarawak	60	60	4Q2017	1Q2018
UTM	Johor	150	60	TBA	-
K/Bayuemas	Selangor	90	60	TBA	-
Nilai	Negeri Sembilan	90	60	TBA	-

Total Beds

970

625

Network Expansion

Hospital Expansion / Renovation

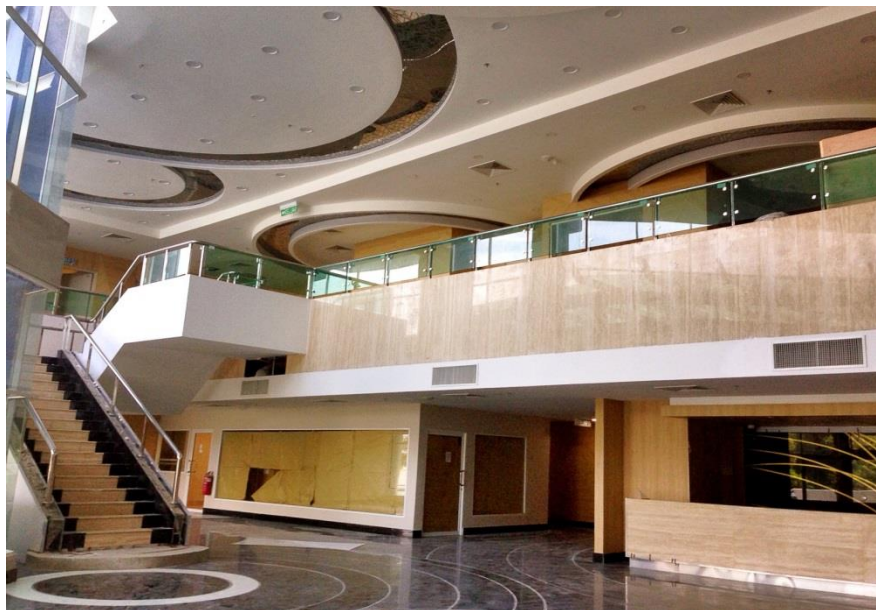
HOSPITALS	DESCRIPTION	CAPACITY	COMPLETION	OPENING
KPJ Selangor	Clinics	54	3Q2016	4Q2016
KPJ Seremban	Beds	90	4Q2016	1Q2017
KPJ Puteri	Beds	66	1Q2017	2Q2017
Taiping	Clinics	18	1Q2017	2Q2017
KPJ Ampang	Beds	150	1Q2017	2Q2017
	Clinics	33		
KPJ Johor	Beds	53	1Q2017	2Q2017
Sri Manjung	Beds	30	1Q2017	2Q2017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

Total Beds **545**

Total Clinics **105**

New Hospitals in 2015 & beyond

KPJ Pahang Specialist Hospital – Opened 23rd May 2016



New Hospitals

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”



THANK YOU