



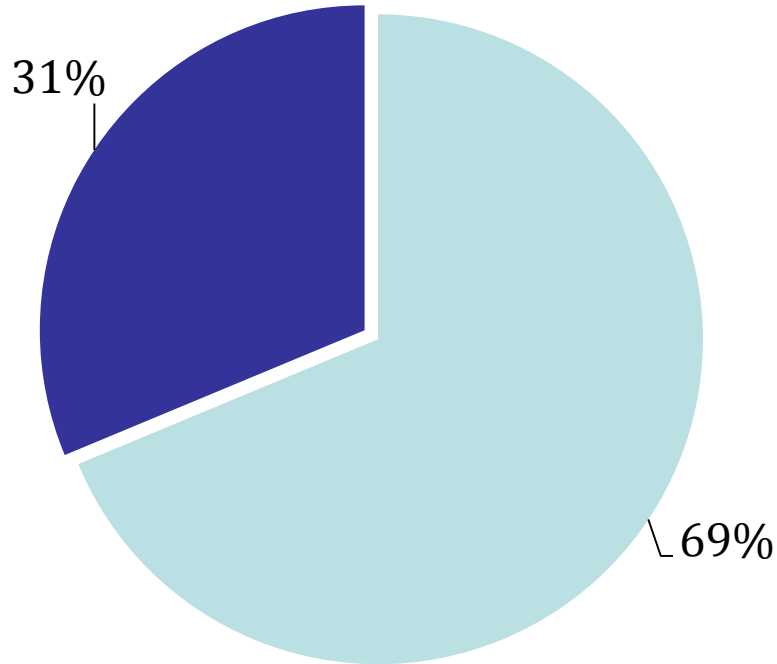
3Q2016



HEALTHCARE INDUSTRY IN MALAYSIA

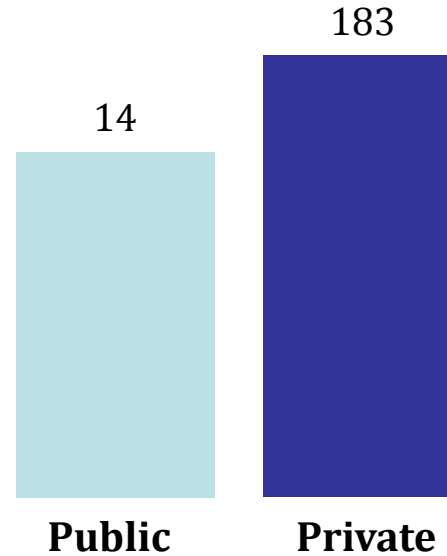
Malaysia Healthcare System 2015

Healthcare Provider

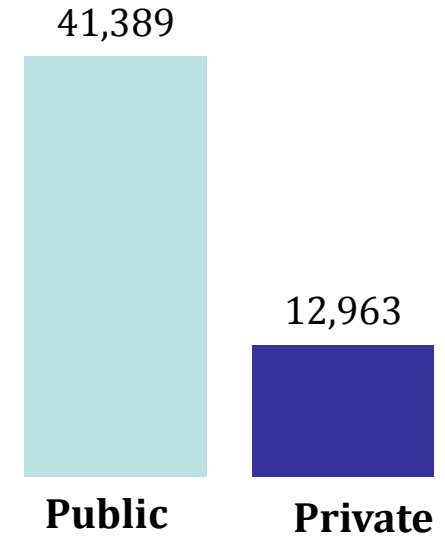


Legend :
Public ■
Private ■

No. of Hospitals



No of. Beds



| Public | No |
|------------------------------------|------------|
| Health & Dental Clinics | 4,543 |
| Mobile Health & Dental Clinic Team | 593 |
| Inpatient (pax) | 2,526,205 |
| Outpatient (pax) | 58,883,654 |

| Private | No |
|---------------------------|-----------|
| Maternity & Nursing Homes | 30 |
| Ambulatory care | 63 |
| Medical clinics | 7,146 |
| Dental clinics | 1,867 |
| Inpatient (pax) | 1,064,718 |
| Outpatient (pax) | 4,997,079 |

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 (*43 Private Hospitals Nationwide of which 17 are KPJ Hospitals)

- Accreditation by JCI (12 Private Hospitals Nationwide of which 4 are KPJ Hospitals)

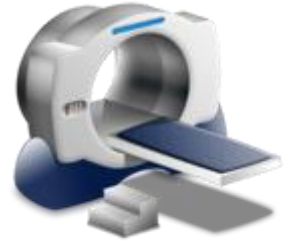


Health Tourism

- among the world's most favored destinations

Latest Medical Equipment

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



Cost

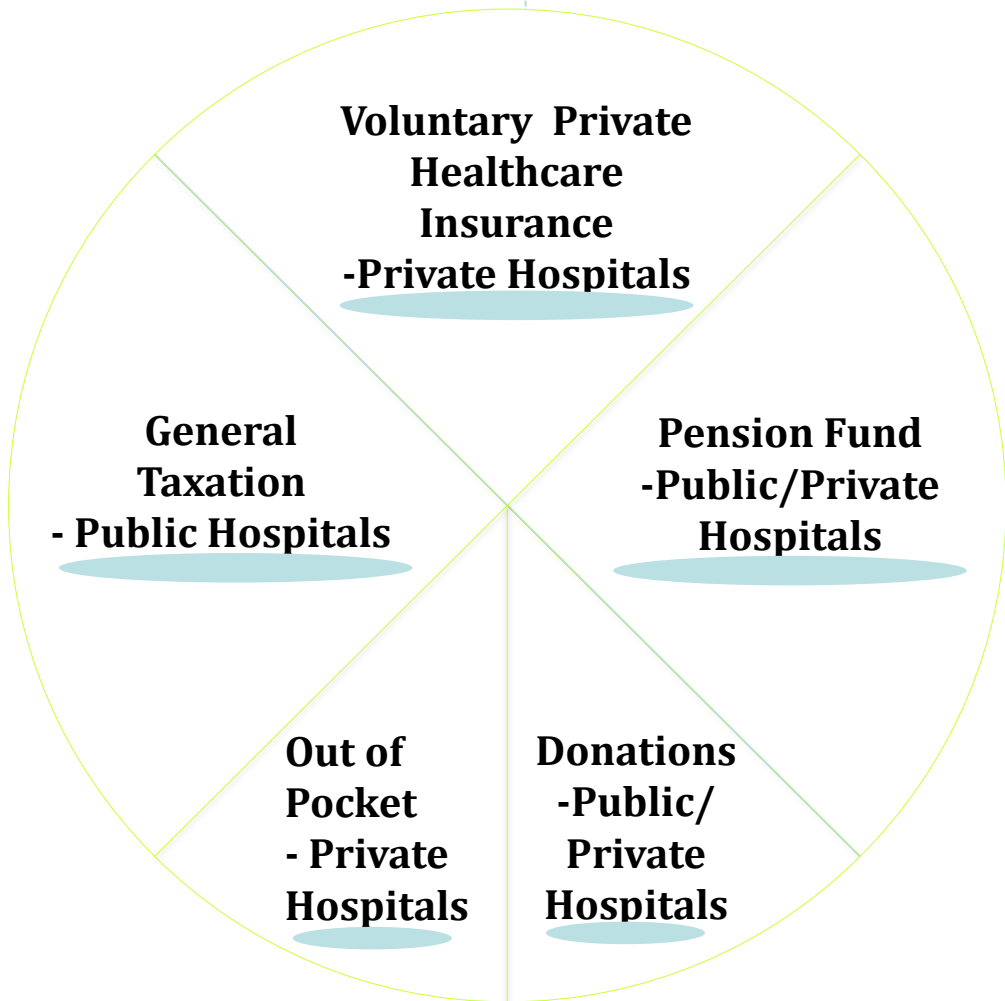
- low cost
- very competitive pricing
- lower than neighboring countries



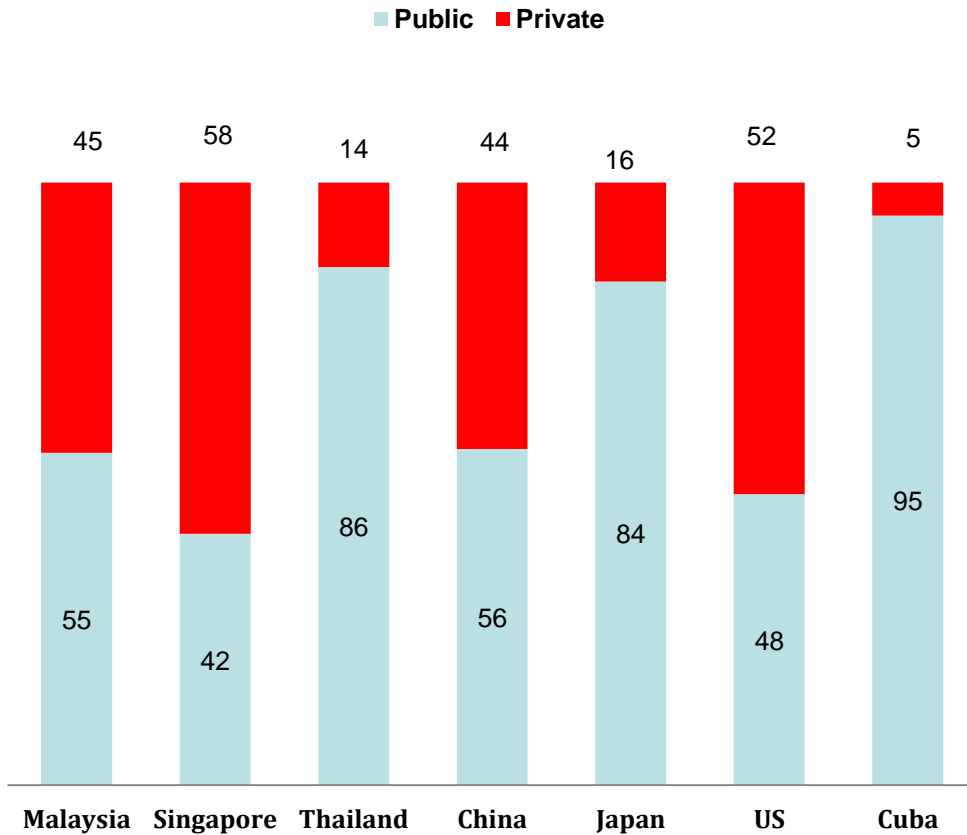
* As at 29 September 2016

HEALTHCARE INDUSTRY IN MALAYSIA

Methods of Funding



Public vs Private Healthcare Expenditure % 2014



Source : 2016 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
7 Bachelor
10 Diploma
10 Certificate
/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



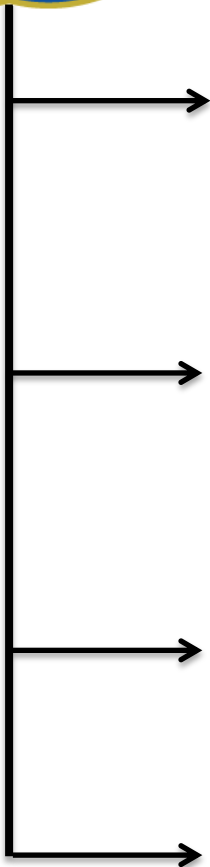
Johor Bahru



Penang

ABOUT KPJ

Shareholdings Stats



JOHOR CORPORATION

44.31%



12.94%



KWAP
Kumpulan Wang Persaraan (Diperbadankan)
RETIREMENT FUND INCORPORATED

3.34%

FOREIGN SHAREHOLDERS

9.37%



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



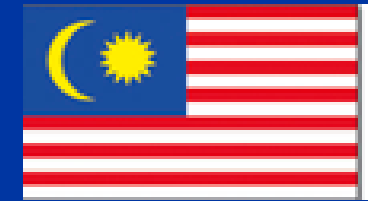
- >2 hospitals
- >Promising demographics (growing – middle class)

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

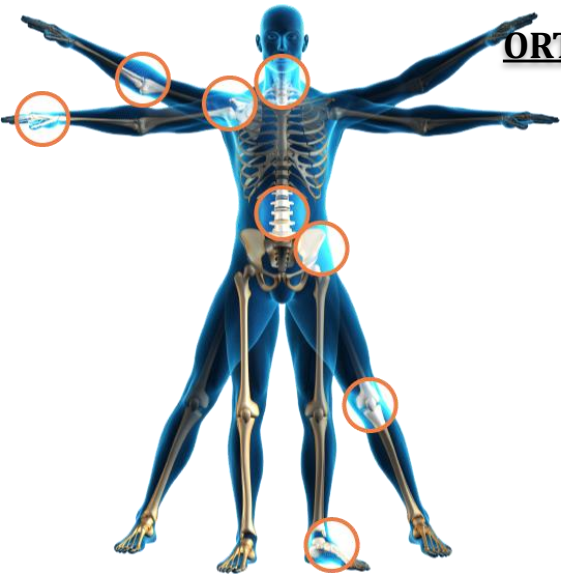
>25 hospitals & 2 Aged Care Centre

>Target – 2 new hospitals p.a

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

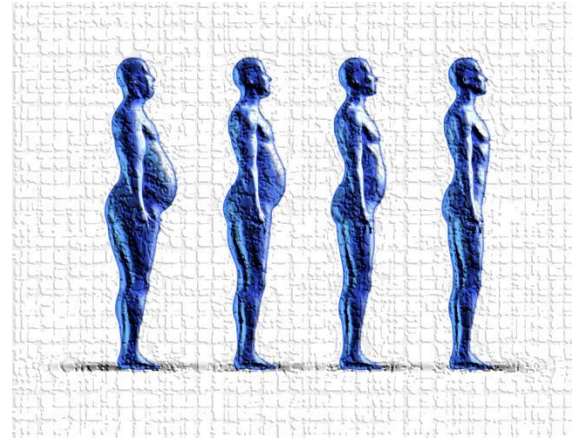
Our Presence

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

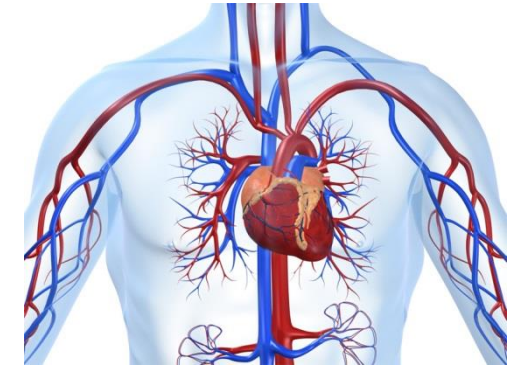


BARIATRIC (Obesity) SURGERY

- ✓ KPJ Damansara

CARDIOLOGY

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



ONCOLOGY (Cancer)

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

RECONSTRUCTIVE & PLASTIC SURGERY

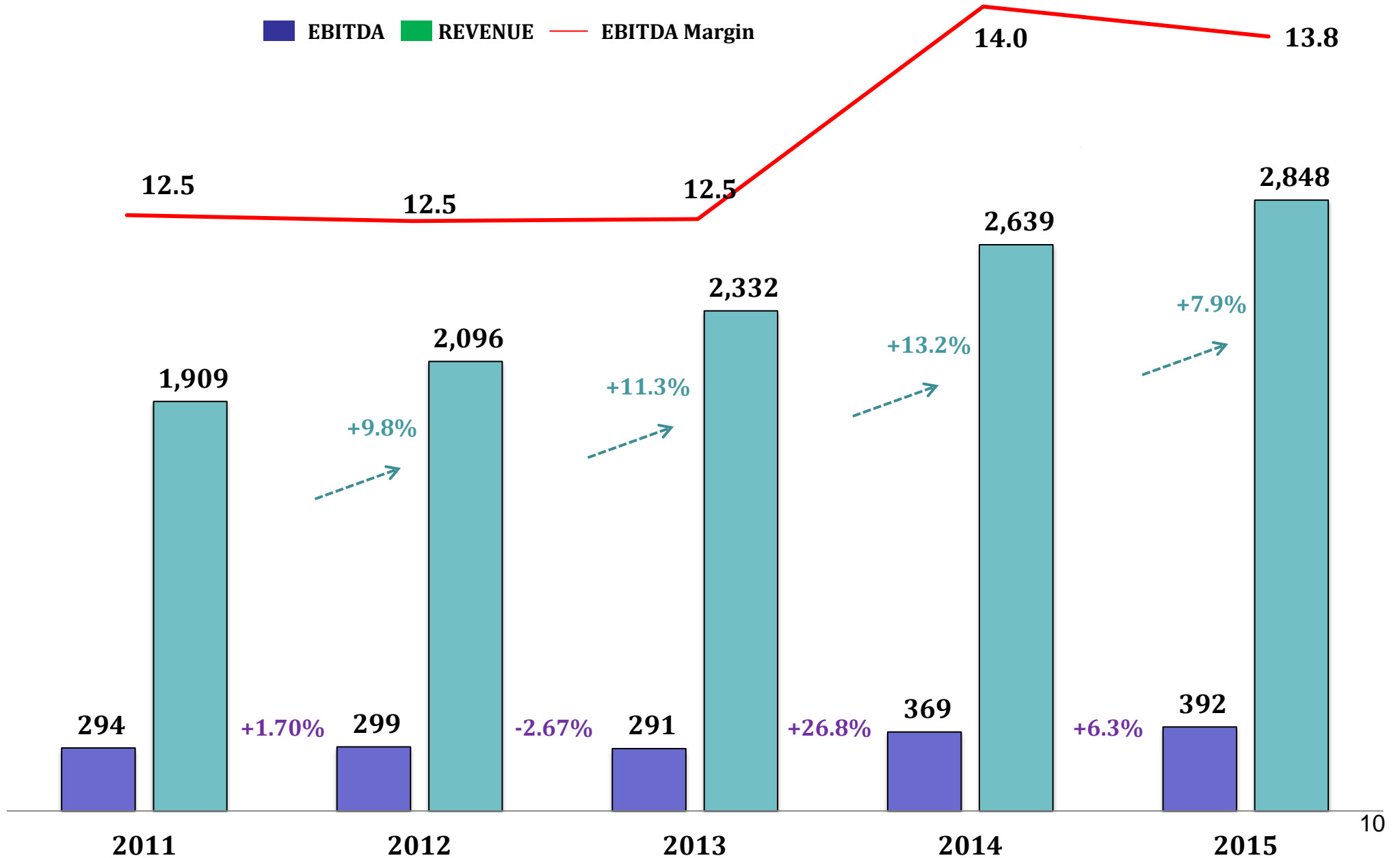


- ✓ KPJ Ampang Puteri
- ✓ KPJ Damansara
- ✓ KPJ Johor

FINANCIAL TRENDS

KPJ 5 years Revenue & EBITDA

■ EBITDA ■ REVENUE — EBITDA Margin



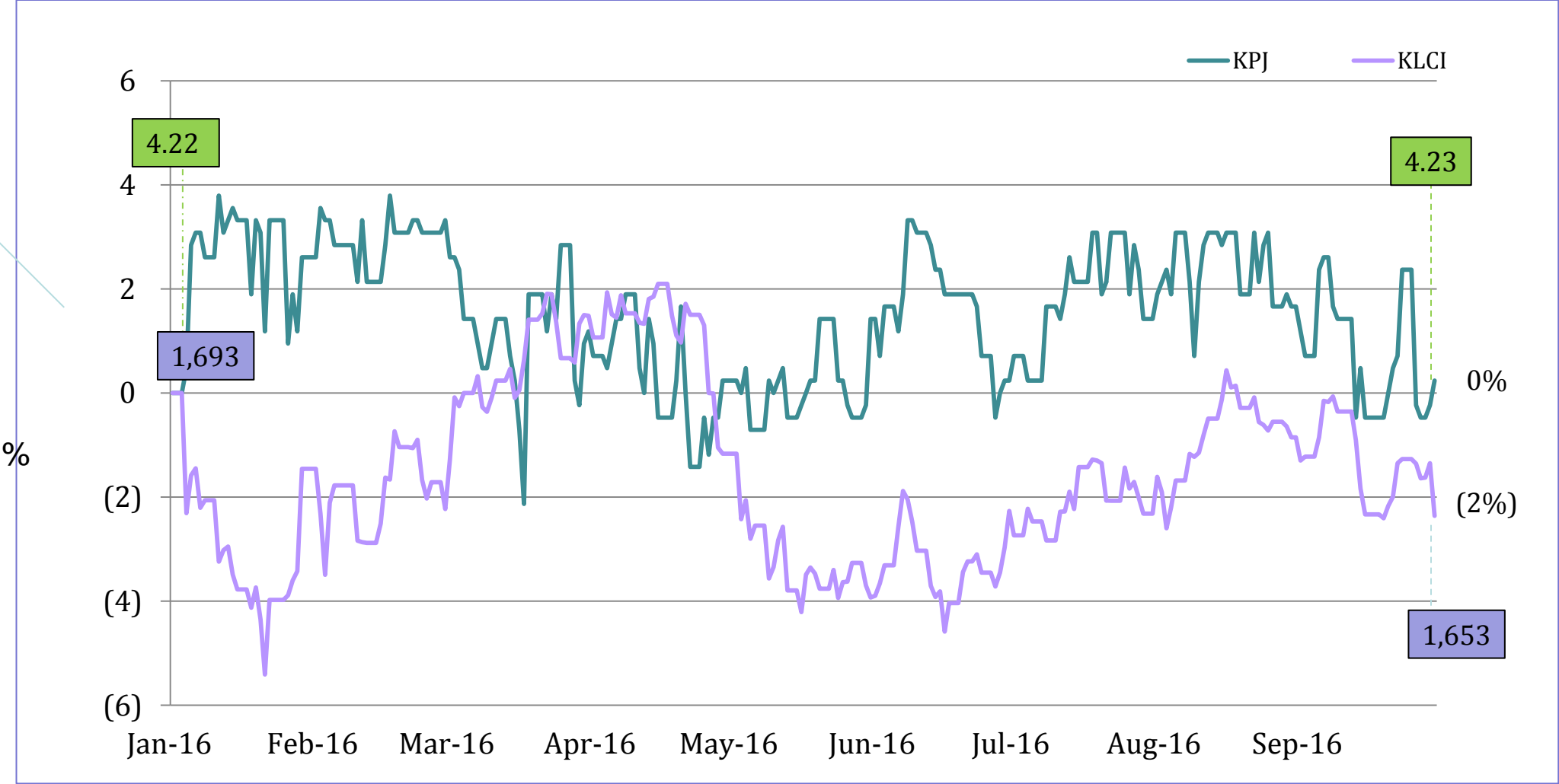
Key Ratios

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

2016 YTD



Group Financials 2016

3Q2016 vs 3Q2015



| RM'000 | 3M FY16 vs 3M FY15 | | | 9M FY16 vs 9M FY15 | | |
|--|--------------------|----------------|---------------|--------------------|----------------|---------------|
| | 3M FY16 | 3M FY15 | Var (%) | 9M FY16 | 9M FY15 | Var (%) |
| Revenue | 767,039 | 721,839 | 6.3 | 2,276,109 | 2,145,998 | 6.1 |
| Gross Profit | 230,532 | 227,374 | 1.4 | 684,929 | 669,971 | 2.2 |
| Profit from Operations | 52,075 | 60,573 | (14.0) | 164,351 | 173,577 | (5.3) |
| Finance Income | 5,241 | 3,090 | 69.6 | 10,368 | 8,705 | 19.1 |
| Finance Cost | (18,137) | (17,810) | 1.8 | (55,276) | (48,322) | 14.4 |
| Share of Results from associates | 9,904 | 9,609 | 3.1 | 27,147 | 27,552 | (1.5) |
| Profit before zakat and tax | 49,083 | 55,462 | (11.5) | 146,590 | 161,512 | (9.2) |
| Zakat | (570) | (570) | - | (1,710) | (1,710) | - |
| Taxation | (14,234) | (14,431) | (1.4) | (42,511) | (44,262) | (4.0) |
| Profit after zakat and tax | 34,279 | 40,461 | (15.3) | 102,369 | 115,540 | (11.4) |
| Equity holders of company | 32,497 | 38,157 | (14.8) | 97,004 | 108,045 | (10.2) |
| Non-controlling interest | 1,782 | 2,304 | (22.7) | 5,365 | 7,495 | (28.4) |
| Net profit attributable to shareholders | 34,279 | 40,461 | (15.3) | 102,369 | 115,540 | (11.4) |
| Basic EPS (sen) | 3.03 | 3.68 | | 9.09 | 10.45 | |

Segmental

3Q2016 vs 3Q2015 YTD

| HOSPITALS | | 3Q 2016 (RM'000) | 3Q 2015 (RM'000) | Var (%) |
|-----------|---------|---------------------|---------------------|---------|
| MALAYSIA | Revenue | 2,156,413 | 2,047,612 | 5.3 |
| | PBT | 157,009 | 168,483 | (6.8) |
| | EBITDA | 301,899 | 297,298 | 1.6 |
| INDONESIA | Revenue | 39,266 | 34,109 | 15.1 |
| | PBT | (174) | 584 | (129.8) |
| | EBITDA | 2,373 | 2,634 | (10.0) |
| AUSTRALIA | Revenue | 42,513 | 32,906 | 29.2 |
| | PBT | (8,090) | (5,840) | (38.5) |
| | EBITDA | (6,155) | (4,976) | 23.7 |
| OTHERS | Revenue | 37,917 | 31,371 | 21.0 |
| | PBT | (2,155) | (1,715) | 25.7 |
| | EBITDA | 863 | 2,484 | (65.3) |

Key Ratios

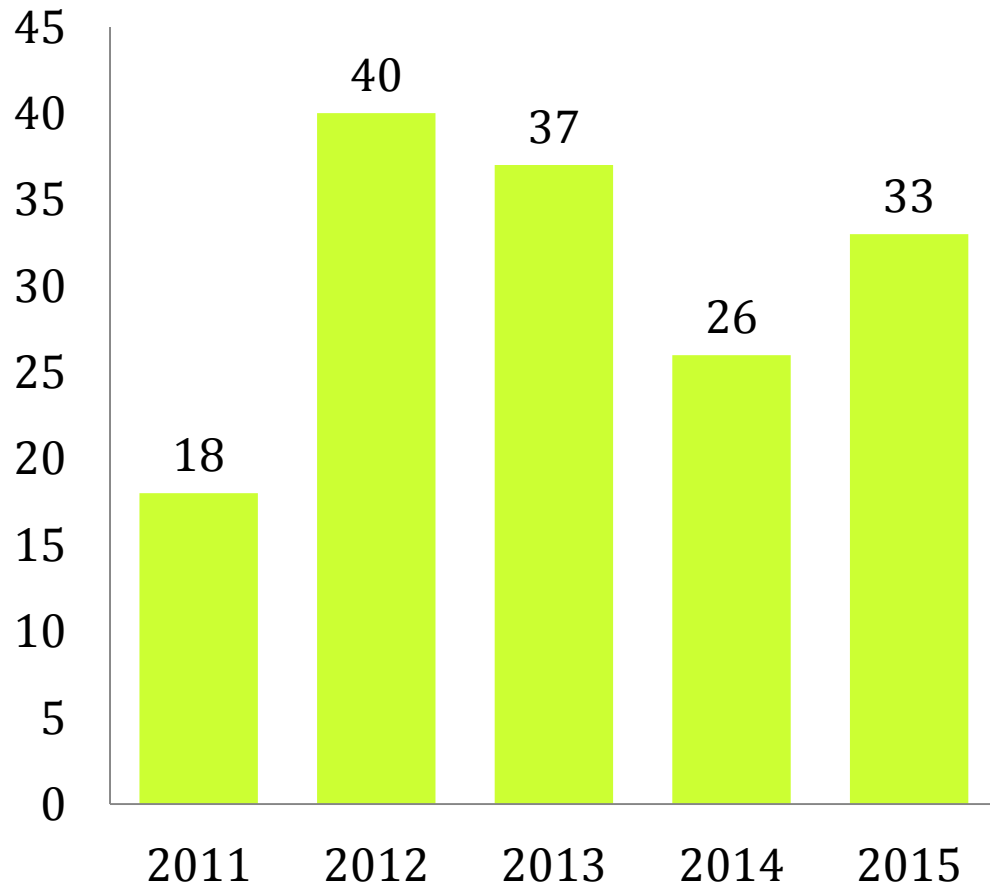
3Q2016 vs 3Q2015

| | 3Q 2016 % | 3Q2015 % | Var |
|--|--------------|-------------|--------|
| Gross Profit (GP) Margin | 30.1 | 31.2 | (1.1) |
| Profit Before Tax (PBT) Margin | 6.4 | 7.5 | (1.1) |
| EBITDA Margin | 13.1 | 13.9 | (0.8) |
| Net Profit Margin | 4.5 | 5.4 | (0.9) |
| Dividend per share | 5.05 | 6.10 | (1.05) |
| Gearing Ratio: | | | |
| Gross | 0.98 | 0.95 | (0.03) |
| Net | 0.73 | 0.70 | (0.03) |
| Net assets per share (RM) - at par value RM0.50 | 1.47 | 1.40 | 0.07 |

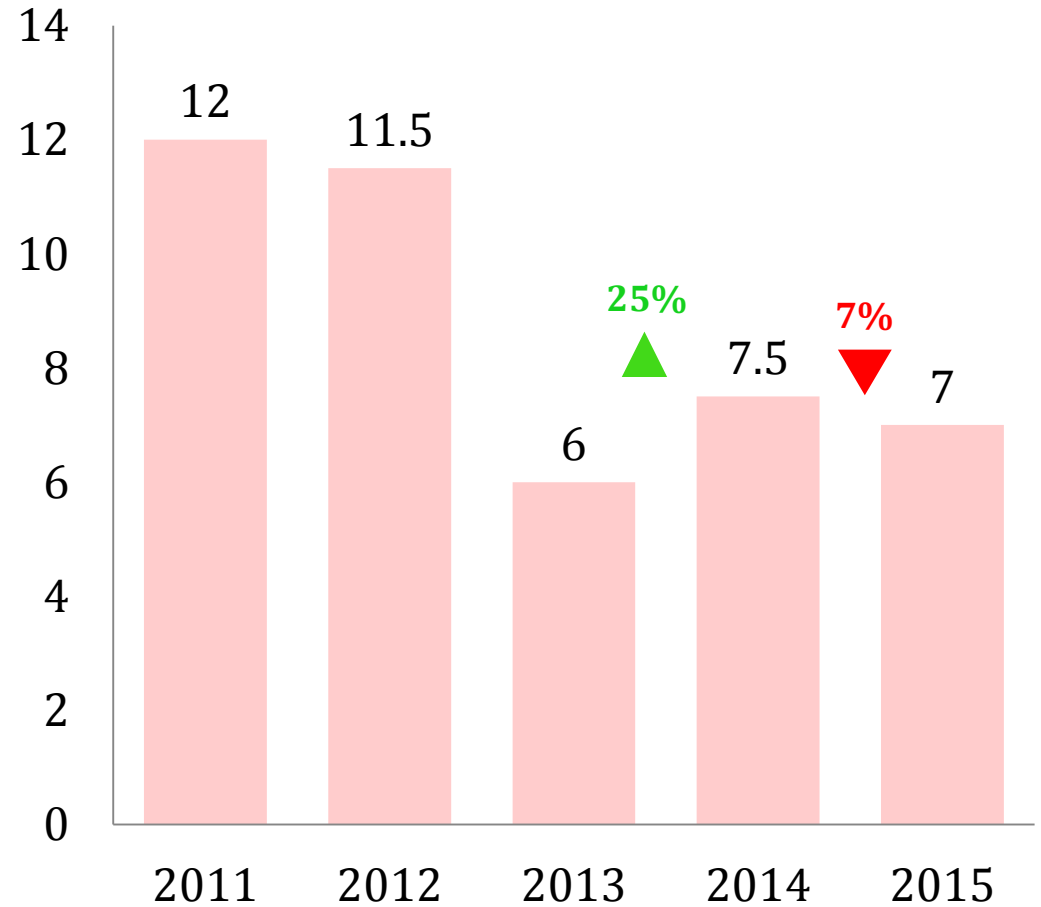
KEY FINANCIAL HIGHLIGHTS

FY2011-FY2015

PE R Historical



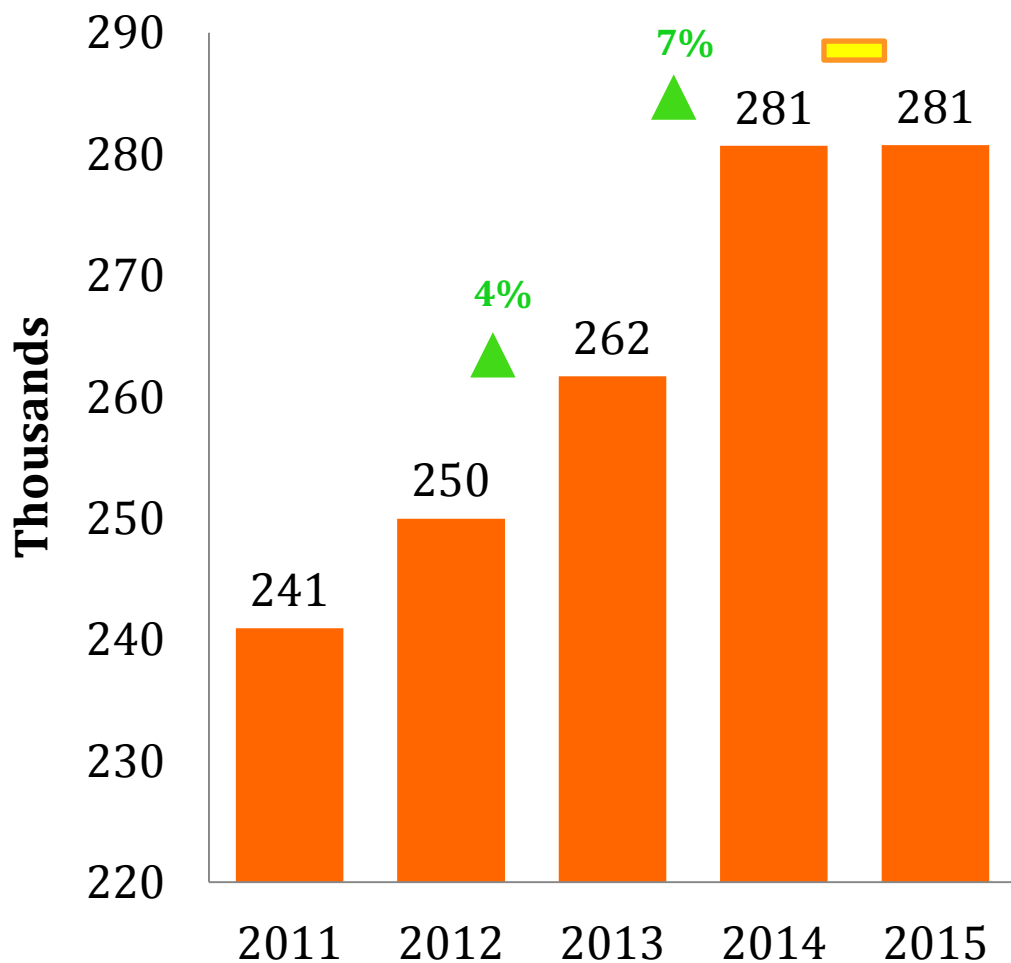
Dividend (sen)



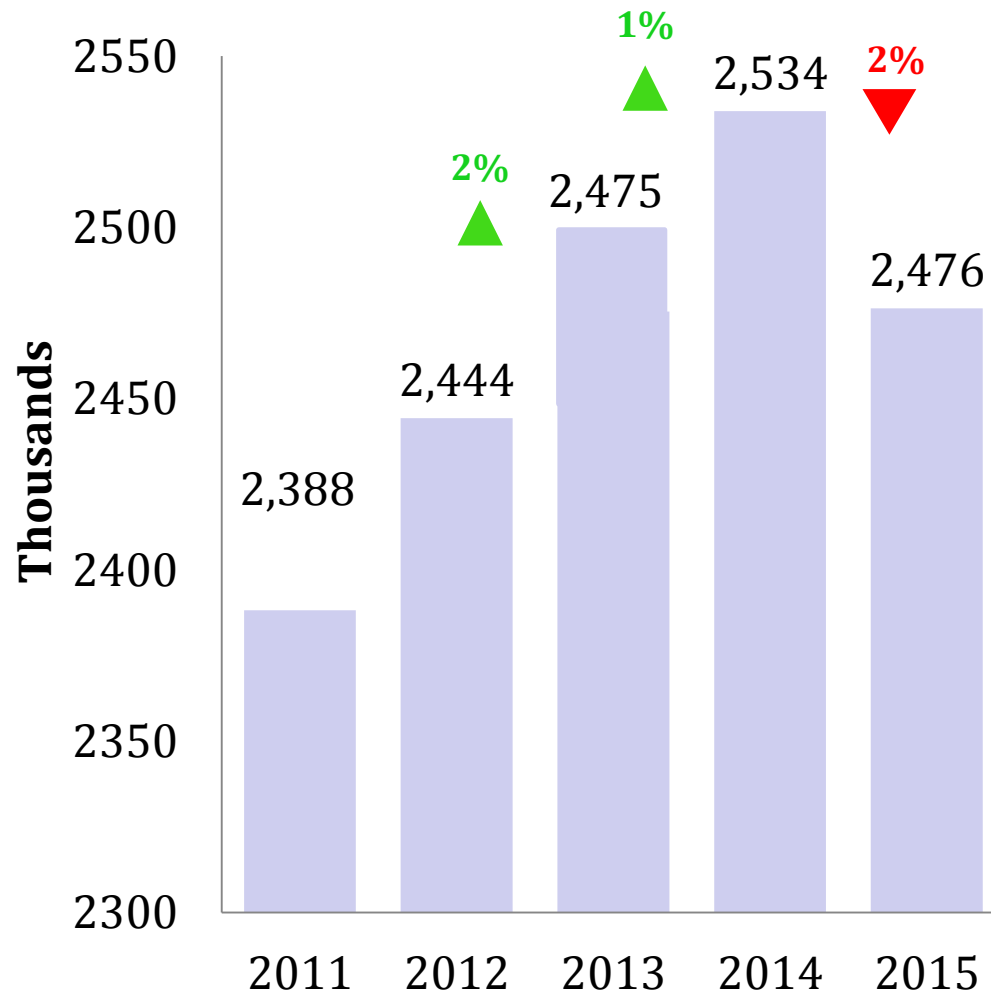
Key Operational Highlights

FY2011-FY2015

No of Inpatients



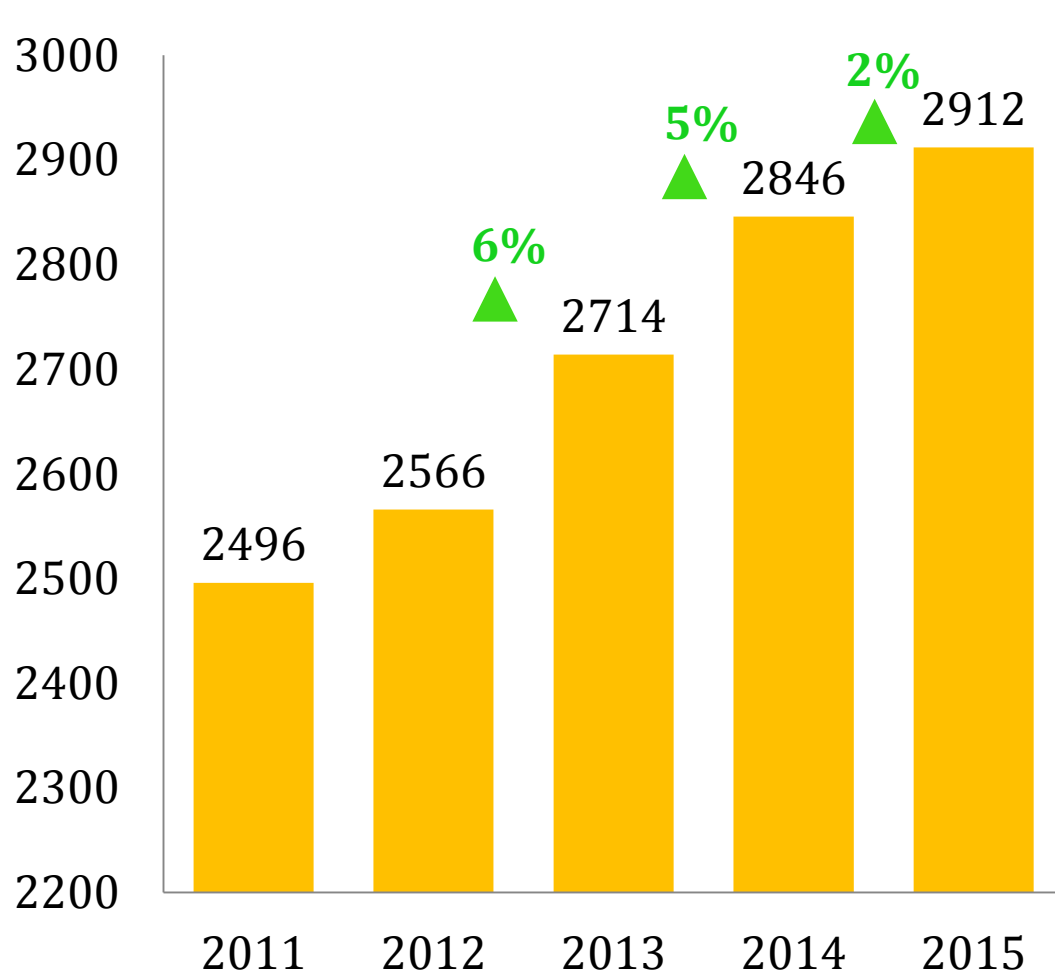
No of Outpatients



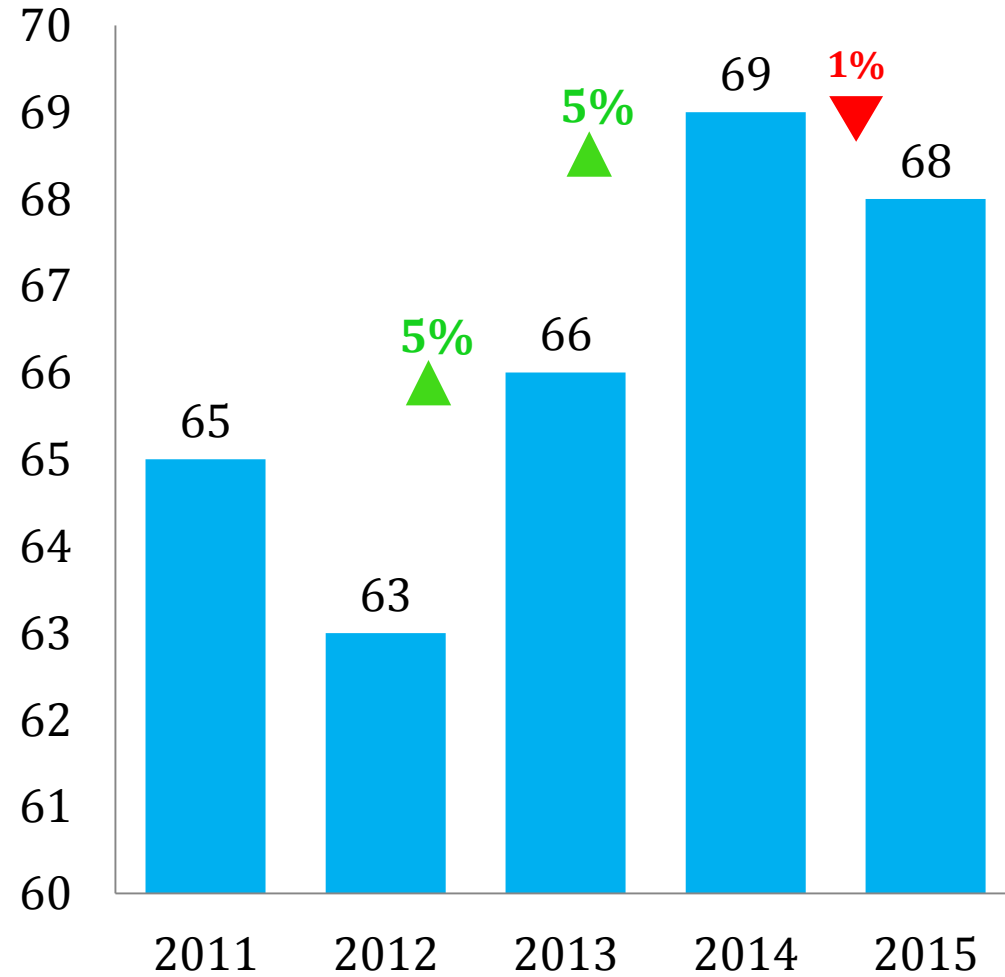
Key Operational Highlights

FY2011-FY2015

No of Operating Beds



Occupancy Rates (%)



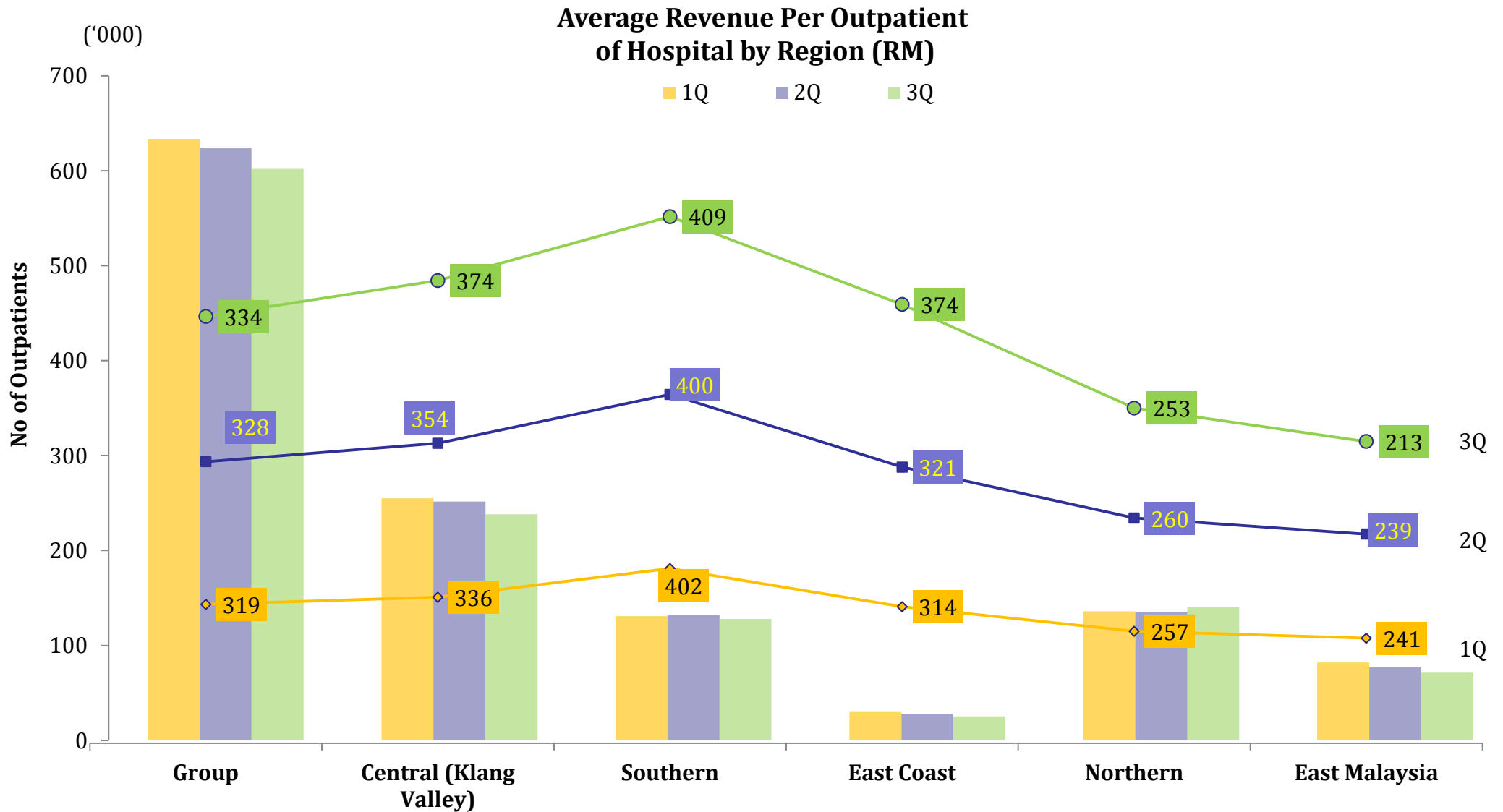
YTD as at 30 September 2016

| Hospital Indicators | YTD 3Q2016 | YTD 3Q2015 | Var (%) |
|------------------------------|---------------|---------------|---------|
| No of Outpatients | 1,860,332 | 1,877,382 | (0.9) |
| No of Inpatients | 212,198 | 210,536 | 0.8 |
| No. of Operating Beds | 2,924 | 2,884 | 1.4 |
| Occupancy Rate | 67.5 | 68.8 | (1.9) |
| Avg. Length of Stay | 2.55 | 2.54 | (0.4) |

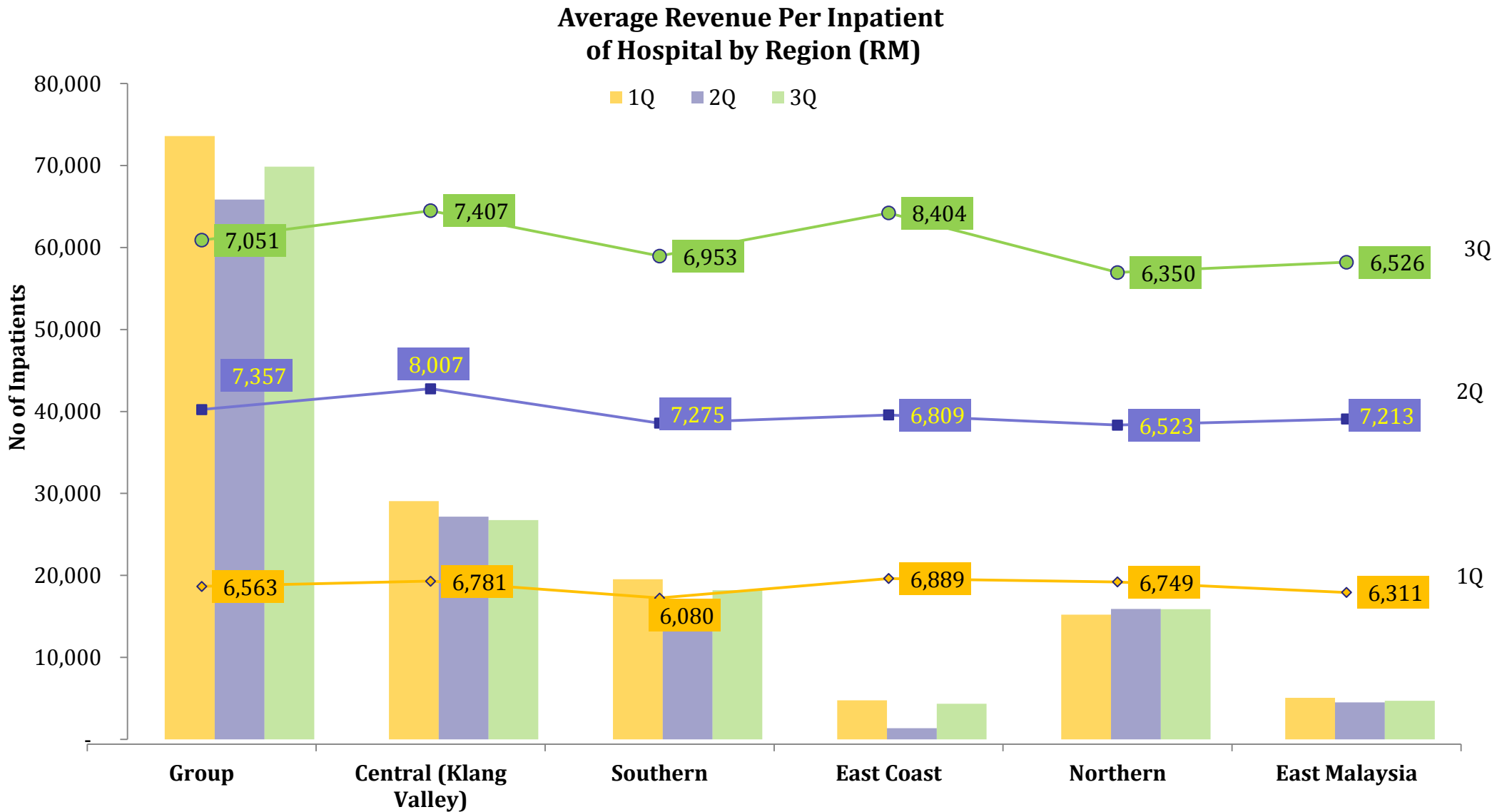
QoQ Performance 2016

| Hospital Indicators | 1Q | 2Q | Var % | 3Q | Var % |
|-----------------------|---------|---------|-------|---------|-------|
| No of Outpatients | 633,753 | 623,632 | (1.6) | 602,947 | (3.3) |
| No of Inpatients | 73,602 | 68,737 | (6.6) | 69,859 | 1.6 |
| No. of Operating Beds | 2,903 | 2,946 | 1.5 | 2,924 | (0.7) |
| Occupancy Rate | 71.5 | 68.6 | (4.1) | 67.5 | (1.6) |
| Avg. Length of Stay | 2.57 | 2.61 | (1.6) | 2.55 | 2.3 |

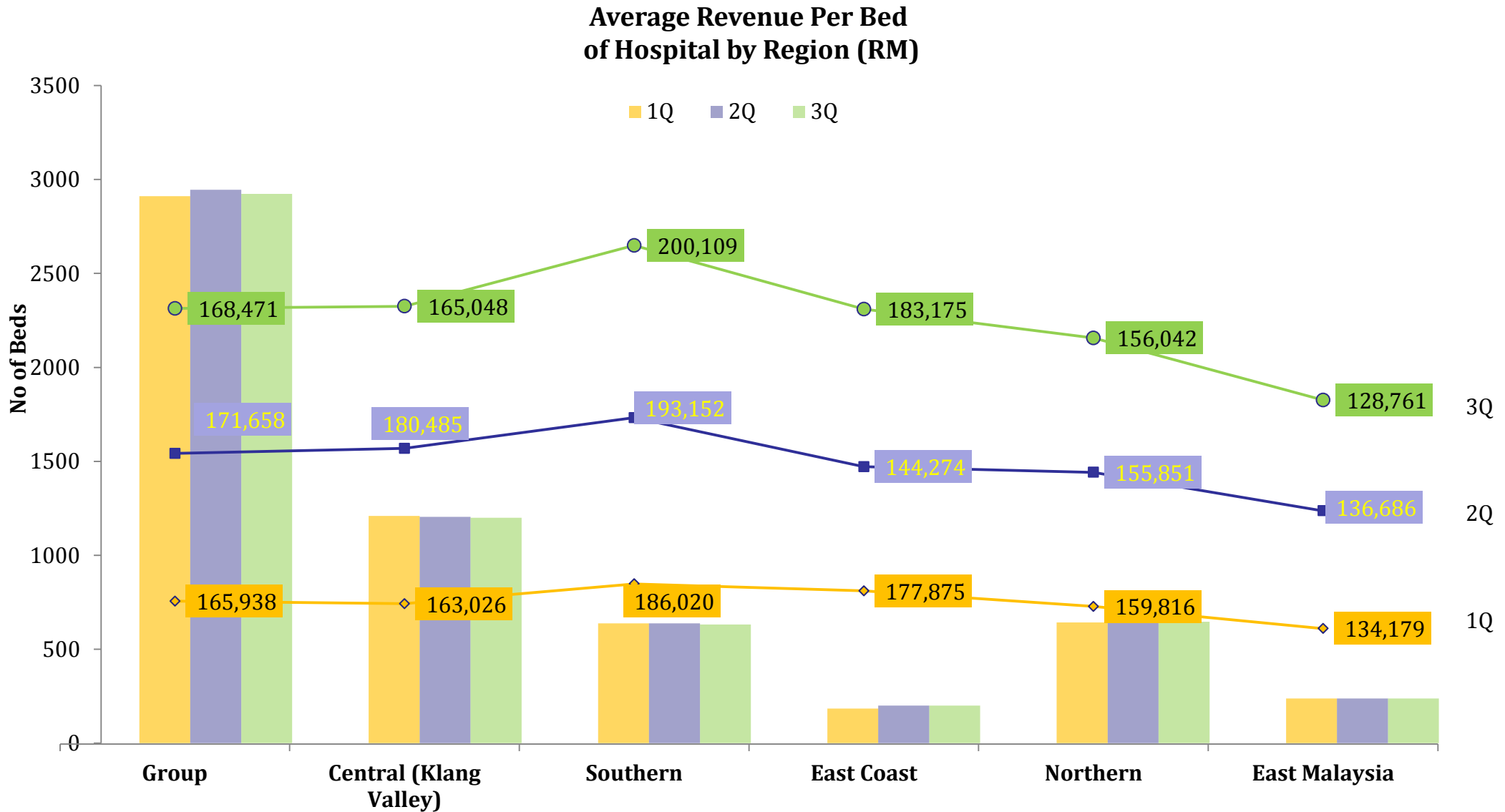
QoQ 2016 AVERAGE SPENDING



QoQ 2016 AVERAGE SPENDING



QoQ 2016 AVERAGE SPENDING

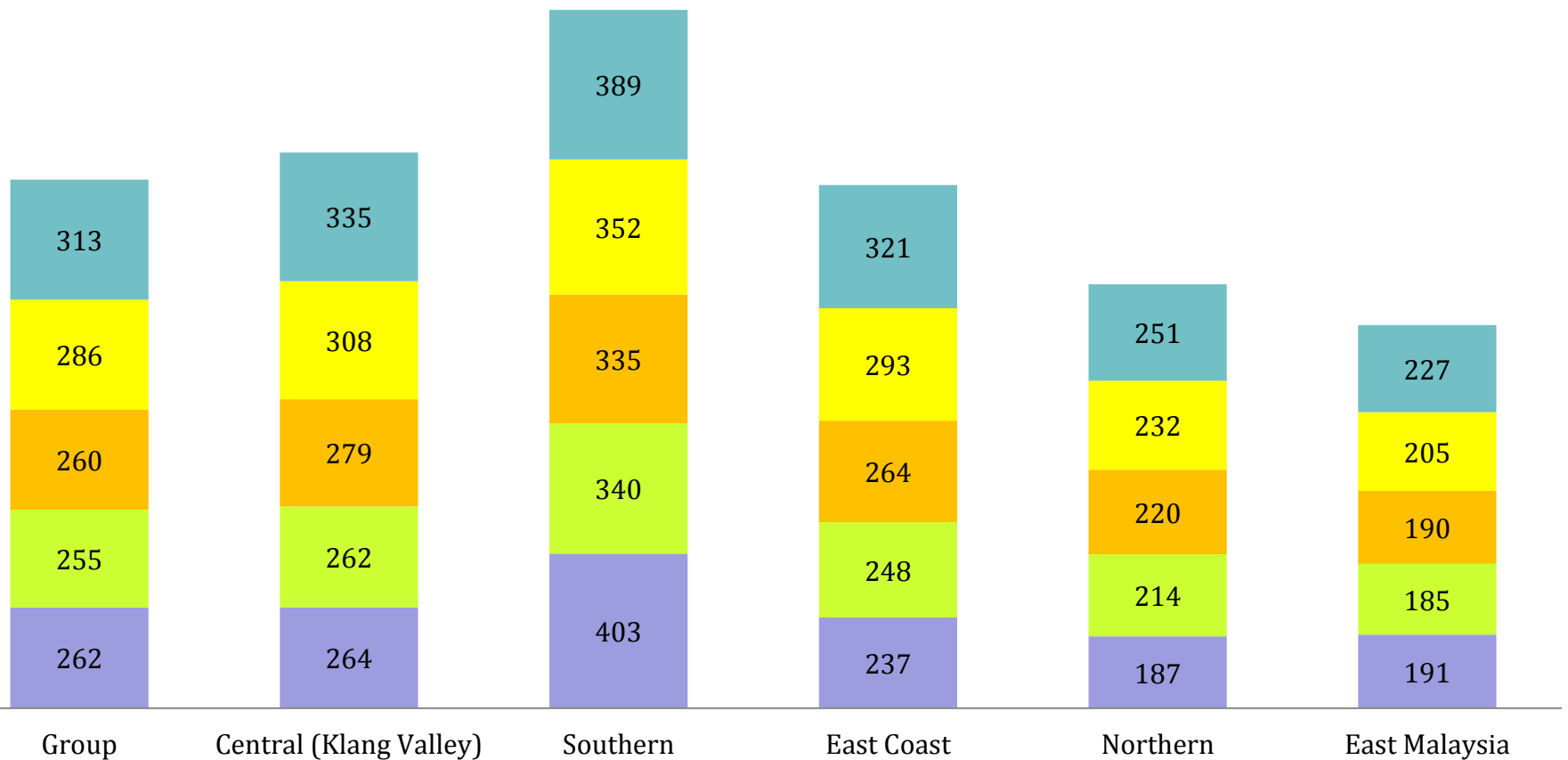


AVERAGE SPENDING – 5 YEARS HISTORICAL

Summary of KPJ Hospitals' Performance

Average Revenue per Outpatient of Hospital by Region (RM)

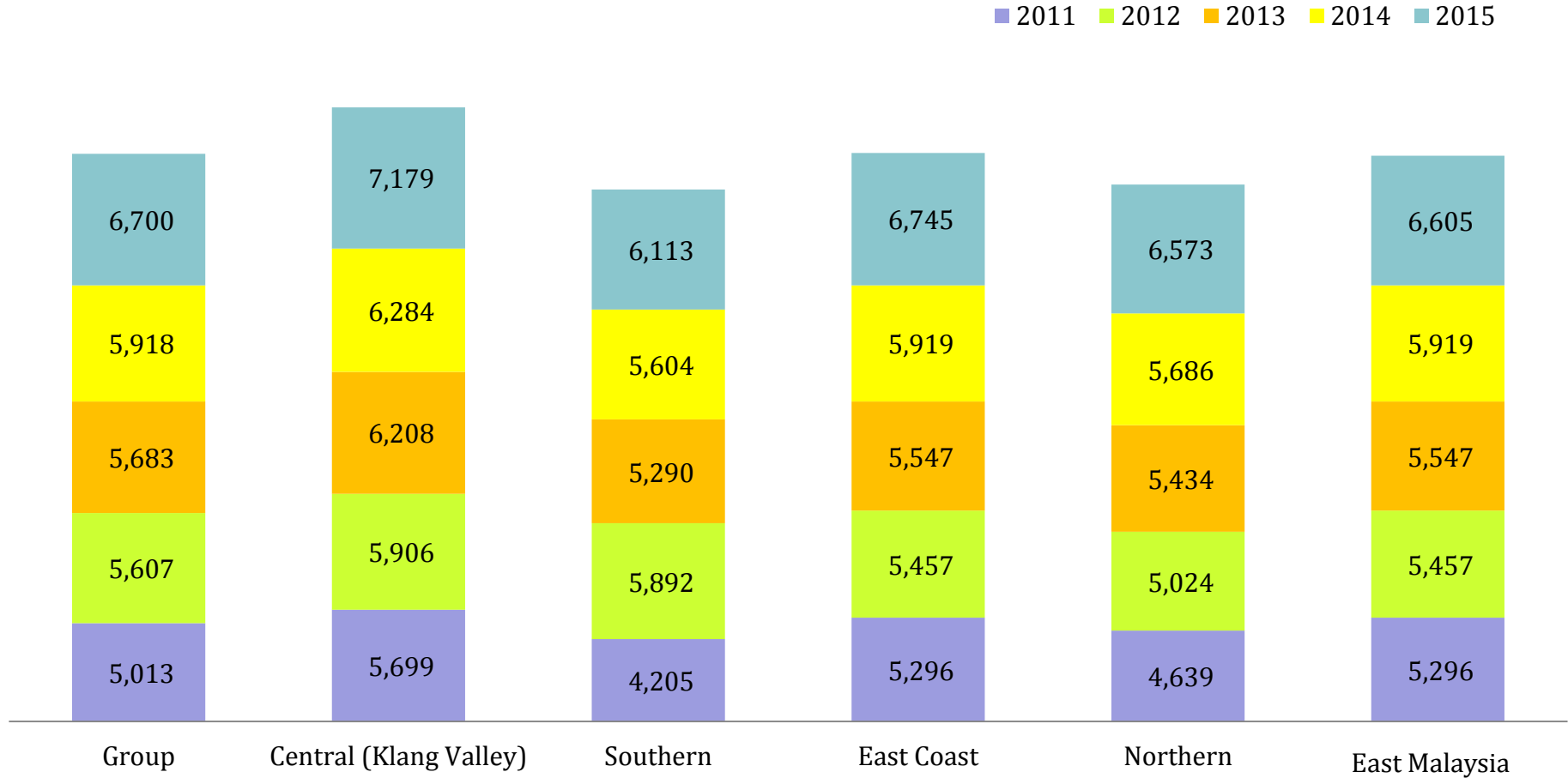
2011 2012 2013 2014 2015



AVERAGE SPENDING – 5 YEARS HISTORICAL

Summary of KPJ Hospitals' Performance

Average Revenue per Inpatient of Hospital by Region (RM)

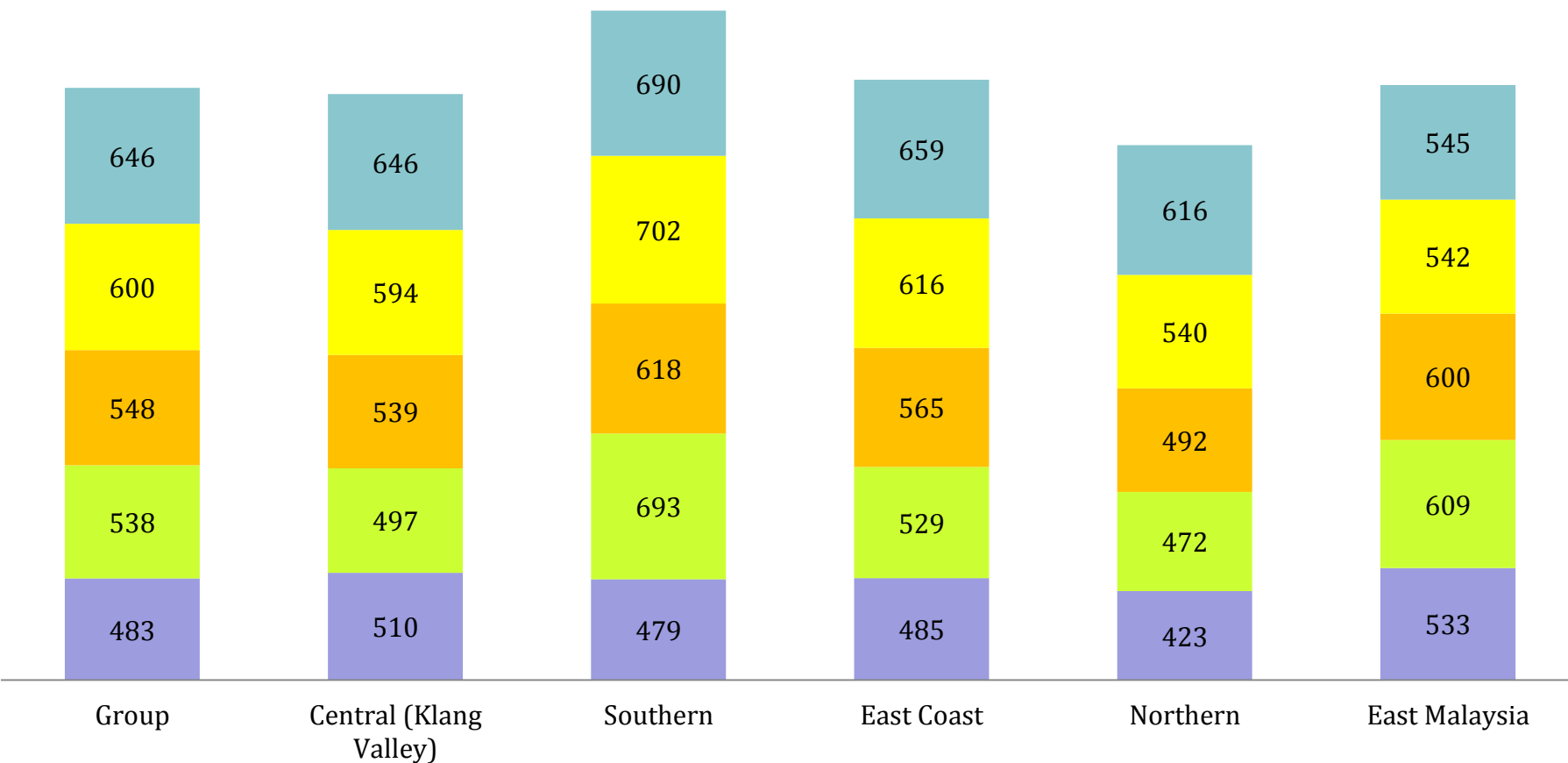


AVERAGE SPENDING – 5 YEARS HISTORICAL

Summary of KPJ Hospitals' Performance

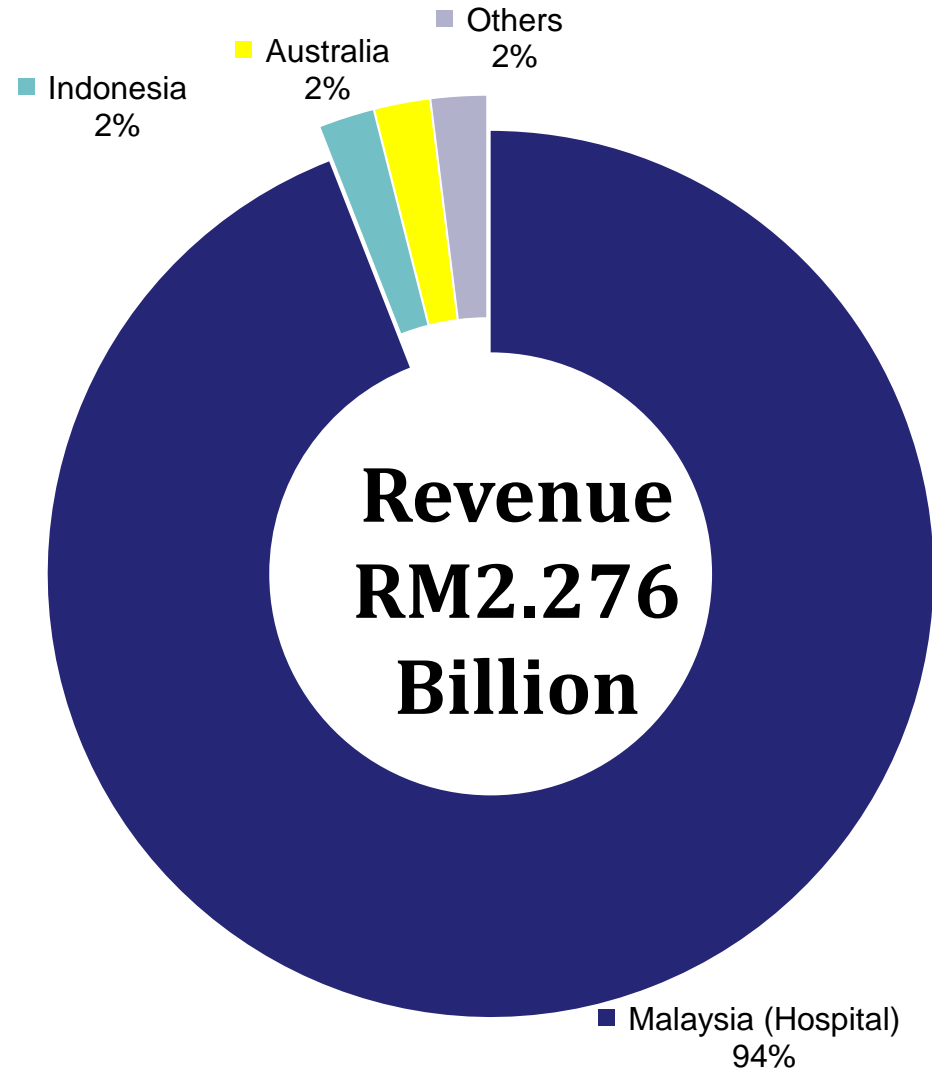
Average Revenue Per Bed
by Hospital by Region (RM'000)

2011 2012 2013 2014 2015



Revenue Contributions

YTD 3Q 2016



Jeta Gardens - Brisbane, Australia

Senior Living Care

| Financials | 9M FY 2016 (RM'000) | 9M FY 2015 (RM'000) | Var (%) |
|--------------------------|--------------------------------|--------------------------------|----------------|
| Revenue | 42,513 | 32,906 | 29.2 |
| Profit/(Loss) Before Tax | (8,090) | (5,840) | (38.5) |

| Facilities | As at Sept 2016 | 2015 | 2014 |
|--------------------|------------------------|-------------|-------------|
| Aged-Care Facility | 180 | 180 | 108 |
| Retirement Villas | 33 | 33 | 33 |
| Apartments Unit | 32 | 32 | 32 |
| Occupancy Rate | 88% | 70% | 98% |

KPJ's Indonesian Hospitals

| Financials Group Indonesia Hospitals | 9M FY 2016 (RM'000) | 9M FY 2015 (RM'000) | Var (%) |
|---|--------------------------------|--------------------------------|----------------|
| Revenue | 39,266 | 34,109 | 15.1 |
| Profit/(Loss) Before Tax | (174) | 584 | (129.8) |

| RS Permata Hijau | 9M FY 2016 | 9M FY 2015 | Var (%) |
|-------------------------|-------------------|-------------------|----------------|
| No. of Bed | 92 | 92 | - |
| Occupancy rate (%) | 48.1% | 43.0% | 11.9 |
| Outpatients | 33,154 | 33,432 | (0.8) |
| Inpatients | 3,862 | 3,644 | 6 |

| RS Bumi Serpong Damai | 9M FY 2016 | 9M FY 2015 | Var (%) |
|----------------------------------|-------------------|-------------------|----------------|
| No. of Bed | 75 | 75 | - |
| Occupancy rate (%) | 40.1% | 41.0% | (2.2) |
| Outpatients | 47,403 | 44,014 | 7.7 |
| Inpatients | 3,083 | 2,923 | 5.5 |

KPJ Investment in Thailand – Vejthani Hospital, Bangkok

| Financials | 9M FY 2016 (RM'000) | 9M FY 2015 (RM'000) | Var (%) |
|------------|------------------------|------------------------|---------|
| Revenue | 156,690 | 165,632 | (5.4) |
| Net Profit | 11,302 | 14,272 | (20.8) |
| Outpatient | 204,635 | 223,695 | (8.5) |
| Inpatient | 6,319 | 6,602 | (4.3) |

Education - KPJ Healthcare University College

| Financials | 9M FY 2016 (RM'000) | 9M FY 2015 (RM'000) | Var (%) |
|------------|------------------------|------------------------|---------|
| Revenue | 32,920 | 29,512 | 11.5 |
| PBT | 650 | 2,222 | (70.7) |
| Students | 2,664 | 2,513 | 6.0 |

Academic Program

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

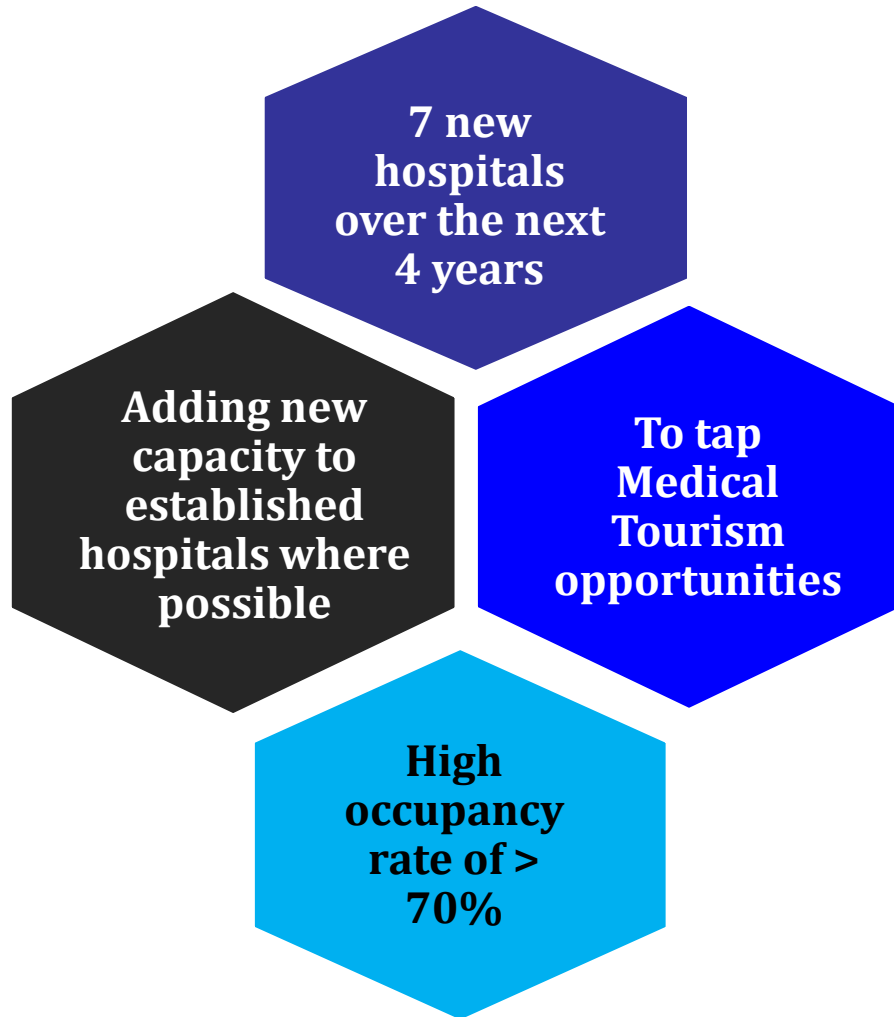
1. School of Medicine
2. School of Pharmacy
3. School of Nursing
4. School of Health Sciences
5. School of Business & Management
6. School of Behavioral Science and Humanity

Current Program

- 1 PHD
- 10 Master
- 7 Bachelor
- 10 Diploma
- 10 Certificate / Foundation

GROWTH & STRENGTHENING CAPACITY

Expanding Network



Growth Strategies

Focus on Quality Medical Care

- Compliance with > Clinical Governance guidelines
- >Quality / Accreditation standards
- >17 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
- > Sibu
- >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



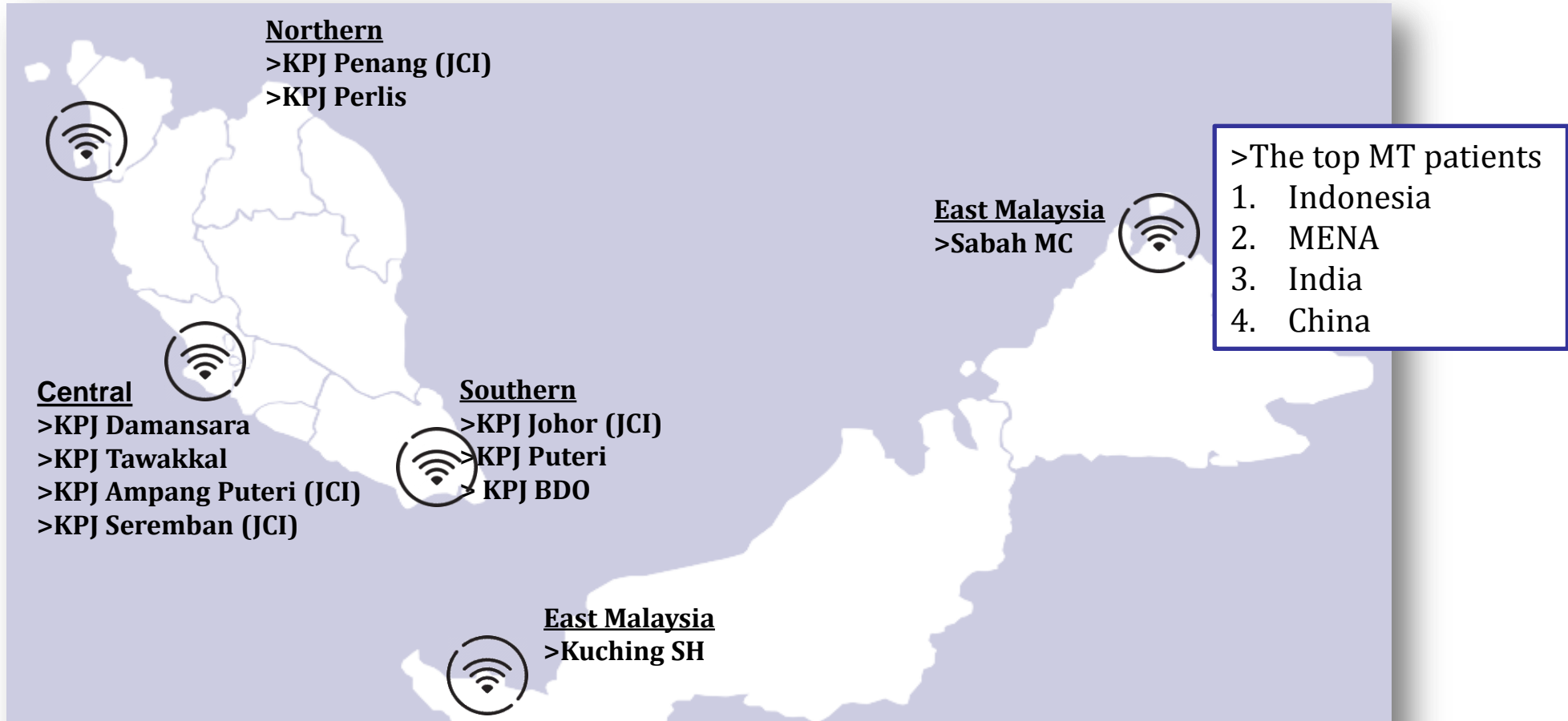
Limitations

- 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 |

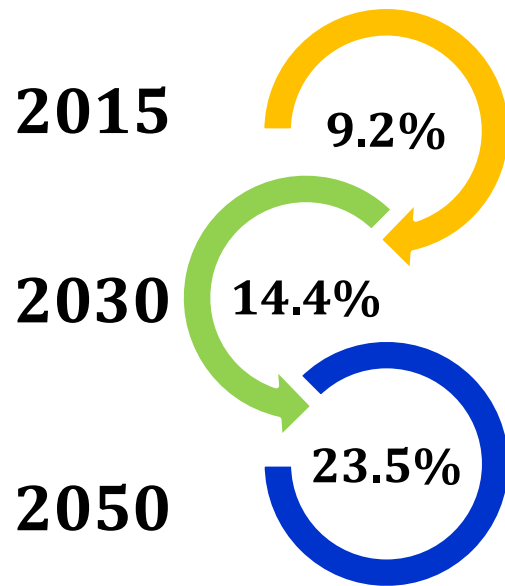
Source:
 Malaysia Health Travel Council

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)

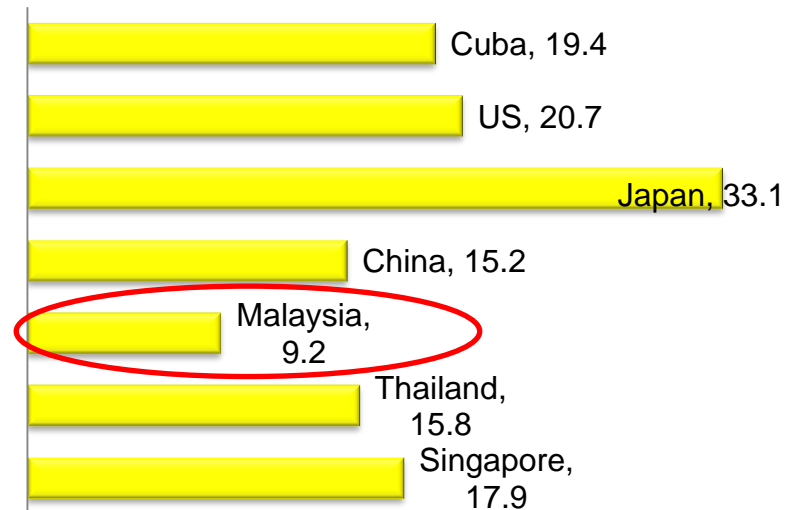
>Global Age Watch Index 2015

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 Pahang |

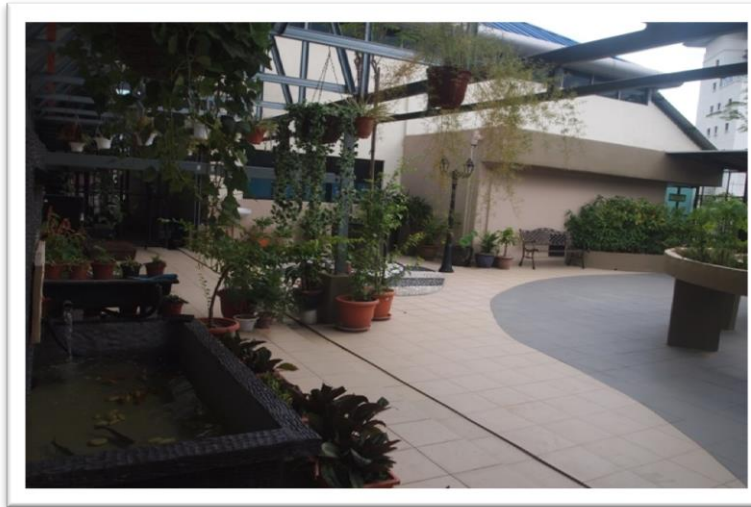
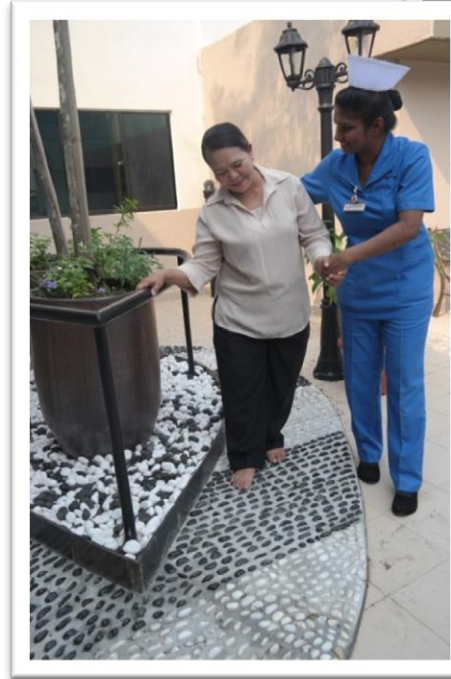
** Planning*

Jeta Gardens – Brisbane, Australia



KPJ Tawakkal Health Centre

Senior Living Care



| | 1Q2016 | 2Q2016 | 3Q2016 |
|--------------------|--------|--------|--------|
| Beds | 42 | 42 | 42 |
| Occupancy Rate (%) | 74 | 64 | 70 |
| ALOS | 32.3 | 31.1 | 28.7 |

Network Expansion

New Hospitals



| PROJECT | LOCATION | TOTAL CAPACITY (Beds) | OPERATING BEDS | COMPLETION | OPENING |
|------------|-----------------|-----------------------|----------------|------------|----------|
| *Tg Lumpur | Pahang | 190 | 88 | 4Q2015 | May 2016 |
| Perlis | Perlis | 90 | 60 | 1Q2017 | 2Q2017 |
| Kuching | Sarawak | 150 | 114 | 3Q2017 | 4Q2017 |
| BDO | Johor | 150 | 90 | 4Q2017 | 1Q2018 |
| Miri | Sarawak | 96 | 61 | 4Q2017 | 1Q2018 |
| UTM | Johor | 150 | 90 | TBA | TBA |
| K/Bayuemas | Selangor | 90 | 90 | TBA | TBA |
| Nilai | Negeri Sembilan | 96 | 61 | TBA | TBA |

Total Beds

1,012

654

* Completed

Network Expansion

New Hospitals- lease



| PROJECT | LOCATION | TOTAL CAPACITY (Beds) | OPERATING BEDS | COMPLETION | OPENING | LEASE PERIOD |
|-------------------|-------------|-----------------------|----------------|------------|---------|----------------------------------|
| KPJ Batu Pahat | Batu Pahat | 240 | 90 | 2018 | TBA | 30 years (6+3yrs up to 30 years) |
| Kluang Specialist | Kluang | 90 | 90 | 2019 | TBA | 30 years (15+15yrs) |
| KPJ Damansara | Sg Penchala | 300 | 150 | 2019 | TBA | 30 years (15+15yrs) |

| | | |
|-------------------|------------|------------|
| Total Beds | 630 | 330 |
|-------------------|------------|------------|

Network Expansion

Hospital Expansion

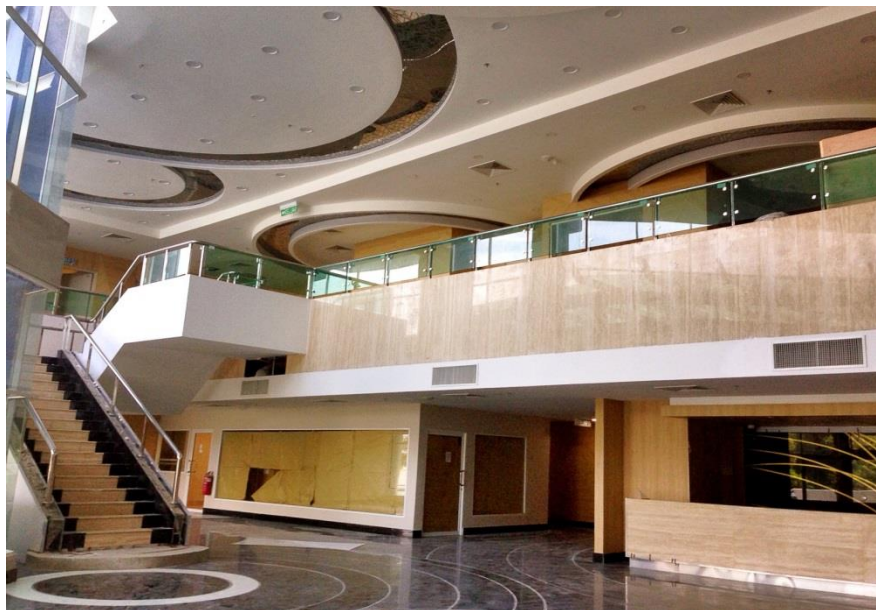
| HOSPITALS | DESCRIPTION | CAPACITY | COMPLETION | OPENING |
|---------------|-------------|----------|------------|---------|
| *KPJ Selangor | Clinics | 54 | Oct 2016 | 1Q2017 |
| KPJ Seremban | Beds | 90 | 4Q2016 | 1Q2017 |
| Taiping | Clinics | 16 | 2Q2017 | 3Q2017 |
| Sri Manjung | Beds | 30 | 2Q2017 | 3Q2017 |
| KPJ Johor | Beds | 53 | 3Q2017 | 4Q2017 |
| KPJ Puteri | Beds | 66 | 4Q2017 | 1Q2018 |
| KPJ Penang | Beds | 138 | 3Q2019 | 4Q2019 |
| KPJ Ampang | Beds | 150 | 4Q2017 | 1Q2018 |
| | Clinics | 33 | | |

Total Beds **527**
Total Clinics **103**

* Completed

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



Hospital Expansion-lease

KPJ Batu Pahat Specialist Hospital



Kluang Specialist Hospital



KPJ Damansara Empire Specialist Hospital



Current Issues

GST

Impact on cost of living

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