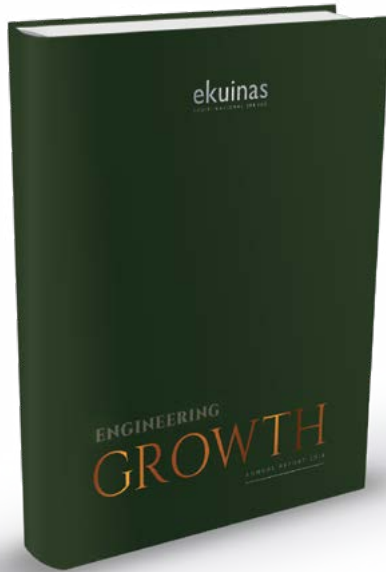


ENGINEERING  
GROWTH

ANNUAL REPORT 2018

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# ENGINEERING GROWTH

Our journey is something that sets us apart – a vision to be a world-class private equity firm with ambitions to create Malaysia’s next generation of leading companies. Our history of organic growth and strategic acquisitions has seen us inspiring change and transformation to our portfolio companies. By delivering on our mandate, Ekuinas strives to ensure that the local economy is fueled by strong and high potential companies that will power the country for the long term.

Keen business sense and acumen as well as a deep understanding of the local market enables us to identify, manage and navigate the diverse portfolio of investments that we have. Fundamental to our DNA is the desire to reach new heights and chart new milestones for the firm and our portfolio companies. This reflects our ambitions, which is backed by our performance and cements our position for the next decade to come.

# VISION

To be a world-class private equity fund management company

# MISSION

To create Malaysia's next generation of leading companies whilst promoting equitable and sustainable Bumiputera wealth creation and economic participation based on the principles of market-friendliness, merit and transparency

# VALUES

## COMMERCIALLY DRIVEN

We maintain strict commercial discipline to create value

## HIGH PERFORMANCE

We strive to exceed expectations

## MERIT-BASED

We recognise and reward purely based on performance

## PASSION

We are passionate in our task to deliver beyond the ordinary

## FOCUSED

We are focused in our quest to achieve our objectives

## HUMILITY

We stay true to our roots and are cognisant that we serve a greater purpose



Scan this QR Code to direct  
you to Ekuinas' official website

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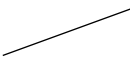
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# ABOUT US

Ekuiti Nasional Berhad, or Ekuinas, is a private equity (PE) fund management company established by the Government of Malaysia on 1 September 2009 to promote equitable and sustainable Bumiputera wealth creation and economic participation based on the principles of market-friendliness, merit and transparency via the creation of Malaysia’s next generation of leading companies.



## HOW DOES EKUINAS OPERATE?

Based on the PE model of:

i	ii	iii
investing in high-growth businesses	aggressively expanding them	profitably exiting once they mature or become market leaders

KEY OBJECTIVES	KEY METHODS	KEY TARGET GROUPS
<u>Financial Objectives</u> Enhance institutional Bumiputera equity  Target return: Min 12.0% IRR p.a.	<u>Direct Investments</u> Directly undertake investments  Skewed towards buy-outs and controlling stake	<u>Entrepreneurs</u> Supplement entrepreneurs’ risk capital  Enhance their capabilities with professional oversight
<u>Social Objectives</u> Enhance individual Bumiputera participation:  • Equity ownership  • Management  • Employment  • Creating value in supply chain	<u>Outsourced Programme</u> Outsourced PE Managers making investments  Must raise external capital  Focused on provision of growth capital	<u>Professional Managers</u> Opportunities for capable managers to earn “sweat equity”



# COMMERCIAL DRIVEN

We maintain strict  
commercial discipline to  
create value

*Ekuinas invested in Al-Ikhsan Sports Sdn Bhd, a leading multi-brand sports retailer in 2016.*

## ABOUT US

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# COMMERCIALLY DRIVEN

## HOW DOES EKUINAS OPERATE?

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*Ekuinas invested in Al-Ikhsan Sports Sdn Bhd, a leading multi-brand sports retailer, in 2016.*

# 2018 AT A GLANCE

## INVESTMENT PERFORMANCE

### Ekuinas Direct (Tranche II) Fund

Gross Portfolio Return

**RM490.1**  
MILLION

Gross IRR

**14.0% P.A.**

Net IRR

**9.8% P.A.**

### Ekuinas Direct (Tranche III) Fund

Gross Portfolio Return

**RM53.5**  
MILLION

Gross IRR

**4.5% P.A.**

Net IRR

**N/M\***

*\* Not presented as capital is still being deployed*

### Ekuinas Outsourced (Tranche I) Fund

Gross Portfolio Return

**RM93.5**  
MILLION

Gross IRR

**5.7% P.A.**

Net IRR

**4.8% P.A.**

## TOTAL CUMULATIVE INVESTMENT PORTFOLIO

Total Number  
of Investments  
Direct and  
Outsourced

**63**

Direct  
Investments

**40**

Outsourced  
Programme

**23**

Total Committed  
Investment by  
Ekuinas

**RM3.9**  
BILLION

Total Economic  
Capital Deployed,  
Together with  
Private Sector  
Partners

**RM4.6**  
BILLION

## 2018 AT A GLANCE

## SOCIAL OBJECTIVE PERFORMANCE

COMBINED DIRECT AND OUTSOURCED

**Increase in  
Bumiputera Equity**

**RM5.0**  
BILLION  
1.5x capital invested

**Increase in Total  
Shareholders' Value**

**RM6.6**  
BILLION  
2.0x capital invested

**Increase in Bumiputera  
Management Since  
Ekuinas' Entry**

**24.9%**

**Increase in Bumiputera  
Employees Since  
Ekuinas' Entry**

**17.3%**

## FUND MANAGEMENT COMPANY

**Total Funds under  
Management  
(FuM)**

**RM3.1**  
BILLION

**Operating Expenditure  
(OPEX)**

**RM43.8**  
MILLION

**Ratio of OPEX  
to FuM**

**1.4%**

**Profit After Tax  
and Zakat**

**RM7.3**  
MILLION

# 2018 KEY FINANCIAL HIGHLIGHTS

## 1. FUNDS MOVEMENT FROM/TO YAYASAN EKUITI NASIONAL (YEN)

	2018 RM million	2017 RM million
Funds disbursement from YEN during the year	50.0	-
Cumulative funds disbursement from YEN	3,950.0	3,900.0
Capital returned to YEN during the year	-	-
Cumulative capital returned to YEN	200.0	200.0

## 2. FUNDS ESTABLISHED

	Vintage Year	Fund Size RM million	Investment Focus	Term	Deployment Status
Ekuinas Direct (Tranche I) Fund	2010	1,000.0	Buyout and Growth Capital	5 + 2 + 1 years	Fully realised
Ekuinas Direct (Tranche II) Fund	2012	1,000.0	Buyout and Growth Capital	5 + 2 + 1.5 years	Deployed
Ekuinas Direct (Tranche III) Fund	2014	1,500.0	Buyout and Growth Capital	5 + 2 years	Investing
Ekuinas Outsourced (Tranche I) Fund	2011	400.0	Growth Capital	6 + 1 + 1 years	Deployed
Ekuinas Outsourced (Tranche II) Fund	2013	240.0	Growth Capital	7 + 1 years	Deployed

## 3. TOTAL FUNDS UNDER MANAGEMENT

	2018 RM million	2017 RM million
Direct	2,500.0	3,500.0
Outsourced	640.0	640.0
	3,140.0	4,140.0
Total Funds available for Investments, including private capital	3,402.0	4,402.0

## 2018 KEY FINANCIAL HIGHLIGHTS

## 4. SUMMARY OF FUND PERFORMANCE

## a. Summary of Cumulative Investment Activity

	Number of Investments	Committed Investments Undertaken RM million	Total Economic Capital Deployed in Malaysian Economy RM million
<b>2018</b>			
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	14	1,043.9	1,043.9
Ekuinas Direct (Tranche III) Fund	15	1,306.0	1,306.0
Total - Direct	40	3,608.1	3,730.2
Ekuinas Outsourced (Tranche I) Fund	15	264.0	708.4
Ekuinas Outsourced (Tranche II) Fund	8	75.6	140.6
Total - Outsourced	23	339.6	849.0
<b>Total - Direct and Outsourced</b>	<b>63</b>	<b>3,947.7</b>	<b>4,579.2</b>
<b>2017</b>			
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	14	1,043.9	1,043.9
Ekuinas Direct (Tranche III) Fund	10	994.5	994.5
Total - Direct	35	3,296.6	3,418.7
Ekuinas Outsourced (Tranche I) Fund	15	264.0	708.4
Ekuinas Outsourced (Tranche II) Fund	8	75.6	140.6
Total - Outsourced	23	339.6	849.0
<b>Total - Direct and Outsourced</b>	<b>58</b>	<b>3,636.2</b>	<b>4,267.7</b>

## 2018 KEY FINANCIAL HIGHLIGHTS

### 4. SUMMARY OF FUND PERFORMANCE

#### b. Summary of Cumulative Realisation Activity

	Total Number of Realisation	Total Realisation Amount RM million
<b>2018</b>		
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,624.4
Ekuinas Direct (Tranche II) Fund	6	492.3
Ekuinas Direct (Tranche III) Fund	4	586.7
<b>Total</b>	<b>21</b>	<b>2,703.4</b>
<b>2017</b>		
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,624.4
Ekuinas Direct (Tranche II) Fund	5	377.4
Ekuinas Direct (Tranche III) Fund	2	355.2
<b>Total</b>	<b>18</b>	<b>2,357.0</b>

#### c. Summary of Cumulative Financial Performance

	Gross Portfolio Return RM million	Gross Internal Rate of Return (IRR)	Net IRR
<b>Direct Fund</b>			
<b>2018</b>			
Ekuinas Direct (Tranche II) Fund	490.1	14.0% p.a.	9.8% p.a.
Ekuinas Direct (Tranche III) Fund	53.5	4.5% p.a.	N/M <sup>^</sup>
<b>2017</b>			
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	476.7	10.1% p.a.	6.5% p.a.
Ekuinas Direct (Tranche II) Fund	391.7	14.6% p.a.	10.2% p.a.
Ekuinas Direct (Tranche III) Fund	53.9	10.7% p.a.	N/M <sup>^</sup>
<b>Outsourced Fund</b>			
<b>2018</b>			
Ekuinas Outsourced (Tranche I) Fund	93.5	5.7% p.a.	4.8% p.a.
Ekuinas Outsourced (Tranche II) Fund*	-	N/M	N/M
<b>2017</b>			
Ekuinas Outsourced (Tranche I) Fund	111.7	7.5% p.a.	6.6% p.a.
Ekuinas Outsourced (Tranche II) Fund*	-	N/M	N/M

<sup>^</sup> Not presented as capital is still being deployed

\* The financial performance for Ekuinas Outsourced (Tranche II) Fund is not presented as the fund is still in early stages of investments

## 2018 KEY FINANCIAL HIGHLIGHTS

## 4. SUMMARY OF FUND PERFORMANCE

## d. Social Objective Performance - Combined Direct and Outsourced

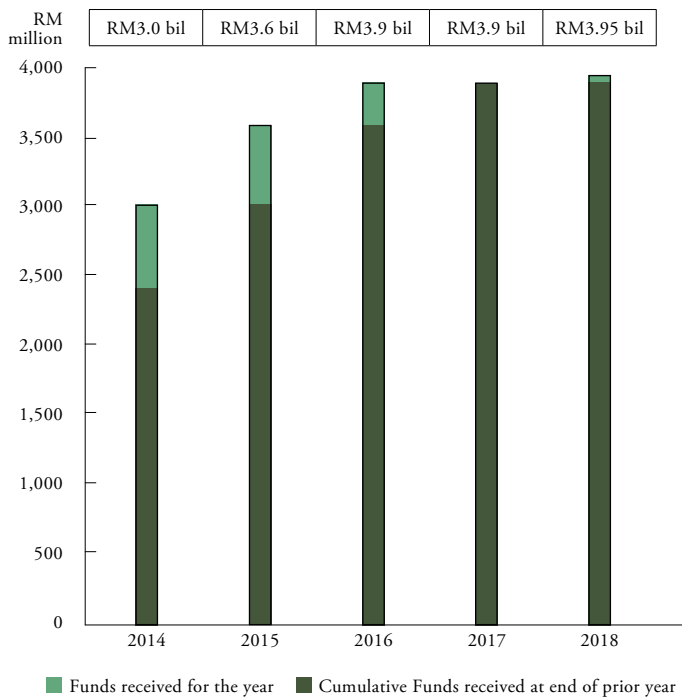
	Bumiputera Equity Created		Total Equity Created	
	Value RM million	Multiple of Capital Invested	Value RM million	Multiple of Capital Invested
<b>2018</b>	<b>4,976.8</b>	<b>1.5x</b>	<b>6,647.3</b>	<b>2.0x</b>
2017	4,369.1	1.5x	6,265.1	2.2x

## 5. EKUITI NASIONAL BERHAD (FUND MANAGEMENT COMPANY)

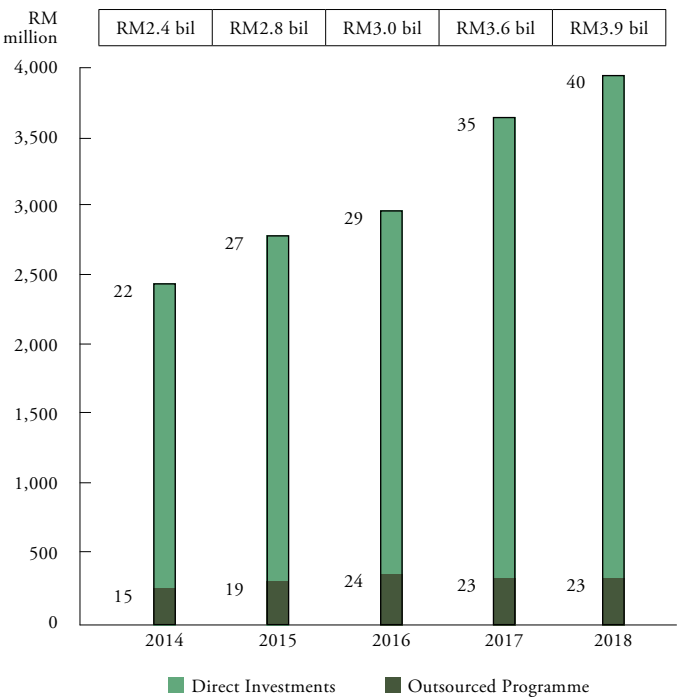
	2018 RM million	2017 RM million
Total Funds under Management (FuM)	<b>3,140.0</b>	4,140.0
Operating Expenditure (OPEX)	<b>43.8</b>	43.9
Ratio of OPEX to FuM	<b>1.4%</b>	1.1%
Profit After Tax and Zakat (PAT)	<b>7.3</b>	18.1

# FIVE-YEAR FINANCIAL HIGHLIGHTS

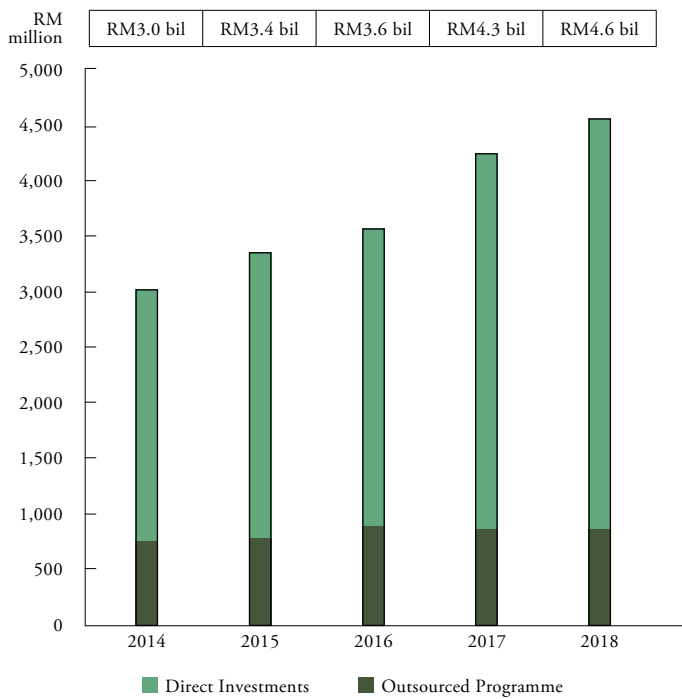
TOTAL FUNDS RECEIVED



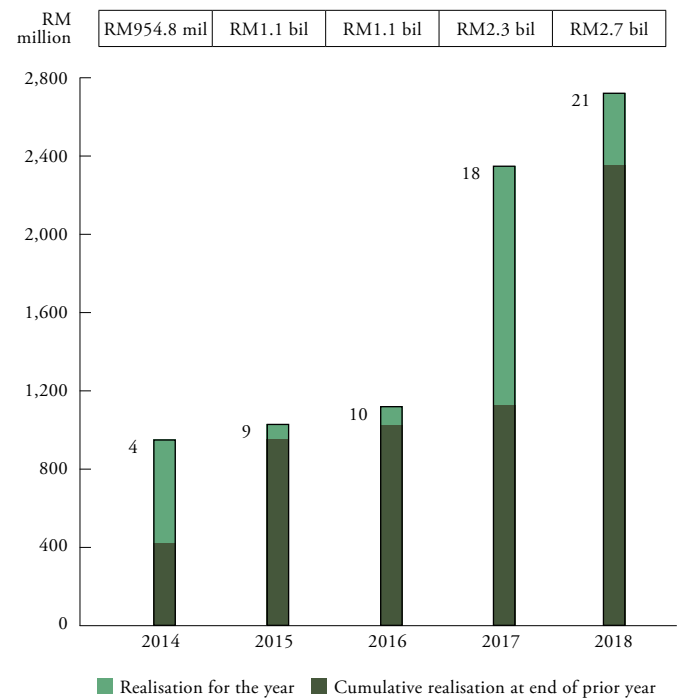
TOTAL NUMBER AND VALUE OF COMMITTED INVESTMENTS



TOTAL ECONOMIC CAPITAL DEPLOYED



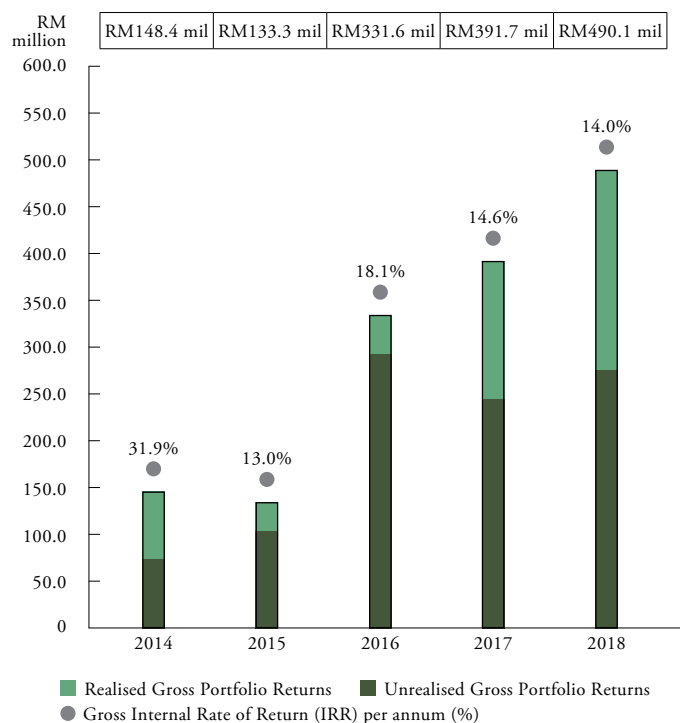
DIRECT INVESTMENTS - TOTAL NUMBER AND REALISATION FROM DIVESTMENTS



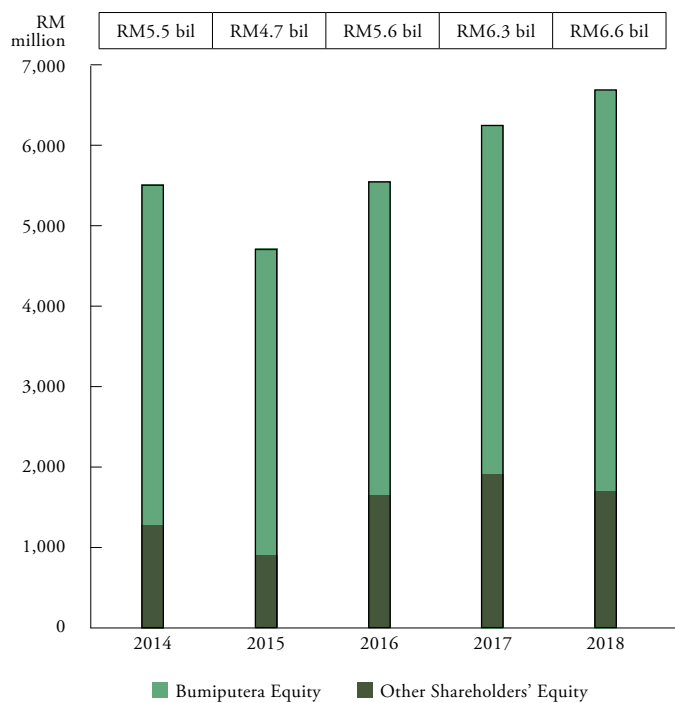


## FIVE-YEAR FINANCIAL HIGHLIGHTS

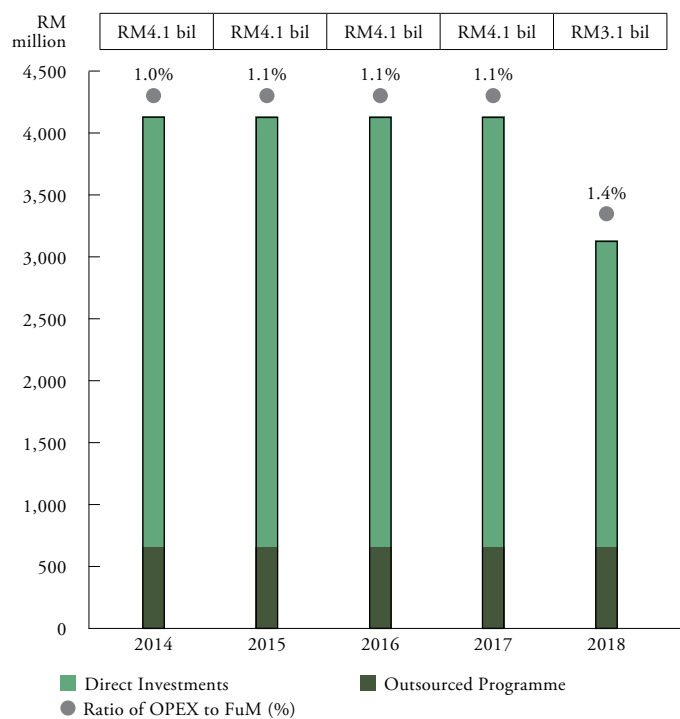
### FUND PERFORMANCE - EKUINAS DIRECT (TRANCHE II) FUND



### TOTAL BUMIPUTERA EQUITY AND OTHER SHAREHOLDERS' VALUE CREATED



### FUNDS UNDER MANAGEMENT AND FuM OPEX RATIO



# CHAIRMAN & CEO'S JOINT STATEMENT



**RAJA TAN SRI DATO' SERI  
ARSHAD RAJA TUN UDA**  
Chairman

**SYED YASIR ARAFAT  
SYED ABD KADIR**  
Chief Executive Officer

## DEAR STAKEHOLDERS,

2018 was a significant and challenging year for Malaysia. Global and domestic events continued to weigh down the local economy while the global economy grew at a moderate pace amid frail demand and slower trade flows.

Growing risks to the global growth tilted toward the downside predominantly due to trade policy uncertainty and weak financial market sentiments. The mounting trade tensions and other concerns including slower-than-expected growth in emerging market economies and the US government shutdown led to the instability in the financial market.

## CHAIRMAN & CEO'S JOINT STATEMENT

Domestically, the effect of changes in Government was welcomed by the people. However, the Government's fiscal rationalisation, the reintroduction of the Sales and Service Tax (SST), as well as the revisions to the post-election policies have resulted in corporates, consumers and investors adopting a cautionary stance and holding back on spending and investing. As we had anticipated the headwinds seen in 2018, we took proactive steps to enhance the resilience of our portfolio companies by improving their cost efficiencies and tightening their internal operations.

Ekuiti Nasional Berhad's (Ekuinas) development over nine years has been instrumental in laying the foundation for us to face challenges and create value in any economic cycle. As a government-linked private equity firm with commercial and social objectives, it is imperative that we anticipate and prepare for changing realities, new market trends as well as internal and external challenges.

Despite the volatile macroeconomic, geopolitical and financial factors around the world, the global private equity industry continued to grow, reflecting the increased importance of this asset class in the modern investment portfolio. 2018 was the fifth consecutive year where fundraising in the global private equity industry exceeded US\$400.0 billion.

Private equity deals in Asia Pacific has steadily attracted interest from global private equity players in recent years. This region currently represents about 26.0% of the global private equity market, up by about 9.0% just ten years ago, and there is still a record level of dry powder looking for good deals. This has led to an environment of heightened competition for domestic private equity firms such as Ekuinas.

A rapidly changing business landscape requires us to extend our investing capabilities, further diversify our portfolio, understand and venture into non-traditional business verticals such as those

in the digital industry. This proactive hands-on approach is one of the key ways to deliver on our mission to create value through our investments, nurture high-potential companies into market leaders and facilitate greater Bumiputera participation in the economy.

With the additional disbursement of RM50.0 million by the Government in 2018, Ekuinas has received total cumulative funds of RM3.95 billion to date.

We will continue to look for the best possible investment returns for every ringgit allocated to us and perform our duties based on the highest standards of integrity, professionalism and stewardship. These core values have supported us over the years and will continue to guide our principles and operations as we work towards our aspirations of becoming a leading private equity firm in the region.

### 2018 FINANCIAL HIGHLIGHTS

In 2018, Ekuinas continued to support the local economy with a total committed investment of RM3.9 billion (FY2017: RM3.6 billion). At the end of the year, our total cumulative investment portfolio consisted of 41 companies, out of which, 23 were direct investments while 18 were made through our Outsourced Programme.

As always, we measure and report on the impact that we made on the broader Malaysian economy. Ekuinas and our private sector partners generated a total economic deployment of RM4.6 billion (FY2017: RM4.3 billion) for the period under review.

We also realised proceeds of RM344.4 million from our divestment activities in 2018, which brings the total realisation, including income from dividends and interest, to RM2.7 billion (FY2017: RM2.3 billion).

## CHAIRMAN & CEO'S JOINT STATEMENT

The cost of asset management in our performance-based operations are globally benchmarked and optimised. We believe that it is important for Ekuinas to lead by example as we consistently seek to be cost efficient. We achieved an operating expense ratio of 1.4% against our total Funds under Management of RM3.1 billion (FY2017: 1.1% of RM4.1 billion).

### PERFORMANCE OF OUR FUNDS

We have constantly highlighted the importance of taking a long-term approach to assess the business impact that Ekuinas generates. This is because the time horizon for our value creation activities to bear fruit depends on market conditions.

As stewards of public funds, a long-term approach provides the flexibility to secure high-potential value investment opportunities at the right price and exit with attractive returns, while handing over to buyers that can support the next phase of the companies' development. This approach ensures that we maximise the potential of the money that has been entrusted to us.

In 2018, the Ekuinas Direct (Tranche II) Fund recorded a gross portfolio return of RM490.1 million and a gross Internal Rate of Return (IRR) of 14.0% per annum which outperformed our internal target of 12.0% (FY2017: RM391.7 million and 14.6% p.a.). This fund has been fully deployed and is currently in the process of crystallisation.

The Ekuinas Direct (Tranche III) Fund made a gross portfolio return of RM53.5 million which translates to a gross IRR of 4.5% per annum (FY2017: RM53.9 million and 10.7% p.a.). The fund under our Outsourced Programme, Ekuinas Outsourced (Tranche I) Fund made a gross portfolio return of RM93.5 million which translates to a gross IRR of 5.7% for 2018 (FY2017: RM111.7 million and 7.5% p.a.).

On the overall, the performance of our funds has been encouraging, given the tough market conditions in 2018 which also impacted other asset classes including local equities, which made a sharp decline when the benchmark FBM KLCI index lost 5.9% in 2018.

As mentioned earlier, Ekuinas is prepared to be nimble and respond to market dynamics and new challenges by extending our capabilities. This requires us to widen our scope outside our current portfolio of investments and search for high-potential opportunities in new industries and emerging macro trends.

To support our strategy and business plan, we launched the Ekuinas Direct (Tranche IV) Fund early in January 2019, with an allocation of RM1.0 billion and the option of increasing this to RM1.5 billion if suitable investments are found. This fund speaks of the capabilities that we have developed and reflects our commitment to catalysing economic activities in the country.

### VALUE CREATION ACTIVITIES

Clearly, the financial performance of each company is subject to market conditions and the external environment. A number of our portfolio companies were affected by cyclical headwinds, poor sentiment and a slower economy during the year. Other companies, however, managed to grow their earnings and improve their financial performance as our value creation activities started to yield results.

Value creation activities are core to our set-up. They are executed with the management team in each of our portfolio companies. We collaborate to identify existing and potential issues as well as develop constructive solutions. In certain situations, Ekuinas will also bring in the necessary expertise and local knowledge that can transform and scale a business.

#### Total Committed Investments

**RM3.9**  
BILLION

#### Total Number of Companies

**41**

#### Total Economic Deployment

**RM4.6**  
BILLION

#### Total Realisation

**RM2.7**  
BILLION

#### Ekuinas Direct (Tranche II) Fund

Gross Portfolio Return

**RM490.1**  
MILLION

Gross IRR 14.0% p.a.

#### Ekuinas Direct (Tranche III) Fund

Gross Portfolio Return

**RM53.5**  
MILLION

Gross IRR 4.5% p.a.

## CHAIRMAN & CEO'S JOINT STATEMENT

Despite the challenging market conditions, this was an opportune time for us to uncover areas and processes in our portfolio companies that can be improved. It is much easier to optimise operations, identify cost efficiencies and realign products or business lines in a slow market.

In 2018, we continued to focus on implementing our value creation plans, which are intended to maximise operational improvements for our portfolio companies. We also adjusted these plans for macro and micro environmental factors as well as company-specific needs.

The overall performance of all our portfolio companies, as reflected in its consolidated EBITDA (earnings before interest, taxes, depreciation and amortisation) recorded a marginal decrease. Nevertheless, we remain confident that our value creation activities, which are designed to build a sustainable long-term business, will enable the companies to benefit once the market and external environment start to improve.

Some portfolio companies that showed a marked improvement in their revenue and profitability in 2018 include Orkim Sdn Bhd (Orkim), PrimaBaguz Sdn Bhd (PrimaBaguz) and Coolblog Sdn Bhd (Coolblog). Through operational improvements, these companies managed to mitigate the difficulties faced by their respective industries.

Orkim, a market leader in the Clean Petroleum Product transportation industry, continued to record a strong performance due to an increase in downstream activities in the oil and gas sector last year. Slow demand for offshore support vessel services, however,

continued to impact Icon Offshore Berhad (ICON). Nonetheless, we continue to streamline its operations and improve the competitiveness of its utilisation rates. We are confident that ICON will recover once the upstream oil and gas exploration and production activities start to pick up.

PrimaBaguz, a manufacturer and distributor of premium halal meat-based products, registered higher growth and a better financial performance in 2018. PrimaBaguz was acquired five years ago and our value creation plan for it is starting to yield results, with new management in place, tighter internal operations and lower procurement costs.

Coolblog, a homegrown dessert and beverage franchise specialist, enhanced its business and financial performance through operational improvements. We are pleased to note that this was achieved against the backdrop of cautious consumer spending. Furthermore, progress made by Coolblog will also benefit its franchisees who are mainly Bumiputera entrepreneurs looking to generate a sustainable income.

### ACQUISITIONS AND DIVESTMENTS

In 2018, we committed RM311.5 million to acquire two companies and three follow-on investments (FY2017: RM310.0 million). This is lower than our target commitment amount of RM400.0 million for the year but we believe that it is critical to be selective and only invest in high-potential companies at the right price.

The companies that we acquired, Flexi Versa Group Sdn Bhd (FVG) and Exabytes Capital Group Sdn Bhd (Exabytes), operate in industries that we have not ventured into before. These acquisitions reflect our ability to expand our investments beyond traditional industries. We believe that in order to be dynamic, we must keep building on our capabilities and our scope to continue generating sustainable returns in an environment of rapidly evolving market conditions.

FVG is a leading contract manufacturer that caters to prominent global consumer electronics brands, specifically as a turnkey and components manufacturer focusing on the audio and consumer appliances segment. The company's experience, successful track record and presence in Southeast Asia's main manufacturing hubs namely Singapore, Vietnam, Indonesia and Malaysia, gives it a competitive advantage in the electronic manufacturing services industry.

**WE BELIEVE THAT  
IN ORDER TO BE  
DYNAMIC, WE MUST  
KEEP BUILDING ON  
OUR CAPABILITIES  
AND OUR SCOPE  
TO CONTINUE  
GENERATING  
SUSTAINABLE  
RETURNS**

## CHAIRMAN & CEO'S JOINT STATEMENT

# EKUINAS WAS SHORTLISTED AMONG REGIONAL PRIVATE EQUITY FIRMS AND RECOGNISED AMONG THE TOP THREE FIRMS UNDER THE BEST PRIVATE EQUITY FIRM SOUTHEAST ASIA CATEGORY FOR THE PRIVATE EQUITY INTERNATIONAL (PEI) AWARDS 2018

Our drive to participate in the growing internet economy and better understand the commercial aspects of a digital business model is one of the many compelling reasons behind our acquisition of Exabytes, a leading web hosting and cloud service provider. The global market for hosting is expected to continue to grow at 9.0% annually, driven by increasing internet penetration and digitalisation of businesses across Southeast Asia. Thus, the acquisition of Exabytes provides Ekuinas with a foothold in the rapidly evolving internet economy.

Investing in Exabytes has also placed Ekuinas on the radar of technology companies that are looking for funding. This is an important step in addressing a common perception that technology companies only secure capital funding from other countries.

In respect of our divestments, our merit-based sale process ensures that the capability, resources and management of the selected owner is aligned with our portfolio companies, so that their growth trajectory can be supported. We are confident that companies we have divested are fundamentally strong and resilient, and poised for greater future growth with their new partners.

Tranglo, a cross-border mobile transaction gateway company was divested for RM114.9 million. This achieved an IRR of 26.9% and a money multiple of 2.0 times the capital invested. We are happy to see the progress Tranglo made under our stewardship, as its airtime transfer and money remittance network had expanded through our work with its management team. This resulted in Tranglo successfully growing its money remittance volume by 15-fold since our acquisition.

Meanwhile, the divestment of MediExpress Group and PMCare Sdn Bhd generated a minimum IRR of 38.8% and a money multiple of 2.6 times the capital invested. Throughout our investment period, we worked closely with the respective management teams to improve on operational enhancements of internal processes and systems, strengthened the management and operation teams as well as increase the market share for both companies.

### DELIVERING ON OUR SOCIAL OBJECTIVES

Since our inception in 2010, Ekuinas has been committed to facilitating greater Bumiputera participation in the local economy as we look to transform our

portfolio companies into future market leaders. We continue to strive, as we always have, to create positive change in society and generate strong returns for our stakeholders.

While Ekuinas' commercial and social objectives go hand in hand, it is important that we continue to focus on building a strong financial foundation and improving the financial performance of our investments as this enables us to make a sustained positive impact on society.

It is equally as important that all our transactions especially concerning the acquisition and divestments of our portfolio companies take place in a free and open market, as we believe that competition and transactions based on a cost-benefit analysis and merit, promote integrity and trust. These are critical elements for our long-term commercial viability.

Returns made through the crystallisation of our assets are channelled to positively impact the Bumiputera community. This can be seen in the distribution of gains where we distributed RM200.0 million to Yayasan Pelaburan Bumiputera in 2014. We hope to achieve similar success and continue doing the same with the rest of our gains to benefit the wider Bumiputera community.



## CHAIRMAN & CEO'S JOINT STATEMENT

Our efforts to create genuine opportunities for success across our portfolio companies and to transact with the best seller or buyer in the market has built Ekuinas' reputation as a credible player in the regional private equity industry.

This was further emphasised when Ekuinas was shortlisted among regional private equity firms and recognised among the top three firms under the Best Private Equity Firm Southeast Asia category for the Private Equity International (PEI) Awards 2018.

Earning a place among the world's biggest private equity firms reflect global recognition of our professional practices and ethical behaviour. This gives us a sense of national pride as our commercial achievements are always a priority to ensure that we are able to fulfil our social objectives.

To continue delivering on our social objectives, we constantly look to increase Bumiputera equity ownership at our portfolio companies. We also measure the number of Bumiputera employees working in these companies, including those in management, to ensure we are consistently contributing towards growing the number of Bumiputera talent across industries.

In 2018, Ekuinas' direct and outsourced funds increased Bumiputera equity ownership by RM5.0 billion, equivalent to 1.5 times our invested capital (FY2017: RM4.4 billion and 1.5 times). Meanwhile, the number of Bumiputera managers across our portfolio companies increased by 24.9% while the number of Bumiputera employees improved by 17.3% since Ekuinas' entry (FY2017: 25.0% and 25.1%, respectively).

## EVERY YEAR, WE ALSO TAKE STEPS TO POSITIVELY AND DIRECTLY IMPACT THE BUMIPUTERA COMMUNITY BY CREATING SUSTAINABLE VALUE FOR THEIR WELL-BEING AND THIS IS DONE THROUGH ILTIZAM

Ekuinas also contributes towards the development of the Bumiputera professional by providing opportunities for our employees to acquire a wide-range of specialised skills needed to be a private equity specialist.

Additionally, every year, we also take steps to positively and directly impact the Bumiputera community by creating sustainable value for their well-being and this is done through ILTIZAM. ILTIZAM aims to assist Bumiputera entrepreneurs, young professionals and communities in realising their full potential through three pillars: entrepreneurship, education and community.

Ekuinas invested RM7.7 million in ILTIZAM's initiatives in 2018. We seek to generate the biggest possible impact for every ringgit allocated for ILTIZAM's activities while ensuring that every transaction can be accounted for and directed towards truly deserving beneficiaries who meet our criteria.

We place great importance on positively impacting the wider community and participation in ILTIZAM's activities were made a key performance indicator within Ekuinas in 2018. This KPI encourages

employees to participate in one or two of ILTIZAM's programmes outside their immediate scope of work. Please refer to Stakeholders' Interest section for a review of ILTIZAM's initiatives in 2018 on pages 100 - 106.

### OUTLOOK AND PLANS FOR 2019

The global economy is still facing a number of challenges and volatility, and there is uncertainty within dampened financial markets. We see continued pressure from external events such as the US-China trade tensions, geopolitical tensions and Brexit's prolonged negotiations. We anticipate slower domestic economic growth and we are looking forward to greater clarity, direction and stimulus to catalyse industries and boost sentiment.

Although there are many challenges on the horizon, we believe that the local economy is resilient with great potential. We also recognise that periods of uncertainty present many opportunities. As an investor, we are confident that many high potential and quality investments can be found with the right strategy in place.

## CHAIRMAN & CEO'S JOINT STATEMENT

In the coming months, we will endeavour to leverage on our experience and in-depth local expertise to navigate the complexities of a challenging environment. We hope to be able to continue our momentum of acquiring companies when the right opportunities arise, and divesting portfolio companies for attractive returns and to the right buyers.

At the same time, we have prepared ourselves and our portfolio companies for possible shocks to the economy. Our value creation plans aim to build the companies' resilience, position them to improve their bottom line and deliver in any market condition.

Preparing our portfolio companies for possible disruptions in their respective industries is a critical component of our value creation activities. At the same time, we want to enhance their digital capabilities in line with the Fourth Industrial Revolution (4IR).

We look forward to harnessing the full potential of digital technologies to benefit Ekuinas and all our portfolio companies. Refer to pages 19 - 26 on Advancing the Digital Revolution in Malaysian Manufacturing by A.T. Kearney to read more on 4IR and how it could potentially help the country and Malaysian manufacturers chart the path forward.

Ekuinas turns 10 in 2019. We believe that our professional team of employees and core values of professionalism, integrity and sound governance will continue to put us in good stead to sustain a decade-long track record of financial performance, investment returns and meaningful social impact on the broader community.

### WITH MUCH APPRECIATION

Firstly, we would like to extend our deepest appreciation to the Government of Malaysia and Yang Berhormat Datuk Seri Mohamed Azmin Ali, the Minister of Economic Affairs, who oversees Ekuinas. Thank you for your continued confidence in Ekuinas and for trusting us to keep delivering on our mandate.

We would like to thank the Board of Directors for their advice, input and guidance throughout the years in developing Ekuinas. We also want to recognise the efforts of the employees at Ekuinas and portfolio companies and thank them for their passion and commitment. You have come together to focus on operational excellence and delivered in a challenging environment.

Ekuinas remains steadfast in our commitment to create long-term value for the Government, our stakeholders and our portfolio companies. We look forward to extending our track record of creating future market leaders and advancing sustainable Bumiputera wealth creation and economic participation.

**Raja Tan Sri Dato' Seri Arshad Raja Tun Uda**  
Chairman

**Syed Yasir Arafat Syed Abd Kadir**  
Chief Executive Officer



# ADVANCING THE DIGITAL REVOLUTION IN MALAYSIAN MANUFACTURING BY A.T. KEARNEY

THE FOURTH INDUSTRIAL REVOLUTION (4IR) IS ONE OF THE MOST IMPORTANT DEVELOPMENTS THAT IS CHANGING THE GLOBAL MANUFACTURING LANDSCAPE. 4IR PRESENTS MALAYSIA WITH A MAJOR OPPORTUNITY TO ENHANCE ITS LEADERSHIP POSITION BY INCREASING THE USE OF DIGITAL TECHNOLOGIES IN THE MANUFACTURING SECTOR. EKUINAS, AS A STRATEGIC INVESTOR, IS WELL PLACED TO HELP MALAYSIA AND MALAYSIAN MANUFACTURERS CHART THE PATH FORWARD.

## MANUFACTURING IS PROPELLING MALAYSIA'S GROWTH AND WILL BE IMPACTED BY THE FOURTH INDUSTRIAL REVOLUTION

Manufacturing is a key driver of Malaysia's economic growth, accounting for 23% of its GDP and expanding at 4.7% in 2018. By 2028, manufacturing is expected to contribute well over RM700 billion, propelled by strong domestic and regional growth and continuing shifts in global value chains. Structurally, several sectors comprise a high number of small and medium-sized enterprises (SMEs), which account for 97% of manufacturing firms in Malaysia.

Malaysian companies realize the importance of digital and have made good progress in adopting digital tools for customer engagement, especially for sales and marketing purposes. In fact, SME Corp's 2018 digitalization survey of over 2,000 Malaysian SMEs revealed that over 70% of SMEs already use social media for marketing and 44% engage in e-commerce. Moreover, nearly 90% of manufacturing companies are connected to the Internet.

Despite the growing awareness, the use of digital tools and systems in operations and especially among local manufacturers is still very low. A 2018 survey by Cisco of more than 230 manufacturers across ASEAN showed that only 15-25% have adopted major digital technologies such as cybersecurity, cloud, automation, big data and analytics, artificial intelligence (AI), and Internet of Things (IoT). The situation is even more challenging for SMEs. The SME Corp survey found the adoption of digital tools in operations to be less than 15%.

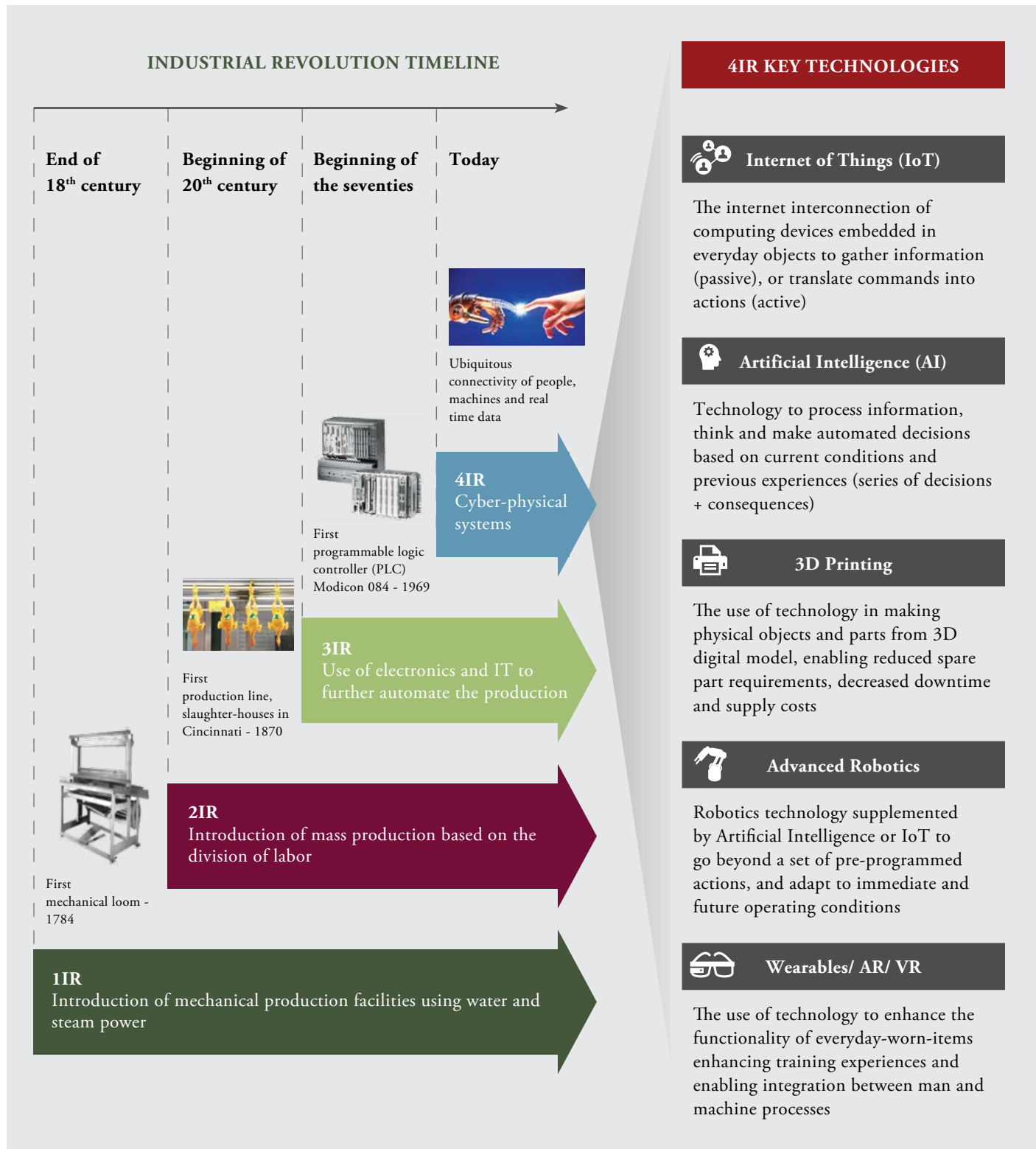
Global studies estimate that 85% of production assets are not yet connected to the Internet and that 70% of captured production data goes unused. This provides an enormous opportunity to leverage digital technologies, big data and analytics to achieve a step change in productivity, supply chain management, manufacturing flexibility, and product customization. However, driving digital transformations across the entire production value chain is a challenging undertaking for any company.

It is now time for Malaysian manufacturers to act, or risk being left behind. The Fourth Industrial Revolution (4IR) is reshaping the global manufacturing landscape and is posing a major threat to Malaysian manufacturers who largely rely on low labor costs for competitive advantage.

4IR is characterized by an intelligent and connected ecosystem of people and machines, underpinned by five emerging technologies that are being used across the manufacturing value chain to help companies derive strategic value (see Figure 1).

# ADVANCING THE DIGITAL REVOLUTION IN MALAYSIAN MANUFACTURING BY A.T. KEARNEY

Figure 1: Five advanced technologies are transforming manufacturing



## ADVANCING THE DIGITAL REVOLUTION IN MALAYSIAN MANUFACTURING BY A.T. KEARNEY



### Internet of Things (IoT)

One of the fastest growing technologies and expected to reach maturity by 2030. IoT is highly valued by companies with a wide range of distributed and mobile assets that would like to enhance their asset connectivity, conduct remote analytics, and improve business intelligence.



### Artificial Intelligence (AI)

Likely to be one of the most impactful technologies, with a diverse range of solutions at various levels of maturity, including machine learning, decision-making, and computer vision. AI has many applications across industries and will enable new levels of automation, process management and maintenance.



### 3D Printing

A rapidly maturing technology with multiple government initiatives conducted globally through research centers and public-private projects. 3D printing is disrupting traditional manufacturing processes and enabling the personalization of products. However, its impact is still mostly limited to prototyping and for high-mix, low-volume products unless its affordability further improves.



### Advanced Robotics

Advanced robotics has a diverse range of solutions at various levels of maturity. Manufacturing and transportation are the key industries that will undergo a revolution, introducing higher levels of automation and production flexibility, significantly reducing their long-time dependence on labor, and reverting the offshoring trend.



### Wearables / AR / VR

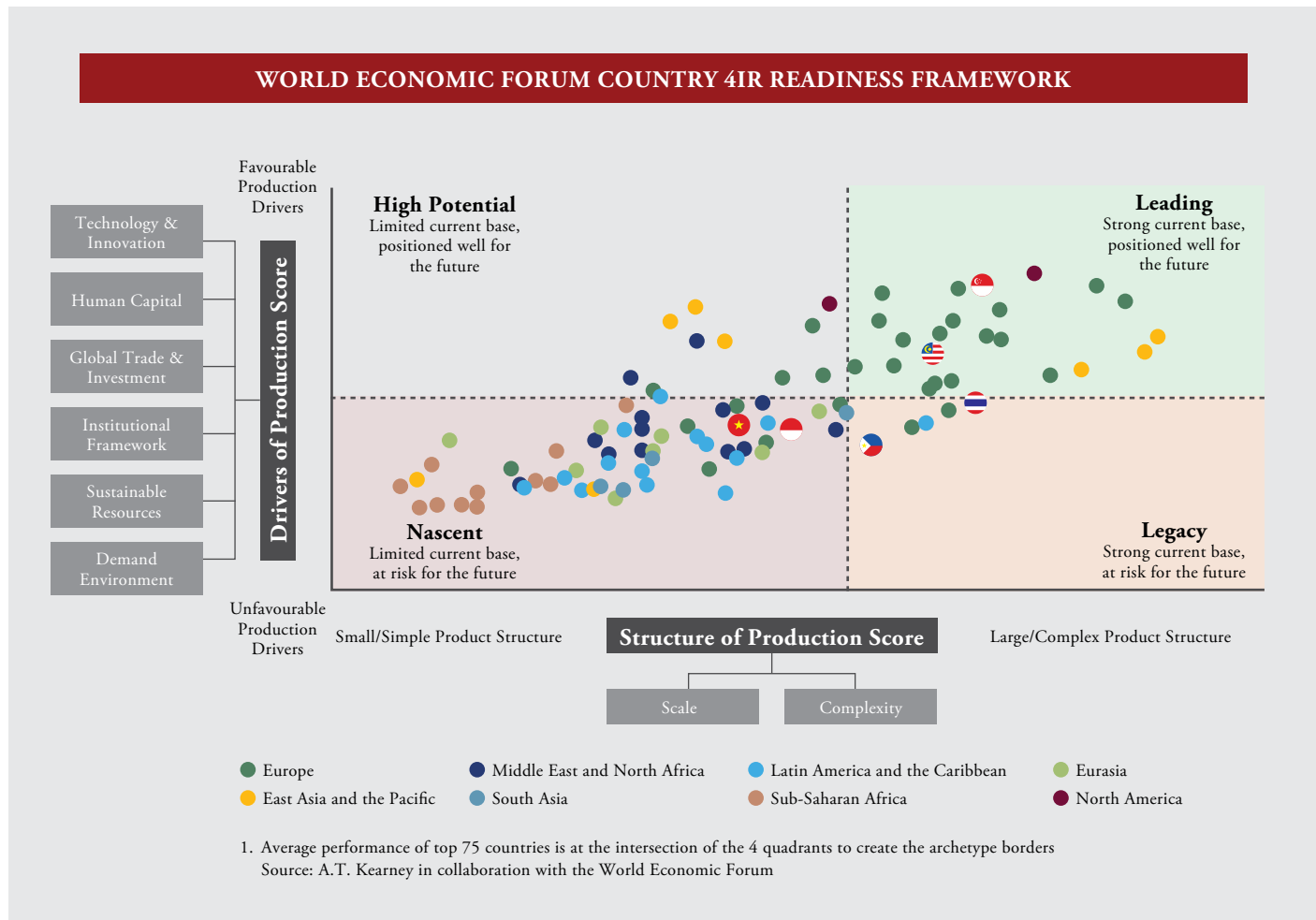
A growing and maturing technology that allows the integration of man and machine to the greatest extent. The range of applications has continued to evolve and include increasing safety awareness and injury prevention, hands-free training through augmented reality, and anytime monitoring through remote processing.

With its proven ability to deliver a step change in performance across the manufacturing value chain, 4IR is redefining the competitive landscape. The resulting benefits for speed, quality, cost, and sustainability are reversing years of decline for traditional manufacturing powerhouses such as Europe and the United States, where labor costs are high, and are re-leveling the playing field between advanced and developing economies. At the same time, Malaysian manufacturers who embrace the digital revolution stand to leapfrog onto the global manufacturing stage. As such, it is crucial for Malaysian manufacturers to accelerate the adoption of digital and 4IR technologies.

In fact, Malaysia, with its well established and globally integrated manufacturing operations shows a strong readiness to embrace 4IR. A 2018 World Economic Forum and A.T. Kearney study evaluated countries on their readiness for advanced manufacturing and found that, within Southeast Asia, Malaysia and Singapore are best positioned for the future (see Figure 2).

## ADVANCING THE DIGITAL REVOLUTION IN MALAYSIAN MANUFACTURING BY A.T. KEARNEY

**Figure 2: Malaysia is well positioned for leadership in the Fourth Industrial Revolution**



Malaysia's Industry 4.0 policy, launched in 2018 and aptly called Industry4Wrd, lays out a comprehensive framework for manufacturing-specific initiatives focused on developing talent, advancing the digital infrastructure and data sharing, establishing more collaborative platforms, and providing funding support to accelerate digital adoption and further advance manufacturing.

The opportunity for Malaysia is substantial. Adoption of digital and 4IR technologies can increase the country's manufacturing value added (MVA) by 35 - 40% by 2028, representing more than RM1 to RM1.5 trillion in cumulative GDP value over the next 10 years.

## ADVANCING THE DIGITAL REVOLUTION IN MALAYSIAN MANUFACTURING BY A.T. KEARNEY

### COMPANIES FACE MULTIPLE CHALLENGES IN ADOPTING DIGITAL AND 4IR TECHNOLOGIES

Despite so much value at stake, Malaysian manufacturers are still in the early stages of their digital journeys and face obstacles in implementing 4IR technologies.

The biggest challenges are in execution, in how to select and prioritize the right use cases, run pilots, develop business cases that make sense, and ultimately scale up pilots. Regardless of the size and digital maturity of companies, the challenges boil down to three crucial questions:

#### 1. What are the near-term opportunities for 4IR to maximize a company's value?

- **Major uncertainty about solutions and priorities.** Although numerous use cases and solutions which are available, there is uncertainty about where to start and how to prioritize the use cases.
- **Steep costs and myopic business cases.** Enduring low labor costs provides limited incentives to justify significant investments in implementing advanced technologies. Moreover, most manufacturers expect a one- to two-year payback period as they are often founded on individual use cases rather than a portfolio.

#### 2. How can solutions be implemented in a sustainable and structured manner?

- **Lack of clarity about scalability of pilots.** There is uncertainty around the scalability of pilots across machines, factories and geographies. This sometimes leads to a “pilot paralysis” and lack of clarity on how pilots will drive the broader digital transformation.
- **Complex and fragmented supplier and solution ecosystem.** Manufacturers are often unsure how to navigate the complex 4IR supplier landscape, especially given the lack of end-to-end solutions and the need for interoperability with existing systems and for flexibility of not being locked into a proprietary system.
- **Difficulties in accessing required experts and stepping up capabilities.** Access to skilled talent and experts remains a crucial challenge for manufacturers. Internal or local talent with the relevant 4IR understanding is not available and global experts are not easily found and seen as too expensive.
- **Inadequate connectivity and data infrastructure.** There is often a lack of suitable connectivity and data collection and management infrastructure to support 4IR technologies.

#### 3. How can the expected operational disruptions be managed to ensure business continuity?

- **Concerns about business interruption and continuity.** Manufacturers face the risk of operational disruption and need to consider non-invasive solutions that are implementable while the plant is running.
- **Cybersecurity risks during pilots and scale-up.** Manufacturers are concerned about sandboxing pilot environments to avoid disruptions and guarding against cybersecurity threats arising from widespread connectivity and numerous endpoints.

It is clear from our discussions and work with leading manufacturers that the question is not ‘why’ but ‘how’ to adopt 4IR, and how fast. As a leading industrial manufacturer in Malaysia pointed out: “There are multiple technologies for 4IR, but what are the applicable solutions for us as manufacturers? How do we prioritize the solutions?”

### A BIFOCAL APPROACH TO MEETING THE 4IR IMPLEMENTATION CHALLENGE

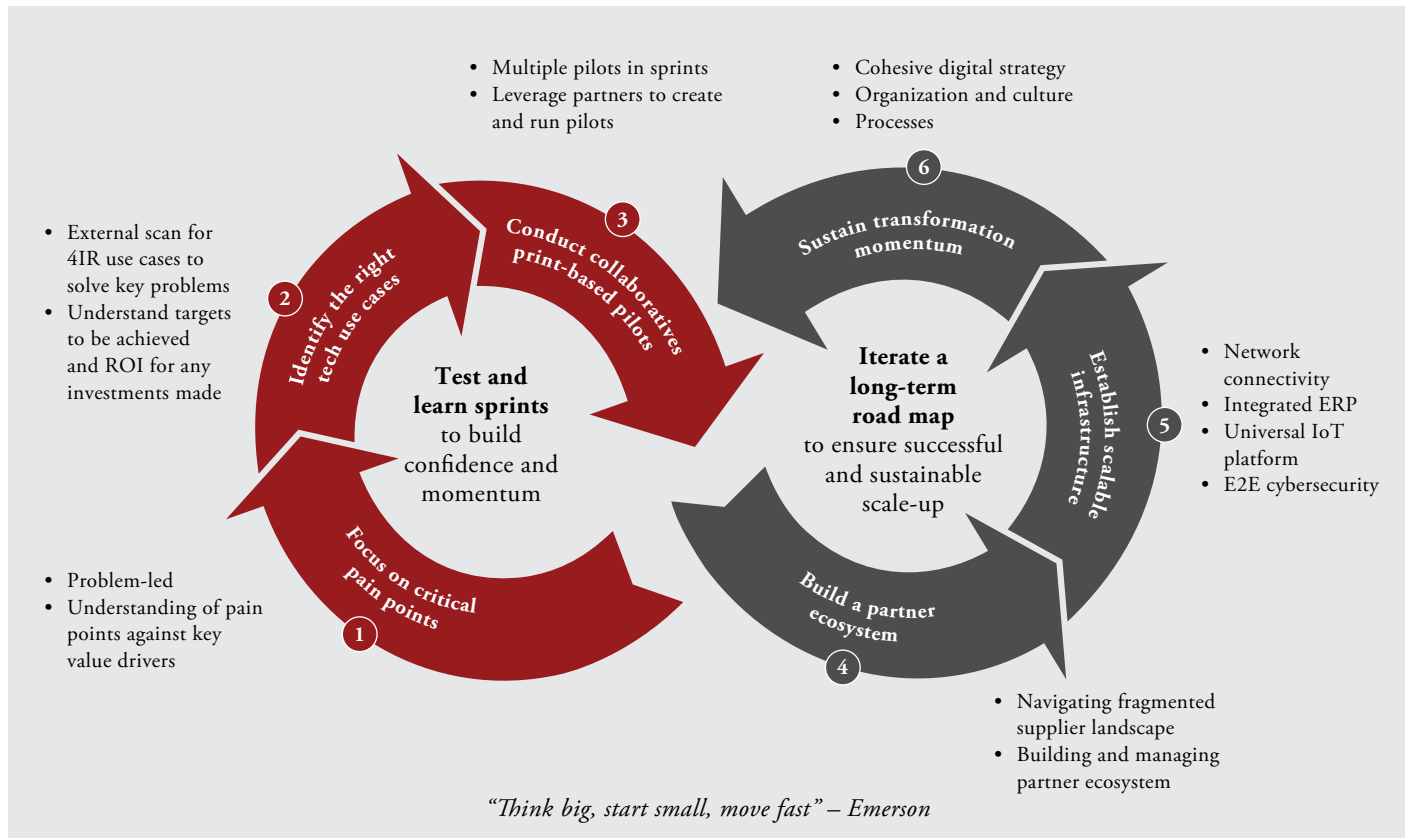
For Malaysia to make strong and rapid progress in its 4IR journey and achieve its full potential, implementation needs to be pursued at both company and at government levels. While the onus to advance manufacturing and stay competitive falls on companies, the government needs to ensure a supporting ecosystem is in place to foster early digital adoption and address longer-term talent and workforce issues.

For companies, embarking on the 4IR journey often requires navigating a sea of challenges before finding solutions in a highly dynamic technological landscape. To traverse the uncertainties surrounding new solutions, a fragmented partner base, and limited capabilities, Malaysian manufacturers must devise an experimental and iterative bifocal approach by marrying near-term use-case execution with a long-term roadmap for advanced manufacturing (see Figure 3).

This calls for a focus on solving specific problems at hand without losing sight of the broader vision—an aspirational “North Star” to guide them in their digital transformation and avoid incremental progress over time, a risk stemming from the short-term and sequential focus on discrete use and business cases.

## ADVANCING THE DIGITAL REVOLUTION IN MALAYSIAN MANUFACTURING BY A.T. KEARNEY

**Figure 3: Malaysian manufacturers need an experimental and iterative bifocal approach to 4IR implementation**



Manufacturers can use the following six-point approach to chart their 4IR journey:

- 1. Focus on critical pain points.** Use advanced technologies to resolve critical pain points to improve speed, quality, cost, or sustainability. These pain points are very specific to industry archetypes and manufacturing setups.
- 2. Identify the right business use cases.** Understand how a problem needs to be solved and the available 4IR use cases that could form part of the solution, and not the other way around (such as, what can we do with IoT?). In parallel, develop a point of view on targets to be achieved and the ROI required for any investments to be made.
- 3. Conduct collaborative sprint-based pilots.** Leverage supplier-led pilots to test solutions, how they fit into the operating environment, and their effectiveness in solving the problem.
- 4. Build a partner ecosystem that aligns with the long-term vision.** Create a partner ecosystem early based on an appropriate partnering strategy that aligns with the organizational ambition, target-state infrastructure and level of maturity. For most manufacturers this means engaging at least a few partners that in turn bring in a set of other vendors with flexible and interoperable solutions.
- 5. Establish a scalable infrastructure.** Understand what infrastructure is required to effectively and sustainably scale pilots across the network, especially with respect to creating reliable plantwide connectivity, installing end-to-end cybersecurity, establishing a universal IoT platform, and integrating with the existing resource and manufacturing planning systems.

## ADVANCING THE DIGITAL REVOLUTION IN MALAYSIAN MANUFACTURING BY A.T. KEARNEY

6. **Sustain the transformation momentum.** Ensure that organizational enablers are in place to push and maintain the transformation momentum. Success in 4IR will require investing in developing a clear vision and a digital culture, and enabling progress through the right organizational structure and processes to drive sustainable change.

At the national level, the Malaysian Government needs to play a significant role in supporting both near- and longer-term digital and 4IR adoption. Three potential focus areas stand out:

1. **Continue to build awareness.** Already 80% of Malaysian SMEs recognize the importance of 4IR and more than 50% have adopted digital tools for consumer engagement. This is a result of both the e-commerce explosion in Malaysia and supporting government programs like the MSC and the Digital Free Trade Zone. Continuing efforts will help ensure an even better understanding of the digital potential in supply chain and manufacturing operations-and the value at risk from inaction.
2. **Provide focused support for the 'how'.** The key challenge does not lie in convincing manufacturers that they must embrace 4IR, but in showing how to do it, and how fast. Although Malaysia has nearly 50,000 manufacturing firms, only 2,500 are medium-sized (75-200 employees) and 1,400 count as being large (>200 employees). As these manufacturers will be the leaders in adopting 4IR, focusing on them through structured programs should be the priority and will make any support program manageable.
3. **Steer long-term changes in the education system and workforce training.** Developing a strong pool of local 4IR experts will be vital to sustain and further propel Malaysia's competitiveness. This will require changes to both secondary and tertiary education, which need to be embedded now, and will make 4IR roles in manufacturing a desirable future career prospect. In addition, workforce reskilling and redeployment will be important to ensure a continuing positive effect of 4IR on overall employment.

Inspiration can be drawn from other countries. For example, UK's Go-ON program aims at building digital capabilities among SMEs. In its first year alone, the program reached out to

300,000 SMEs and engaged 5,500 specifically for further action. Germany's Central Innovation Program for SMEs (ZIM) fosters market-driven technology R&D work within SMEs through an annual budget of more than €500 million, with grants to companies based on the level of innovation in R&D and marketability of results.

### EKUINAS IS COMMITTED TO ADVANCING MANUFACTURING AND DIGITAL ADOPTION IN MALAYSIA

Manufacturing is an important focus area for Ekuinas. It has already started investing in various companies and is scanning the market for more opportunities. The focus is on several priority sectors, based on an understanding of specific capability and process requirements.

Ekuinas, as well as other private equity (PE) firms, have a strategic role to play in advancing the Malaysian manufacturing sector and supporting the national Industry4Wrd agenda. This is particularly necessitated by the need for a longer-term vision and business cases that drive a complete digital transformation in manufacturing operations. As a leading PE player, Ekuinas can provide liquidity for new investments as well as guidance on how to structure the business and digital transformation over the longer term.

The first step in this journey is to make sure that the right sectors are identified for accelerated 4IR implementation. While all sectors will ultimately need to have a robust 4IR roadmap, near-term opportunities will need to be focused on strengthening Malaysia's competitiveness in its core sectors of electronics, automotive, food & beverage, and petrochemicals. One of the key roles for Ekuinas will be to find the right companies in which to invest and drive competitiveness.

Ekuinas can also bring a robust approach to developing business cases that simultaneously drive experimental and more longer-term strategies. When deploying new technologies in manufacturing, companies often only look at immediate labor-productivity related improvements. While these can provide benefits, they tend to miss the larger opportunities in quality, capital efficiency, and the topline benefits that technology can enable and accelerate.



## ADVANCING THE DIGITAL REVOLUTION IN MALAYSIAN MANUFACTURING BY A.T. KEARNEY

### CASE STUDY: EKUINAS LEVERAGES DATA DRIVEN AUTOMATION AT INVESTEE COMPANY

Al-Ikhsan Sports Sdn. Bhd. is a leader in Malaysia's sporting goods retail space where supply chain optimization is a critical competitive advantage to ensure retail partners receive goods in a timely and accurate manner. Although Al-Ikhsan already had an effective off-the-shelf system in place, service levels were not supporting the needs of the retail partners. Ekuinas worked with Al-Ikhsan to identify an optimization algorithm to improve the movement of goods in terms of number of items, locations and matching supply to demand. The solution was also designed to minimize human interactions and to leverage on systems already used within the company. Before rollout, the solution was tested through a pilot on about 20% of the inventory. The impact of just this pilot has been significant, with RM8 million in additional topline within seven months of rollout, 20% increase in accuracy, and processing efficiency improving from one week with three staff to three hours with just one staff. The joint team is now working on expanding the scope across the inventory.

Through a structured approach, Ekuinas, through its portfolio of companies, will also be able to drive a broader cross-sector ideation and 4IR technology deployment. There are multiple areas where such an organized approach to 4IR implementation will be beneficial, especially in creating an innovation hub for 4IR ideas, establishing a sharing network of companies, or support group of experts to brainstorm and resolve implementation issues, fostering the shared use of facilities such as 3D printing centers, initiating intra-industry and private-public partnerships, and bringing international technology partnerships into Malaysia.

Leveraging on its experience in supporting digitization efforts across its portfolio, Ekuinas is well positioned to help companies who need to transform but do not yet know where to start. For early adopters, there is a real opportunity to become national or even regional manufacturing leaders. Ekuinas is committed to partnering with aspiring leaders in the new digital age.

#### Authors:

Nikolai Dobberstein, Partner, Kuala Lumpur, [nikolai.dobberstein@atkearney.com](mailto:nikolai.dobberstein@atkearney.com)

Badri Veeraghanta, Partner, Singapore, [badri.veeraghanta@atkearney.com](mailto:badri.veeraghanta@atkearney.com)

Kaushik Sriram, Principal, Singapore, [kaushik.sriram@atkearney.com](mailto:kaushik.sriram@atkearney.com)

*This article draws on the work conducted for the recent White Paper, "Accelerating 4IR in ASEAN: An Action Plan for Manufacturers", published by A.T. Kearney and Cisco.*





# HIGH PERFORMANCE

We strive to exceed  
expectations

*Icon Offshore Berhad, one of the largest offshore support vessel providers in Malaysia, was a result of a merger between Tanjung Kapal Services Sdn Bhd and OMNI Petromaritime Sdn Bhd in 2012.*

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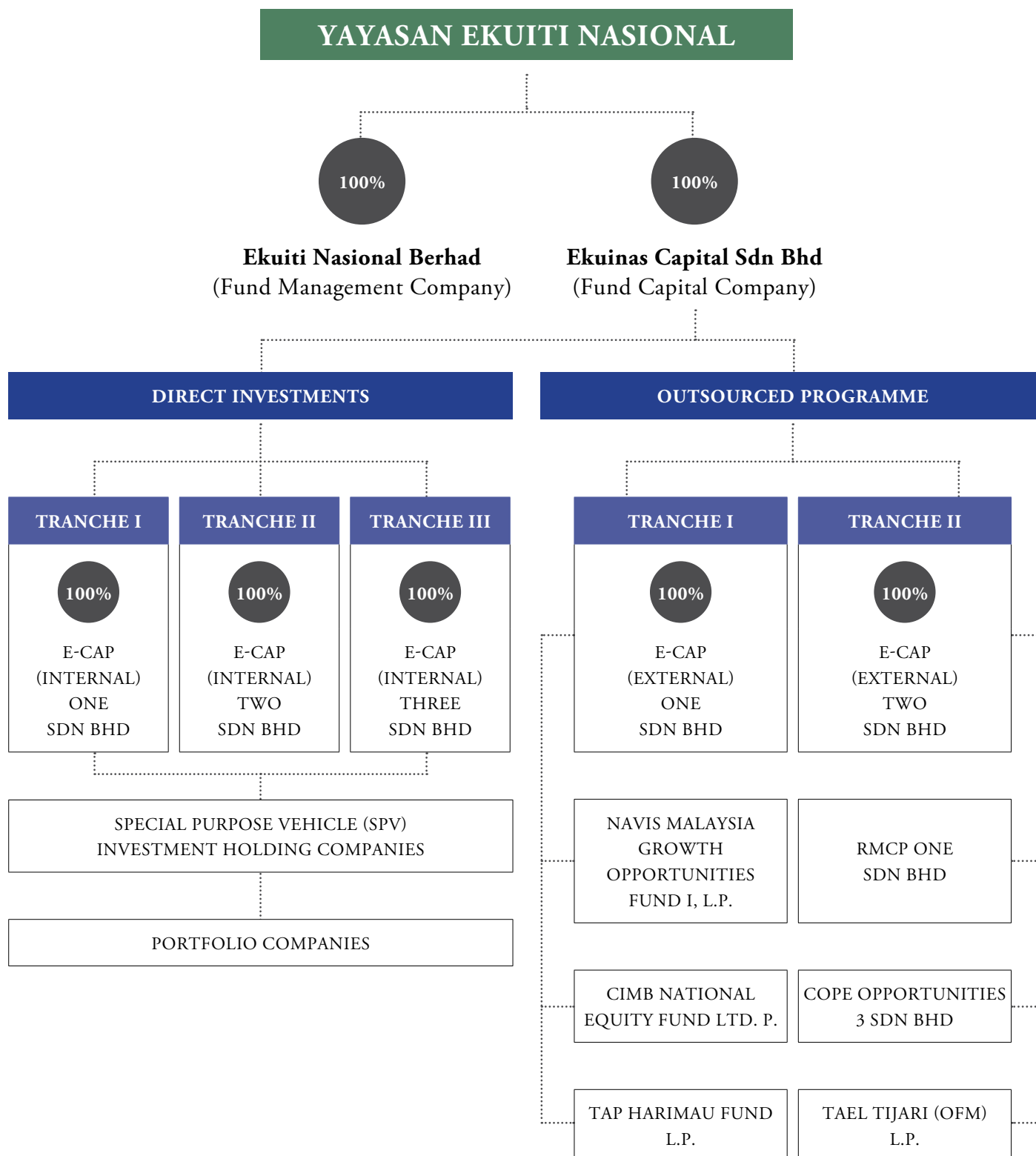
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# CORPORATE STRUCTURE



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**RAJA TAN SRI DATO' SERI  
ARSHAD RAJA TUN UDA**  
(Chairman)

**TAN SRI DATO' SERI  
MOHAMED JAWHAR HASSAN**

**TAN SRI MOHAMED  
AZMAN YAHYA**

**TAN SRI DR. RAHAMAT  
BIVI YUSOFF**

**DATUK ALI ABDUL KADIR**

**DATO' NIK AZMAN  
NIK ABDUL MAJID**  
(resigned on 21 October 2018)

**SYED YASIR ARAFAT  
SYED ABD KADIR**  
(Chief Executive Officer)

## BOARD COMMITTEES

### AUDIT AND RISK MANAGEMENT COMMITTEE

Raja Tan Sri Dato' Seri Arshad  
Raja Tun Uda (Chairman)

Tan Sri Dato' Seri Mohamed Jawhar  
Hassan

Tan Sri Dr. Rahamat Bivi Yusoff

### NOMINATION & REMUNERATION COMMITTEE

Tan Sri Dato' Seri Mohamed  
Jawhar Hassan (Chairman)

Raja Tan Sri Dato' Seri Arshad  
Raja Tun Uda

Tan Sri Mohamed Azman Yahya

### INVESTMENT COMMITTEE

Tan Sri Mohamed Azman Yahya  
(Chairman)

Datuk Ali Abdul Kadir

Syed Yasir Arafat Syed Abd Kadir

Mazhairul Jamaludin

Nik Johaan Nik Hashim

Idham Ismail

Lim Fu Yen

### CSR INVESTMENT COMMITTEE

Tan Sri Dr. Rahamat Bivi Yusoff  
(Chairman)

Syed Yasir Arafat Syed Abd Kadir  
(Alternately Mazhairul Jamaludin)

Nik Johaan Nik Hashim

### COMPANY SECRETARY

Norsham Abdul Ghani (LS 01203)  
Saiful Nizam Yasin (LS 008955)

### AUDITOR

PricewaterhouseCoopers PLT  
Chartered Accountants

### PRINCIPAL BANKERS

Malayan Banking Berhad  
CIMB Bank Berhad  
Affin Bank Berhad

### REGISTERED ADDRESS

Prokhas Sdn Bhd  
Tingkat 7, Bangunan Setia 1  
15 Lorong Dungun  
Bukit Damansara  
50490 Kuala Lumpur

### OFFICE ADDRESS

Ekuiti Nasional Berhad (868265 U)  
Level 16, Surian Tower  
No. 1, Jalan PJU 7/3  
Mutiar Damansara  
47810 Petaling Jaya, Selangor

### MANAGEMENT COMMITTEE

Syed Yasir Arafat Syed Abd Kadir  
*Chief Executive Officer*

Mazhairul Jamaludin  
*Senior Director, Investment/Outsourcing*

Nik Johaan Nik Hashim  
*Senior Director, Investment/  
Stakeholders' Interest*

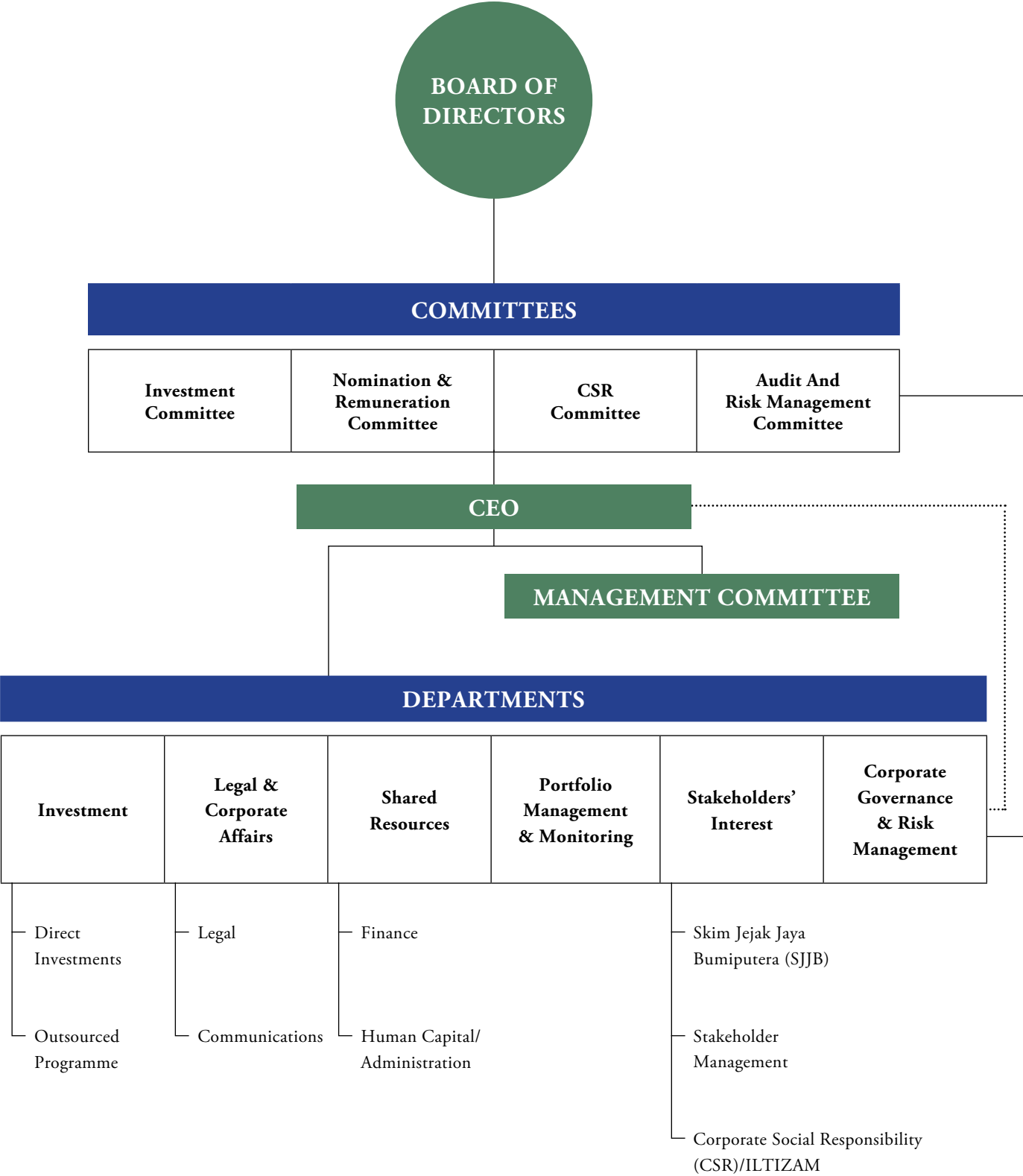
Roselinda Hashim  
*Senior Director, Legal & Corporate Affairs*

Idham Ismail  
*Senior Director, Investment*

Lim Fu Yen  
*Senior Director, Investment*

Heng Khim Hui  
*Senior Director, Portfolio  
Management & Monitoring*

# ORGANISATION STRUCTURE



# BOARD OF DIRECTORS

## RAJA TAN SRI DATO' SERI ARSHAD RAJA TUN UDA

Independent Non-Executive Chairman

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda is the Independent Non-Executive Chairman of Ekuiti Nasional Berhad (Ekuinas). He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee.

Currently, Raja Arshad also holds the following positions; Chairman of Maxis Berhad and Icon Offshore Berhad. He is also the Chairman of Yayasan Raja Muda Selangor and Chairman of Yayasan Amir, as well as a member of the Board of Trustees for Yayasan DayaDiri. Raja Arshad is also the Chancellor of Universiti Selangor.

Raja Arshad was formerly the Executive Chairman and Senior Partner of PricewaterhouseCoopers (PwC) Malaysia. He was also formerly the Chairman of the Malaysian Accounting Standards Board and Chairman of Danamodal Nasional Berhad. His previous international roles included memberships of the PwC Global IFRS Board and the Standards Advisory Council of the International Accounting Standards Board.

A Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), Raja Arshad is also a member of the Malaysian Institute of Accountants (MIA) as well as the Malaysian Institute of Certified Public Accountants (MICPA) where he served on its Council for 24 years, three of which as President.

## SYED YASIR ARAFAT SYED ABD KADIR

Chief Executive Officer

Syed Yasir Arafat Syed Abd Kadir is the Chief Executive Officer of Ekuiti Nasional Berhad (Ekuinas). He leads the Management Committee and is a member of the Investment Committee.

He was previously the Country Manager (ING Wholesale Banking) overseeing both ING Corporate Advisory (Malaysia) Sdn Bhd and ING Bank (Labuan) operations in Malaysia. He was with ING Corporate Advisory (Malaysia) Sdn Bhd for nine years, starting as VP Corporate Finance specialising in areas of mergers and acquisitions, equity and equity-linked fund raising, debt fund raising and financial

advisory for some of Malaysia's leading companies in banking, plantations, automotive, telecommunications and property, among others.

Prior to that, Syed Yasir Arafat was attached to United Overseas Bank (Malaysia) Berhad, Pengurusan Danaharta Nasional Berhad, Commerce International Merchant Bankers Berhad and Aseambankers Malaysia Berhad.

Syed Yasir Arafat graduated from the University of Essex, United Kingdom with a B.A. (Hons) degree in Accounting & Financial Management.



## BOARD OF DIRECTORS

### TAN SRI DATO' SERI MOHAMED JAWHAR HASSAN

Independent  
Non-Executive Director

Tan Sri Mohamed Jawhar Hassan is an Independent Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas). He is also the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee.

Tan Sri Jawhar is also a Commission Member of the Securities Commission Malaysia. He is Malaysia's Expert and Eminent Person to the ASEAN Regional Forum and a Distinguished Fellow of several Malaysian Institutes.

He was also the Chairman and Chief Executive of the Institute of Strategic and International Studies (ISIS) Malaysia. He served with the Government of Malaysia in various positions before joining ISIS Malaysia as Deputy Director General in 1990.

Tan Sri Dato' Seri Jawhar was Member, Economic Council Working Group and Member, Advisory Panel, Malaysian Anti-Corruption Commission. He is former Co-Chair of the Council for Security Cooperation in the Asia Pacific (CSCAP).

### TAN SRI MOHAMED AZMAN YAHYA

Independent  
Non-Executive Director

Tan Sri Mohamed Azman Yahya is an Independent Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas). He is also the Chairman of the Investment Committee and a member of the Nomination and Remuneration Committee.

He is the Executive Chairman of Symphony Life Berhad. He also sits on the board of Ranhill Holdings Berhad, Sime Darby Berhad and AIA Group Limited. He is a Non-Executive Chairman of Sepang International Circuit Sdn Bhd and Chairman of Motorsports Association of Malaysia.

Prior to venturing in business, Tan Sri Azman was appointed by the Malaysian government to set up and head Pengurusan Danaharta Nasional Berhad, the national asset management company and became

its Chairman until 2003. He was also Chairman of the Corporate Debt Restructuring Committee (CDRC) set up by Bank Negara Malaysia to mediate and assist in debt restructuring of viable companies until its closure in 2002.

His previous career includes auditing with KPMG in London, finance with the Island & Peninsular Group and investment banking with Bumiputra Merchant Bankers and Amanah Merchant Bank.

He holds a first class Honours Degree in Economics from the London School of Economics and Political Science, and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW), the Malaysian Institute of Accountants (MIA) and a fellow of the Malaysian Institute of Banks.



## BOARD OF DIRECTORS

## TAN SRI DR RAHAMAT BIVI YUSOFF

Independent  
Non-Executive Director

Tan Sri Dr Rahamat Bivi Yusoff is a Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas). She is also the Chairman of the CSR Committee and a member of the Audit and Risk Management Committee.

Tan Sri Dr Rahamat was in the Malaysian Civil Service for more than 35 years, starting out as the Assistant Secretary (Tax Division) in the Ministry of Finance (MOF), and later served in various positions including Project Officer at Institut Tadbiran Awam Negara (INTAN), Deputy Director of Macro Economy Section at Economic Planning Unit (EPU), Director at Energy Commission, Director in the Budget division and subsequently, appointed as the Deputy Secretary General at MOF. In 2011, she was promoted as the Director General of the EPU, a position she held until her retirement in 2017.

Currently, Tan Sri Dr Rahamat is also a member of the Board of Directors of Perbadanan Insurans Deposit Malaysia (PIDM), Malaysia-Thailand Joint Authority (MTJA), Malaysian Nuclear Power Corporation (MNPC), IOI Corporation Berhad (IOI) and Bank Pembangunan Malaysia Berhad (BPMB). She is also a member of the Advisory Council at the Asian Development Bank Institute.

Tan Sri Dr Rahamat holds a Bachelor's degree in Social Sciences (Economics) (Honours) from Universiti Sains Malaysia and a Master's degree in Economics from the University of Western Michigan, USA. She has also been conferred a PhD from the Australian National University.

## DATUK ALI ABDUL KADIR

Independent  
Non-Executive Director

Datuk Ali Abdul Kadir is an Independent Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas). He is also a member of the Investment Committee.

Datuk Ali Kadir is a Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW), member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants. He is also currently Honorary Advisor to ICAEW-KL City Chapter and Honorary Fellow of the Institute of Chartered Secretaries & Administrators (UK).

Datuk Ali Kadir is currently Chairman of JcbNext Berhad and Enra Group Berhad. He is a Board Member of Glomac Berhad, Citibank Berhad, Labuan Financial Services Authority and other private companies and foundations.

Datuk Ali Kadir was Chairman of the Securities Commission of Malaysia from 1 March 1999 till 29 February 2004. He also sat on a number of national committees including the Foreign Investment Committee, the Oversight Committee of National Asset Management Company (Danaharta). On the international front, he was a member of the Exco Board of

International Organisation of Securities Commissions (IOSCO), chairman of their Asia-Pacific Region Committee and the Islamic Capital Market Working Group. He was trustee of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Force of Nature Aid Foundation, and also Advisor to the Sri Lanka Securities & Exchange Commission.

Previously, he was Executive Chairman and Partner of Ernst & Young and its related firms. He was also the former President of MICPA, chairing both its Executive Committee and Insolvency Practices Committee and co-chairing the Company Law Forum. He was appointed an Adjunct Professor in the Accounting and Business Faculty, University of Malaya (2008-2011) and was then appointed to the Advisory Board of the same Faculty. He was also previously chairman of Milux Corporation Berhad, Microlink Solutions Berhad, Privasia Technology Berhad and Financial Reporting Foundation.

Datuk Ali Kadir was awarded the Panglima Jasa Negara (PJN) by the YDP Agung in 2002. In 2012, he was bestowed the Lifetime Achievement Award by ICAEW-KL City Chapter, and the President's Award by MICPA.

## BOARD OF DIRECTORS

### **DATO' NIK AZMAN NIK ABDUL MAJID**

Non-Executive Director

Dato' Nik Azman Nik Abdul Majid became the Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas) on 27 October 2017, after he was appointed the Director-General of the Economic Planning Unit, Prime Minister's Department (EPU). He continued as a Board member following his elevation as Secretary General to the Ministry of Economic Affairs on 1 September 2018. He had served EPU in various Sections, namely Macroeconomics, Regional Economics, Budget and Economic Council Secretariat.

Dato' Nik Azman previously served the Ministry of Finance, handling economic analysis, debt management and budgeting. He was seconded to the World Bank in Washington D.C. for two years as Assistant to the Executive Director. He also served as a Senior Private Secretary to the Minister of Special Functions. In EPU, he was

responsible for the overall implementation of Eleventh Malaysia Plan (11<sup>th</sup> MP), in terms of approving development projects during the period, 2016-2020. These projects cover all sectors, i.e. economic, social, security and general administration. In addition, he oversaw the preparation of the Mid-Term Review of the 11<sup>th</sup> MP, which was tabled to Parliament on 18 October 2018.

Dato' Nik Azman holds a Bachelor's Degree in Economics from the University of Malaya and a Master's Degree in Economics from the University of Nebraska-Lincoln. Dato' Nik Azman also attended the Advanced Management Program course at Harvard Business School in 2007.

Dato' Nik Azman resigned from Ekuinas on 21 October 2018, following his mandatory retirement from the civil service.

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# SENIOR MANAGEMENT

## SYED YASIR ARAFAT SYED ABD KADIR

Chief Executive Officer

Profile is presented on page 31.

## MAZHAIKUL JAMALUDIN

Senior Director, Investment/Outsourcing

Mazhairul Jamaludin is the Senior Director, Investment/Outsourcing of Ekuinas as well as a member of the Investment Committee and Management Committee. Mazhairul heads Ekuinas' Outsourced Programme and the Senior Director in charge of Ekuinas' education portfolio. He also sits on several Investment Committees and Advisory Boards of Ekuinas' Outsourced Fund Managers.

Mazhairul was previously the Financial Controller and Senior Vice President, Commercial Services, MultiChannel TV, at ASTRO, a Malaysian cross-media group with significant presence in DTH (Direct-to-Home) TV Services, commercial radio and TV programming.

Prior to that, he was Vice President of Financial Accounting and Management Reporting at Celcom, one of the country's premier mobile telecommunication companies, and has also served at Arthur Andersen and Ernst & Young.

Mazhairul received a BA (Hons) degree in Accounting & Finance from Lancaster University, United Kingdom, and is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) as well as member of the Malaysian Institute of Accountants (MIA). He currently serves as a member of the Professional Accounts in Business (PAIB) Committee of the MIA and sits on the board of Cradle Fund Sdn Bhd and AXA AFFIN Life Insurance Berhad.

He resigned from his role effective January 2019.

## NIK JOHAAN NIK HASHIM

Senior Director, Investment

Nik Johaan Nik Hashim is Senior Director, Investment at Ekuinas and a member of the Investment Committee and Management Committee. Nik Johaan is one of the Senior Directors leading Ekuinas' investments in food & beverage (F&B), consumer food products and healthcare. He also oversees the Stakeholders' Interest division of Ekuinas which includes Stakeholder Management, Skim Jejak Jaya Bumiputera (SJJJB) and Corporate Social Responsibility (CSR).

Prior to joining Ekuinas, Nik Johaan was at CIMB Investment Bank for over 18 years where he led and managed debt capital market transactions, loan syndications, IPOs, project advisory and debt restructuring exercises. During his tenure there, he also served three years in CIMB Bank as Regional Director for consumer and business banking sales. His last position in CIMB was Director and Head, Multinational Corporations and Government Relations.

Nik Johaan graduated from the University of Leicester, United Kingdom with a Bachelor of Arts degree in Economics and has a Master's degree in International Banking & Financial Services from the University of Reading, United Kingdom.

## SENIOR MANAGEMENT

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### ROSELINDA HASHIM

Senior Director, Legal & Corporate Affairs

Roselinda Hashim is a Senior Director, Legal & Corporate Affairs where she heads both the Legal & Secretarial department and leads the Communications department of Ekuinas.

Roselinda was previously the Group General Manager of Legal & Secretarial Department at Media Prima Berhad for a period of five years. Prior to that, she was a Partner of Raslan Loong and her practice focused on mergers and acquisitions, joint ventures, corporate reorganisations and other aspects of Malaysian corporate and commercial law. Roselinda has been in practice since 1996 and began her legal career at Shearn Delamore & Co.

Roselinda graduated from the School of Oriental & African Studies (SOAS), University of London with a Bachelor of Laws degree (LLB, Hons) as well as a Masters in Law (LLM). She was called to the Bar of England and Wales, United Kingdom in 1994 and was admitted as an Advocate and Solicitor to the Malaysian Bar in 1996. Roselinda received her licence to act as a Company Secretary by the Companies Commission of Malaysia in 2005.

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### IDHAM ISMAIL

Senior Director, Investment

Idham Ismail joined Ekuinas as Senior Director, Investment in October 2016. He is a member of the Investment Committee and Management Committee.

Idham was previously at Khazanah Nasional Berhad (Khazanah) for 11 years which he last served as Director, Investments. During his tenure there, he also served operating roles in Khazanah's portfolio companies namely Pos Malaysia Berhad and Themed Attraction Resorts, both as Chief Strategy Officer.

Prior to that, Idham had stints in Tenaga Nasional Berhad and the Corporate Finance team in Commerce International Merchant Bankers Berhad.

Idham graduated with a BSc (Hons) in Engineering Mathematics from the University of Bristol, United Kingdom and a Master of Finance from RMIT University, Australia.

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### LIM FU YEN

Senior Director, Investment

Lim Fu Yen is a Senior Director, Investment at Ekuinas and a member of the Investment Committee and Management Committee. He is one of the Senior Directors jointly in charge of Ekuinas' healthcare, manufacturing, and oil and gas investments. Previously, he was also involved in Ekuinas' maiden technology investment.

Prior to joining Ekuinas, Fu Yen was investing in the North American equities market at Orbis Investment Management, out of San Francisco. Prior to that, he was a management consultant with the Boston Consulting Group, participating in strategy and operational projects across the financial services and oil and gas sectors. He has worked extensively in both Southeast Asian and East Asian regions.

Fu Yen graduated from Dartmouth College with a Bachelor of Arts degree in Engineering Science and Economics, and has a Master of Business Administration (MBA) from Stanford University Graduate School of Business.

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### HENG KHIM HUI

Senior Director, Portfolio Management and Monitoring

Heng Khim Hui is the Senior Director, Portfolio Management and Monitoring at Ekuinas. He partners with CEOs and senior management of portfolio companies to drive growth and value creation through strategic, sales and marketing, operational, digital and IT initiatives.

Prior to joining Ekuinas, Khim Hui was a Project Leader with the Boston Consulting Group where he worked with MNCs and GLCs in Southeast Asia on topics ranging from market entry strategy, growth strategy, M&A to operational transformation. Before that, he was with A.T. Kearney and Accenture. He brings with him over 12 years of management consulting experience in the financial services, oil and gas and telecommunications sectors.

Khim Hui graduated with a BEng (Hons) from Imperial College, London and a Master of Science from Stanford University, both in Mechanical Engineering. He also holds a Master of Business Administration (MBA) from INSEAD.

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A black and white photograph of two male workers in white protective suits and hard hats. They are working on industrial equipment, possibly a pump or valve. One worker is standing and adjusting a component, while the other is kneeling and observing. The background shows industrial structures and a sign that says "FIRE HOSE BOX".

# MERIT-BASED

○ We recognise and reward purely based on performance

*Equinas invested in Orkim Sdn Bhd, one of Malaysia's leading Clean Petroleum Product tanker companies in 2014.*

## SENIOR MANAGEMENT

### ROSELINDA HASHIM

Senior Director, Legal & Corporate Affairs

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Prior to that, Idham had stints in Tenaga Nasional Berhad and the Corporate Finance team in Commerce International Merchant Bankers Berhad.

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### LIM FU YEN

Senior Director, Investment

Lim Fu Yen is a Senior Director, Investment at Ekuinas and a member of the Investment Committee and Management Committee. He is one of the Senior Directors jointly in charge of Ekuinas' lifecycle investing, manufacturing, and oil and gas investments. Previously, he was also involved in Ekuinas' maiden technology investment.

Prior to joining Ekuinas, Fu Yen was investing in the North American equities market at Orbis Investment Management, out of San Francisco. Prior to that, he was a management consultant with the Boston Consulting Group, participating in strategy and operational projects across the financial services and oil and gas sectors. He has worked extensively in both Southeast Asian and East Asian regions.

Fu Yen graduated from Dartmouth College with a Bachelor of Science degree in Engineering Science and Economics, and has a Master of Business Administration (MBA) from Stanford University Graduate School of Business.

### HENG KHIM HUI

Senior Director, Portfolio Management and Monitoring

Heng Khim Hui is the Senior Director, Portfolio Management and Monitoring at Ekuinas. He partners with CEOs and senior management of portfolio companies to drive growth and value creation through strategic, sales and marketing, operational, digital and IT initiatives.

Prior to joining Ekuinas, Khim Hui was a Project Leader with The Boston Consulting Group where he worked with MNCs and GLCs in Southeast Asia on topics ranging from market entry strategy, growth strategy, M&A to operational transformation. Before that, he was with A.T. Kearney and Accenture. He brings with him over 12 years of management consulting experience in the financial services, oil and gas and telecommunications sectors.

Khim Hui graduated with a BEng (Hons) from Imperial College, London and a Master of Science from Stanford University, both in Mechanical Engineering. He also holds a Master of Business Administration (MBA) from INSEAD.





*Ekuiņas invested in Orkim Sdn Bhd, one of Malaysia's leading Clean Petroleum Product tanker companies, in 2014.*

# INVESTMENT PERFORMANCE REPORT

## INVESTMENT THESIS

Ekuinas aims to identify all opportunities to invest in mid-sized Malaysian companies to transform and grow them into sizeable market leaders and profitable investments, after which Ekuinas will exit and apply the same process of value creation in other deserving companies. Depicted below are the key elements of our investment strategy.



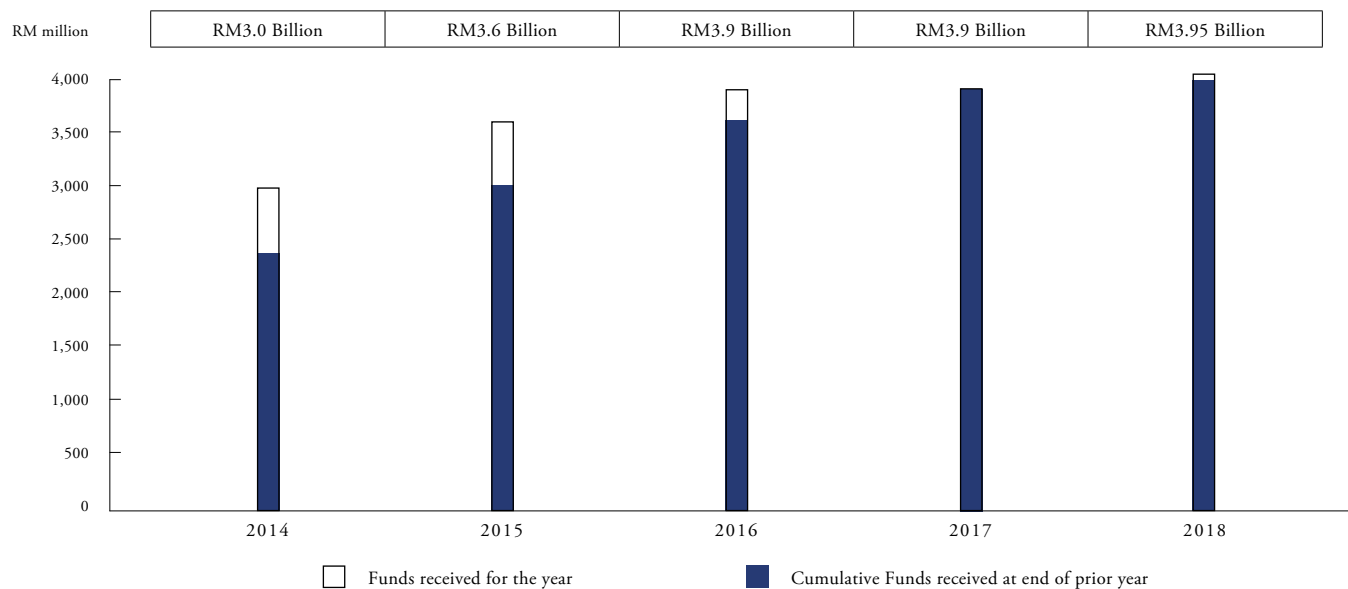


# INVESTMENT PERFORMANCE REPORT

## A) OVERALL

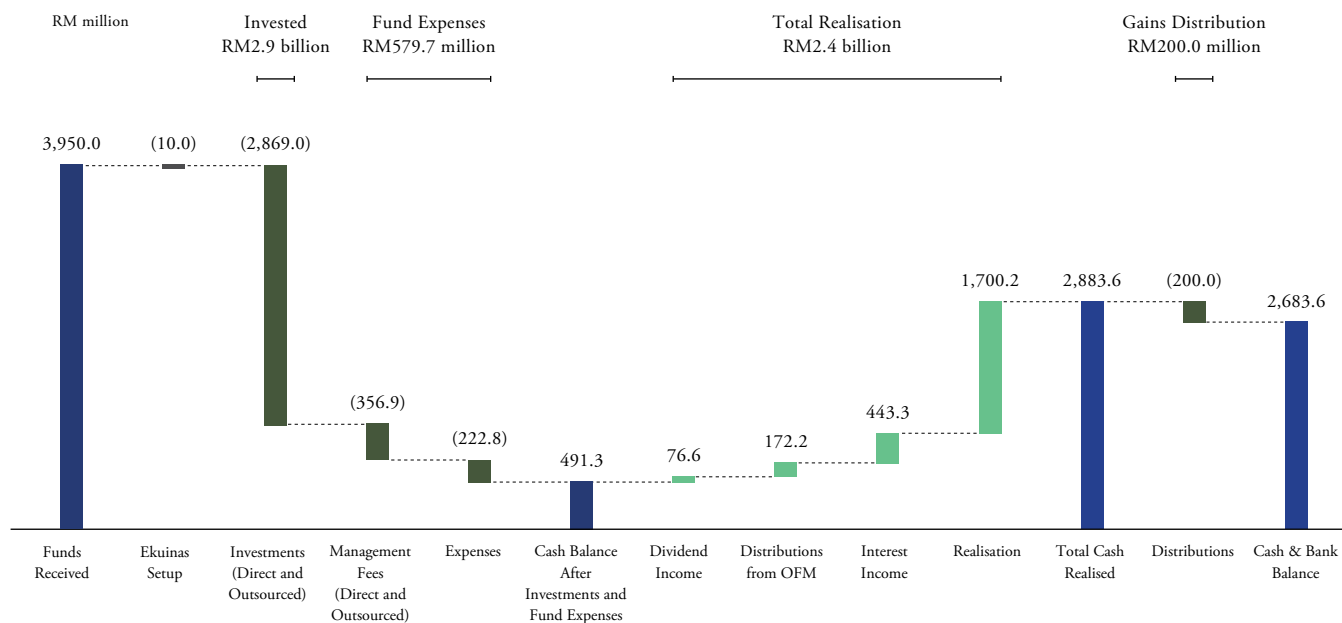
### 1. Funds Received

#### TOTAL CUMULATIVE FUNDS RECEIVED OF RM3.95 BILLION



### 2. Funds Utilisation

#### INVESTED CAPITAL OF RM2.9 BILLION: RM2.4 BILLION ALREADY REALISED



# INVESTMENT PERFORMANCE REPORT

## B) DIRECT INVESTMENTS

### 1. Funds Overview

EKUINAS DIRECT (TRANCHE I) FUND	EKUINAS DIRECT (TRANCHE II) FUND	EKUINAS DIRECT (TRANCHE III) FUND	
Vintage Year 2010	Vintage Year 2012	Vintage Year 2014	
Status: <b>Fully realised</b>	Status: <b>Deployed</b>	Status: <b>Investing</b>	
Capital Committed <b>RM1.0 billion</b>	Capital Committed <b>RM1.0 billion</b>	Capital Committed <b>RM1.5 billion</b>	
Term <b>5 years + 2 years + 1 year</b>	Term <b>5 years + 2 years + 1.5 years</b>	Term <b>5 years + 2 years</b>	
INVESTMENT PERIOD OF 3 YEARS TO 5 YEARS			
<b>Legal Form &amp; Structure</b> One Fund Manager and One Investor	<b>Investment Focus</b> Buy-Out and Growth Capital Fund	<b>Geographical Focus</b> Malaysia	<b>Industry Focus</b> Education, Oil & Gas, FMCG, Retail & Leisure, Healthcare and Services

### 2. Investment Activities

#### a. Direct Investment Activities for 2018

RM million	Portfolio Company	Sector	Stake	Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
<b>New investments:</b>						
1	Flexi Versa Group Sdn Bhd (FVG)	Manufacturing	70.0%	175.0	-	175.0
2	Exabytes Capital Group Sdn Bhd (Exabytes)	Technology Services	40.4%	98.0	-	98.0
<b>Follow-on investments:</b>						
1	Revenue Valley Group (Malaysia)	Retail - F&B	N/A	13.5	-	13.5
2	Revenue Valley Group (Singapore)	Retail - F&B	N/A	6.5	-	6.5
3	UNITAR International University	Education	N/A	18.5	-	18.5
<b>Total for the year</b>				<b>311.5</b>	<b>-</b>	<b>311.5</b>

# INVESTMENT PERFORMANCE REPORT

## b. Cumulative Direct Investment Activities as at 31 December 2018

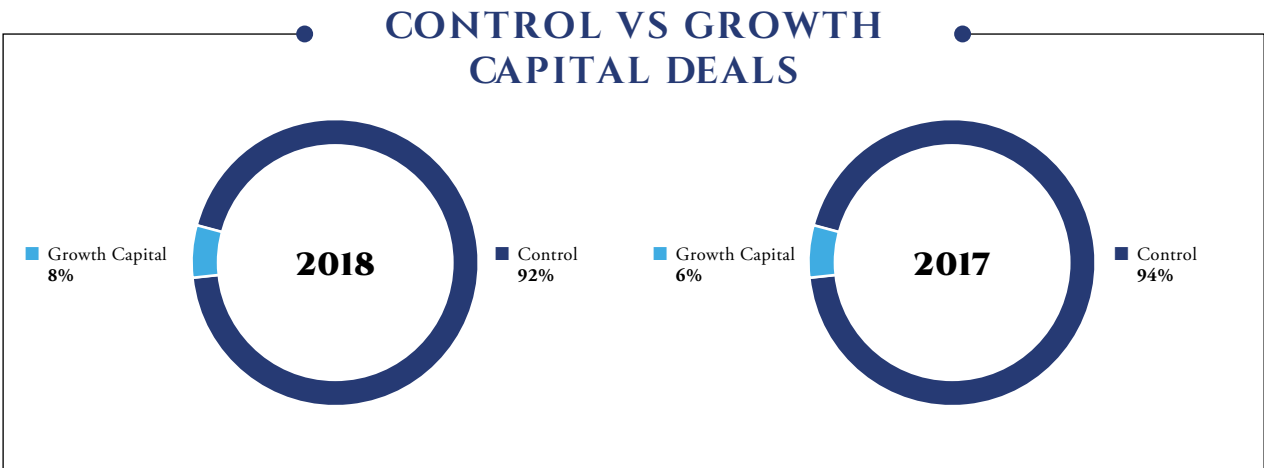
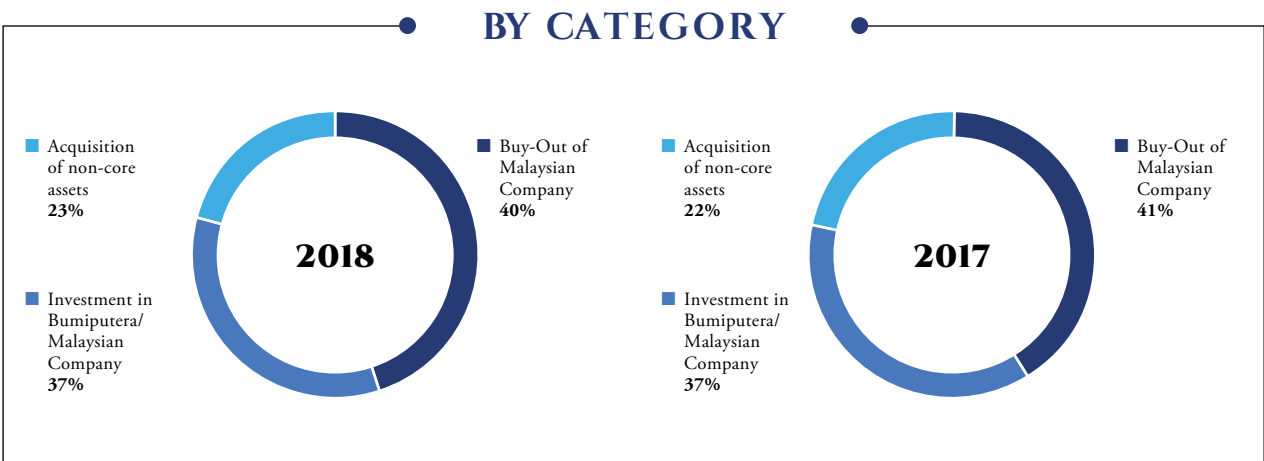
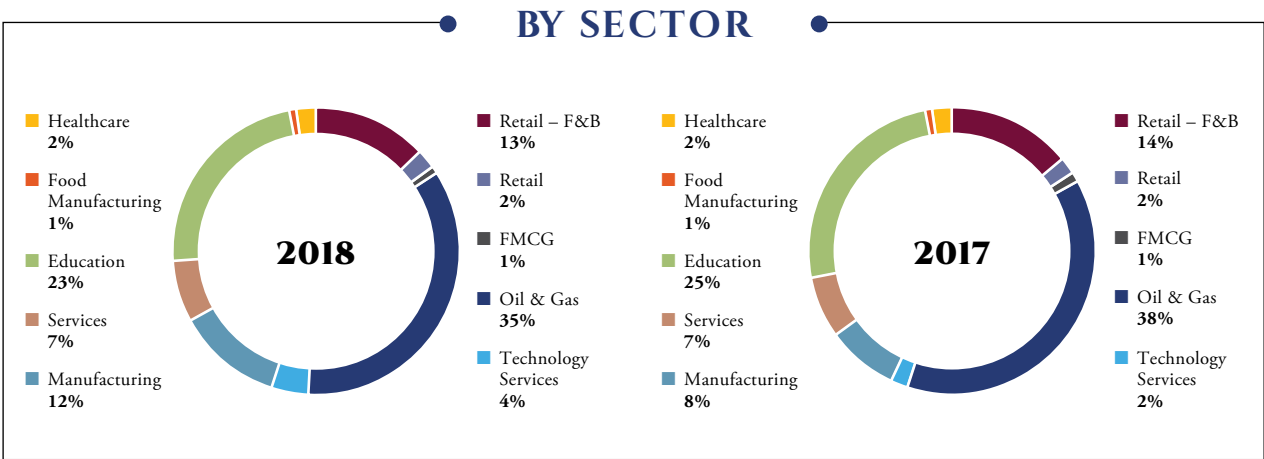
RM million			Committed	Committed	Total Economic
Portfolio Company	Sector	Stake	Investment	Investment by Others	Capital Deployed
<b>Ekuias Direct (Tranche I) Fund</b>					
1 Alliance Cosmetics Group (ACG)	FMCG	20.0%	39.9	119.6	159.5
2 Tanjung Offshore Berhad (TOB)	Oil & Gas	24.0%	99.8	-	99.8
3 Konsortium Logistik Berhad (KLB)	Services	61.6%	241.0	-	241.0
4 APIIT Education Group (APIIT)	Education	51.0%	102.0	-	102.0
5 Burger King Group (BKM)	Retail - F&B	74.1%	68.2	-	68.2
6 Lyndarahim Ventures Sdn Bhd (SF)	Retail - F&B	90.0%	30.0	-	30.0
7 Revenue Valley Group (RV)	Retail - F&B	85.8%	64.6	-	64.6
8 Cosmopoint Group (Cosmopoint)	Education	90.0%	246.0	-	246.0
9 UNITAR International University (UNITAR)	Education	90.0%	58.5	2.5	61.0
10 Icon Offshore Berhad (ICON)	Oil & Gas	70.7%	308.2	-	308.2
<b>Total Investment Undertaken - Tranche I</b>			<b>1,258.2</b>	<b>122.1</b>	<b>1,380.3</b>
<b>Ekuias Direct (Tranche II) Fund</b>					
1 Burger King Group (BKM & BKS)	Retail - F&B	100.0%	99.8	-	99.8
2 Icon Offshore Berhad (ICON)	Oil & Gas	17.4%	277.7	-	277.7
3 PrimaBaguz Sdn Bhd (PrimaBaguz)	Food	100.0%	40.0	-	40.0
4 Asia Pacific Institute of Information Technology Lanka Pvt Ltd (APIIT Lanka)	Manufacturing				
	Education	45.9%	20.3	-	20.3
5 Lyndarahim Ventures Sdn Bhd (SF)*	Retail - F&B	-	5.0	-	5.0
6 Revenue Valley Group (RV)	Retail - F&B	-	10.0	-	10.0
7 Coolblog Sdn Bhd (Coolblog)	Retail - F&B	60.0%	50.8	-	50.8
8 Orkim Sdn Bhd (Orkim)*	Oil & Gas	95.5%	416.3	-	416.3
9 Tenby Educare Sdn Bhd (Tenby)	Education	70.0%	70.0	-	70.0
10 Tranglo Sdn Bhd (Tranglo)	Technology Services	60.0%	54.0	-	54.0
<b>Total Investment Undertaken - Tranche II</b>			<b>1,043.9</b>	<b>-</b>	<b>1,043.9</b>
<b>Ekuias Direct (Tranche III) Fund</b>					
1 MediExpress (Malaysia) Sdn Bhd (Medix)	Healthcare	60.0%	58.8	-	58.8
2 PMCare Sdn Bhd (PMCare)	Healthcare	60.0%	21.0	-	21.0
3 ILMU Education Group (ILMU)	Education	100.0%	150.0	-	150.0
4 Al-Ikhsan Sports Sdn Bhd (Al-Ikhsan)	Retail	35.0%	68.6	-	68.6
5 Icon Offshore Berhad (ICON)	Oil & Gas	-	40.0	-	40.0
6 Davex (Malaysia) Sdn Bhd (Davex)	Manufacturing	100.0%	270.0	-	270.0
7 Revenue Valley Group (RV)**	Retail - F&B	85.8%	142.1	-	142.1
8 Cosmopoint Group (Cosmopoint)#	Education	90.0%	54.7	-	54.7
9 UNITAR International University (UNITAR)**	Education	90.0%	127.7	-	127.7
10 Icon Offshore Berhad (ICON)#	Oil & Gas	32.7%	100.1	-	100.1
11 Flexi Versa Group Sdn Bhd (FVG)	Manufacturing	70.0%	175.0	-	175.0
12 Exabytes Capital Group Sdn Bhd (Exabytes)	Technology Services	40.4%	98.0	-	98.0
<b>Total Investment Undertaken - Tranche III</b>			<b>1,306.0</b>	<b>-</b>	<b>1,306.0</b>
<b>Cumulative Total Investment Undertaken</b>			<b>3,608.1</b>	<b>122.1</b>	<b>3,730.2</b>

\* Includes follow-on investments

# Transfer from Ekuias Direct (Tranche I) Fund

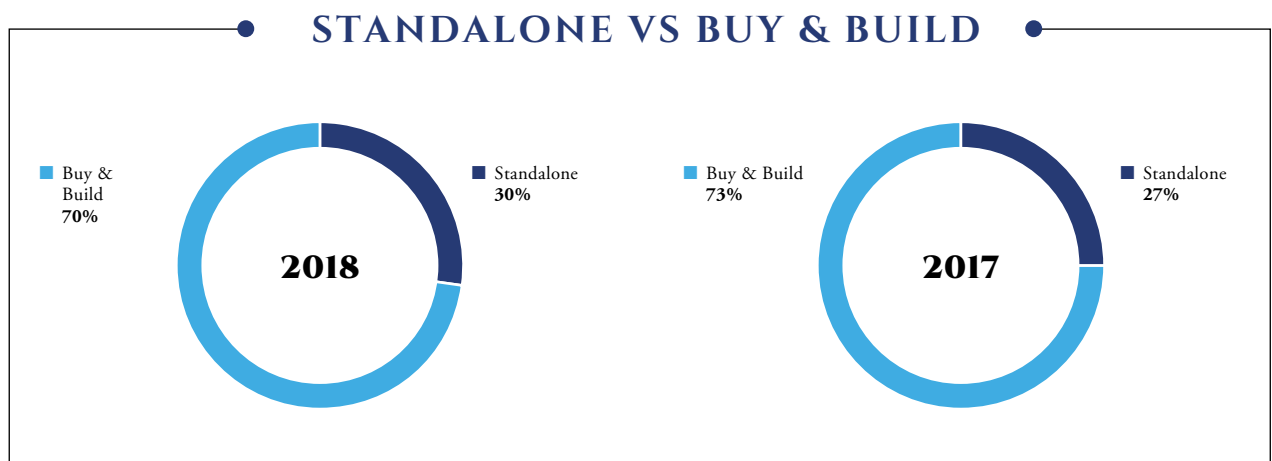
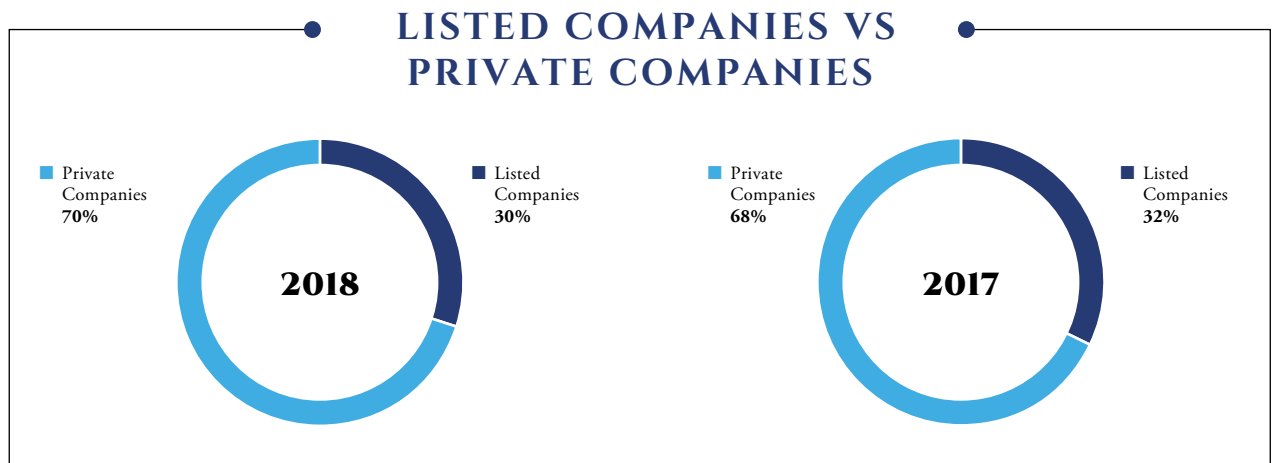
# INVESTMENT PERFORMANCE REPORT

c. Investment Composition Analysis



## INVESTMENT PERFORMANCE REPORT

### c. Investment Composition Analysis (Cont'd)



# INVESTMENT PERFORMANCE REPORT

## 3. Realisation Activities

### a. Realisation Activities for 2018

Company RM million	Year of Realisation	% of the Fund's Holding Realised	Total Realisation Amount	Gross IRR% p.a.	Money Multiple
<b>Full realisation</b>					
Tranglo	2018	100.0	114.9	26.9%	2.0
Medix & PMCare*	2018	100.0	229.5	38.8%	2.6
<b>Total proceeds from realisation</b>			<b>344.4</b>		

### b. Cumulative Realisation Activities as at 31 December 2018

Company RM million	Year of Realisation	% of the Fund's Holding Realised	Total Realisation Amount	Gross IRR% p.a.	Money Multiple
<b>Full realisation</b>					
TOB	2012	100.0	62.0	-19.7%	0.6
KLB	2013	100.0	347.4	19.4%	1.5
BKM & BKS^	2015	100.0	79.4	-29.1%	0.5
SF^	2015	100.0	21.0	-5.4%	0.8
ACG	2016	100.0	61.8	9.0%	1.5
APIIT & Tenby^	2017	100.0	847.3	22.3%	2.0
UNITAR & Cosmopoint#	2017	100.0	172.5	-4.4%	0.7
RV*	2017	100.0	122.1	11.3%	1.8
Tranglo	2018	100.0	114.9	26.9%	2.0
Medix & PMCare*	2018	100.0	229.5	38.8%	2.6
<b>Partial realisation</b>					
ICON^	2014	89.1	645.5	25.5%	1.7
<b>Total proceeds from realisation</b>			<b>2,703.4</b>		

\* Realisation was completed in early 2019

^ Realisation at fund level across multiple funds

# Transferred to Ekuinas Direct (Tranche III) Fund

# INVESTMENT PERFORMANCE REPORT

## 4. Portfolio Companies' Performance

### Portfolio Companies' Performance - Combined Revenue and EBITDA

	Revenue (RM million)			EBITDA (RM million)*		
	2018	2017	% Growth	2018	2017	% Growth
	A	B	A - B	A	B	A - B
Education Group	109.3	132.3	-17.4%	2.4	16.7	-85.5%
Food Group	278.5	276.7	0.7%	27.2	27.4	-0.6%
ICON	199.5	204.6	-2.5%	67.0	83.0	-19.3%
Orkim	189.8	177.9	6.7%	104.3	99.9	4.4%
Healthcare	55.2	56.5	-2.3%	22.0	20.5	7.3%
Al-Ikhsan	285.4	259.0	10.2%	24.1	23.6	2.2%
Manufacturing Group	503.6	459.9	9.5%	81.0	69.5	16.5%
<b>Combined Portfolio Companies</b>	<b>1,621.3</b>	<b>1,566.9</b>	<b>3.5%</b>	<b>328.1</b>	<b>340.6</b>	<b>-3.7%</b>

\* EBITDA figures exclude any non-recurring and exceptional items

# INVESTMENT PERFORMANCE REPORT

## 5. Fund Performance

### 5.1 Ekuinas Direct (Tranche II) Fund

#### a. Fund Net Assets Value (NAV) as at 31 December 2018

	2017 RM million	Movement RM million	2018 RM million
<b>A. Capital Commitment</b>	<b>1,000.0</b>	-	<b>1,000.0</b>
<b>B. Capital Called</b>	<b>1,051.5</b>	<b>13.5</b>	<b>1,065.1</b>
<b>C. Capital Reinvested</b>	<b>4.8</b>	-	<b>4.8</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>1,056.3</b>	<b>13.5</b>	<b>1,069.9</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>95.0</b>	<b>(10.0)</b>	<b>85.0</b>
<b>F. Total Capital Invested (D+E)</b>	<b>1,151.3</b>	<b>3.5</b>	<b>1,154.9</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	12.4	4.9	17.3
Net Unrealised Gain/(Loss) on Fair Value of Investments	346.9	(69.2)	277.7
Realised Gain from Divestments	27.6	160.6	188.2
Net Interest Income	4.8	2.1	6.9
<b>Total Gross Portfolio Return</b>	<b>391.7</b>	<b>98.4</b>	<b>490.1</b>
Organisational Expenses	(154.6)	(40.6)	(195.2)
Capital Distributions to Limited Partners (C+H)*	(102.6)	(449.8)	(552.4)
<b>Net Increase/(Decrease) in Net Assets Value</b>	<b>134.6</b>	<b>(392.0)</b>	<b>(257.5)</b>
<b>G. Net Assets Value</b>	<b>1,285.9</b>	<b>(388.5)</b>	<b>897.4</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	831.7	(151.1)	680.6
Net Unrealised Gain/(Loss) on Fair Value of Investments	346.9	(69.2)	277.7
<b>Investments carried at Fair Value</b>	<b>1,178.7</b>	<b>(220.3)</b>	<b>958.3</b>
Plus: Cash Balance	20.2	(3.2)	17.0
Plus: Working Capital	88.4	(166.3)	(77.9)
Plus: Uncalled Capital	(1.3)	1.3	-
<b>Equals Net Assets Value</b>	<b>1,285.9</b>	<b>(388.5)</b>	<b>897.4</b>
<b>Net Assets Value</b>	<b>1,285.9</b>	<b>(388.5)</b>	<b>897.4</b>
<b>H. Capital Distributed</b>	<b>97.8</b>	<b>449.8</b>	<b>547.6</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>1,383.7</b>	<b>61.3</b>	<b>1,445.0</b>
<b>Gross IRR p.a.</b>	<b>14.6%</b>		<b>14.0%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>10.2%</b>		<b>9.8%</b>

\* Includes deemed distribution for reinvested capital



# INVESTMENT PERFORMANCE REPORT

## b. Ekuinas Direct (Tranche II) Fund Portfolio Performance as at 31 December 2018

Company	Stake %	Cost of Investment <sup>#</sup> RM million
<b>Investment:</b>		
ICON	9.6	201.1
PrimaBaguz	100.0	40.0
APIIT Lanka	45.9	20.3
RV	-	10.0
Coolblog	60.0	45.8
Orkim	95.5	309.8
		626.9
<b>Divestment:</b>		
BKS	100.0	47.2
BKM	20.9	52.6
ICON	7.8	76.6
SF	-	5.0
Tenby	70.0	70.0
Tranglo	60.0	52.8
		304.2
<b>Total</b>		<b>931.1</b>

<sup>#</sup> Cost of investment represents amount of committed investment utilised, net of financing

### GROSS PORTFOLIO RETURN

**RM490.1** MILLION

#### Dividend Income

**RM17.3**  
MILLION

#### Increase in Fair Value

**RM277.7**  
MILLION

#### Gain on Divestment

**RM188.2**  
MILLION

#### Net Interest Income

**RM6.9**  
MILLION

### TOTAL PORTFOLIO VALUE

**RM1.4** BILLION

#### IRR %

#### Gross IRR

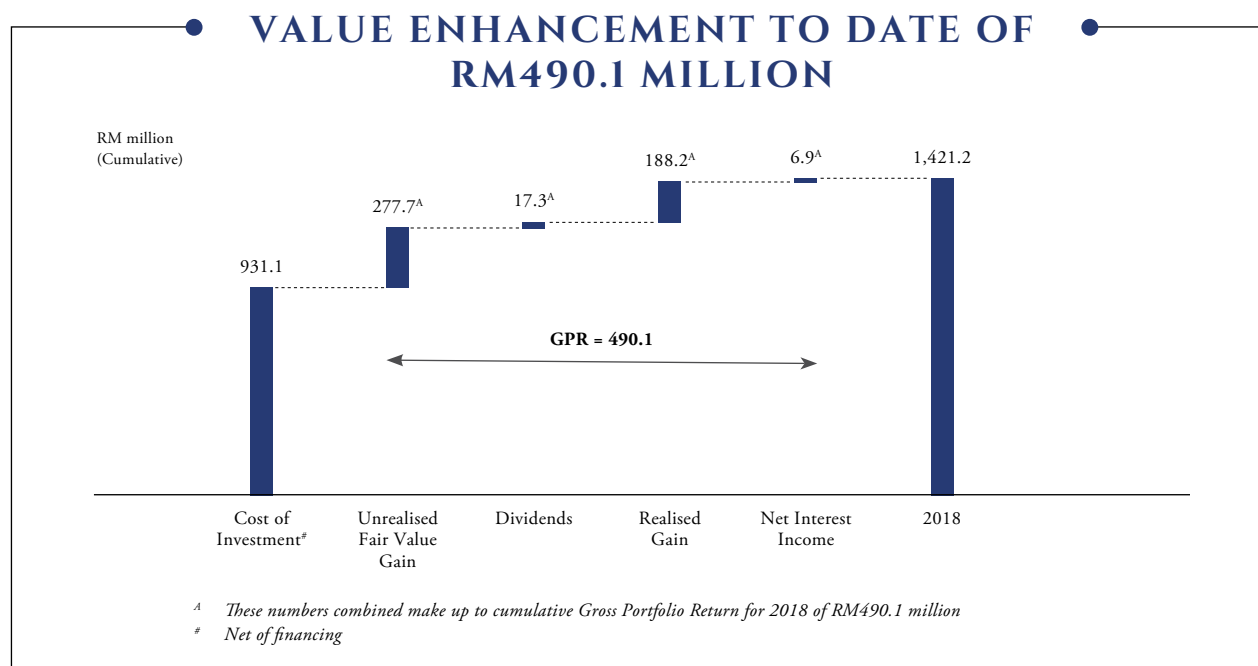
**14.0%** P.A.

#### Net IRR

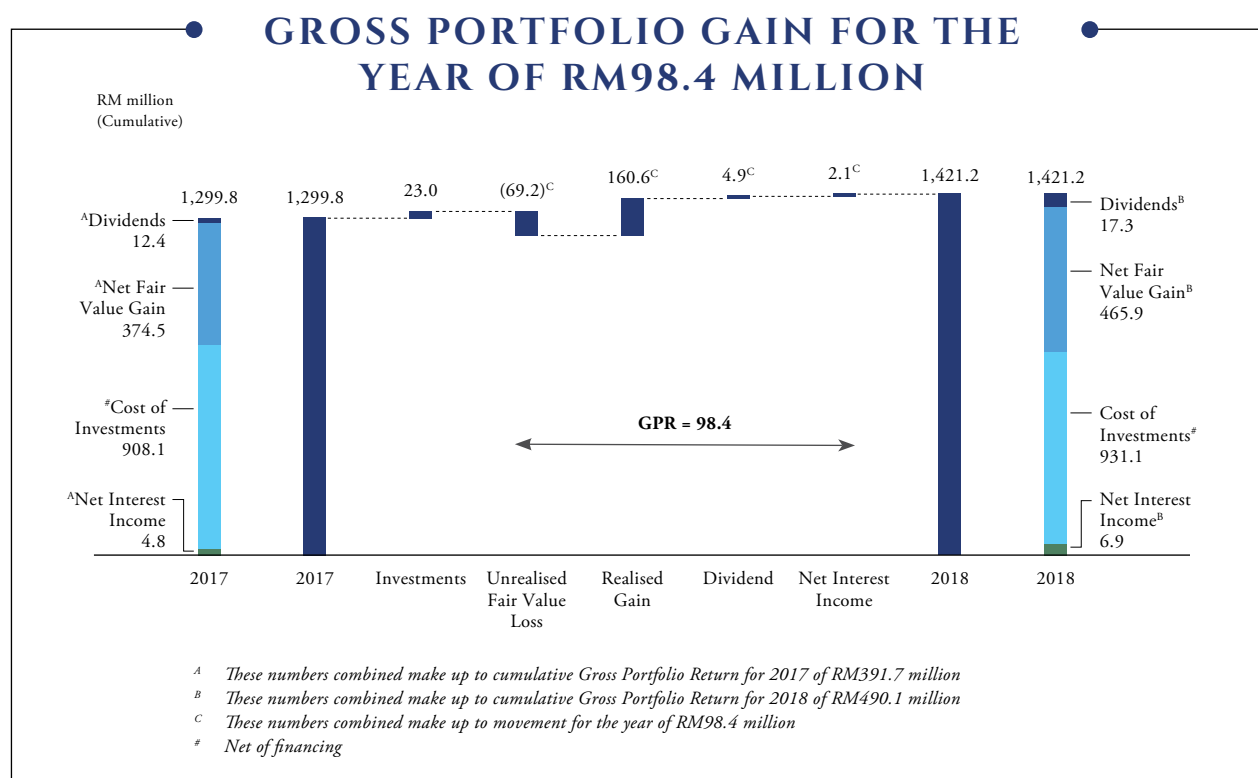
**9.8%** P.A.

## INVESTMENT PERFORMANCE REPORT

### c. Ekuinas Direct (Tranche II) Fund Accumulated Portfolio Value Enhancement



### d. Ekuinas Direct (Tranche II) Fund Portfolio Value Movement as at 31 December 2018



# INVESTMENT PERFORMANCE REPORT

## 5.2 Ekuinas Direct (Tranche III) Fund

### a. Fund Net Assets Value (NAV) as at 31 December 2018

	2017 RM million	Movement RM million	2018 RM million
<b>A. Capital Commitment</b>	<b>1,500.0</b>	<b>-</b>	<b>1,500.0</b>
<b>B. Capital Called</b>	<b>384.9</b>	<b>603.8</b>	<b>988.7</b>
<b>C. Capital Reinvested</b>	<b>-</b>	<b>10.8</b>	<b>10.8</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>384.9</b>	<b>614.6</b>	<b>999.5</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>127.5</b>	<b>77.5</b>	<b>205.0</b>
<b>F. Total Capital Invested (D+E)</b>	<b>512.4</b>	<b>692.1</b>	<b>1,204.5</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	28.1	22.6	50.7
Net Unrealised Gain/(Loss) on Fair Value of Investments	83.8	(55.3)	28.5
Realised Loss from Divestment	(57.7)	36.7	(21.0)
Net Interest Expenses	(0.4)	(4.3)	(4.7)
<b>Total Gross Portfolio Return</b>	<b>53.9</b>	<b>(0.3)</b>	<b>53.5</b>
Organisational Expenses	(127.4)	(54.3)	(181.6)
Capital Distributions to Limited Partners (C+H)*	-	(127.0)	(127.0)
<b>Net Decrease in Net Assets Value</b>	<b>(73.5)</b>	<b>(181.6)</b>	<b>(255.1)</b>
<b>G. Net Assets Value</b>	<b>438.9</b>	<b>510.5</b>	<b>949.4</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	852.3	157.8	1,010.1
Net Unrealised Gain/(Loss) on Fair Value of Investments	83.8	(55.3)	28.5
<b>Investments carried at Fair Value</b>	<b>936.1</b>	<b>102.5</b>	<b>1,038.6</b>
Plus: Cash Balance	4.5	2.8	7.3
Plus: Working Capital	(501.7)	440.2	(61.5)
Plus: Uncalled Capital	-	(35.0)	(35.0)
<b>Equals Net Assets Value</b>	<b>438.9</b>	<b>510.5</b>	<b>949.4</b>
<b>Net Assets Value</b>	<b>438.9</b>	<b>510.5</b>	<b>949.4</b>
<b>H. Capital Distributed</b>	<b>-</b>	<b>116.3</b>	<b>116.3</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>438.9</b>	<b>626.8</b>	<b>1,065.7</b>
<b>Gross IRR p.a.</b>	<b>10.7%</b>		<b>4.5%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>N/M<sup>#</sup></b>		<b>N/M<sup>#</sup></b>

\* Includes deemed distribution for reinvested capital

<sup>#</sup> Not presented as capital is still being deployed

# INVESTMENT PERFORMANCE REPORT

## b. Ekuinas Direct (Tranche III) Fund Portfolio Performance as at 31 December 2018

Company	Stake %	Cost of Investment <sup>#</sup> RM million
<b>Investment:</b>		
Medix & PMCare**	60.0	79.8
ILMU	-	16.7
Al-Ikhsan	35.0	67.3
ICON	-	20.0
Davex	100.0	76.5
RV	85.8	132.4
Cosmopoint	90.0	54.7
Unitar	90.0	109.2
ICON	32.7	100.1
FVG	70.0	52.5
		709.1
<b>Divestment:</b>		
ILMU	-	133.3
		133.3
<b>Total</b>		<b>842.4</b>

<sup>#</sup> Cost of investment represents amount of committed investment utilised, net of financing

<sup>\*\*</sup> Realisation was completed in early 2019

### GROSS PORTFOLIO RETURN

**RM53.5** MILLION

#### Dividend Income

**RM50.7**  
MILLION

#### Increase in Fair Value

**RM28.5**  
MILLION

#### Loss on Divestment

**RM21.0**  
MILLION

#### Net Interest Expense

**RM4.7**  
MILLION

### TOTAL PORTFOLIO VALUE

**RM0.9** BILLION

#### IRR %

##### Gross IRR

**4.5%** P.A.

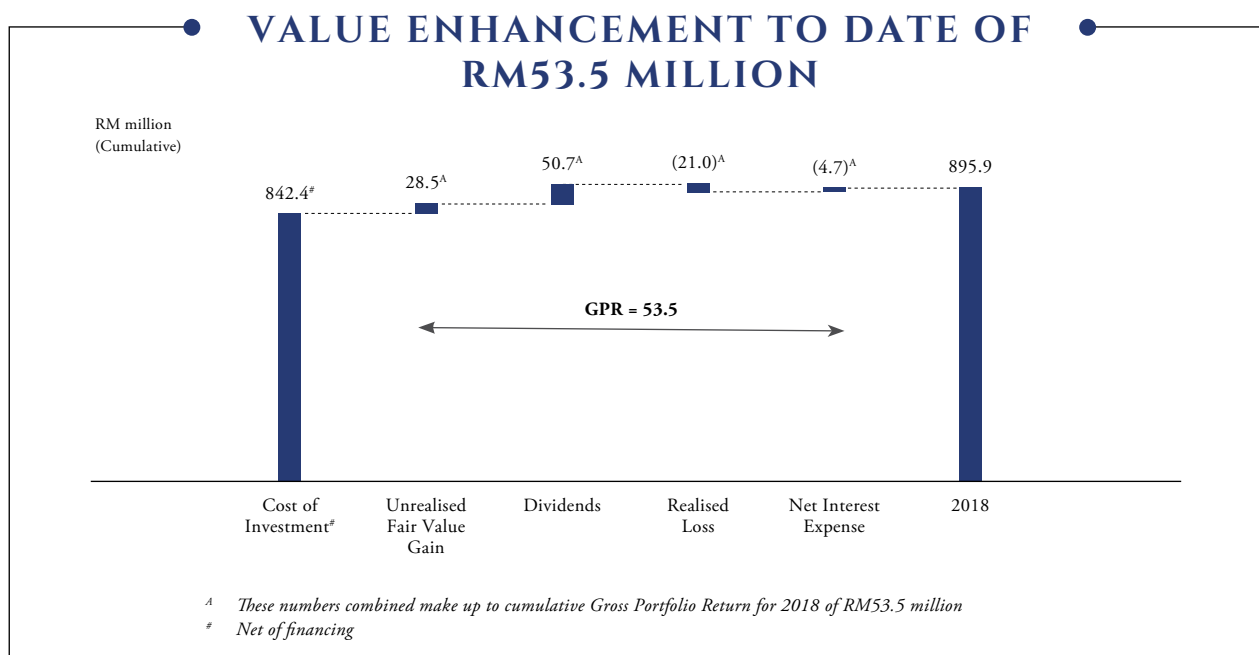
##### Net IRR

**N/M\***

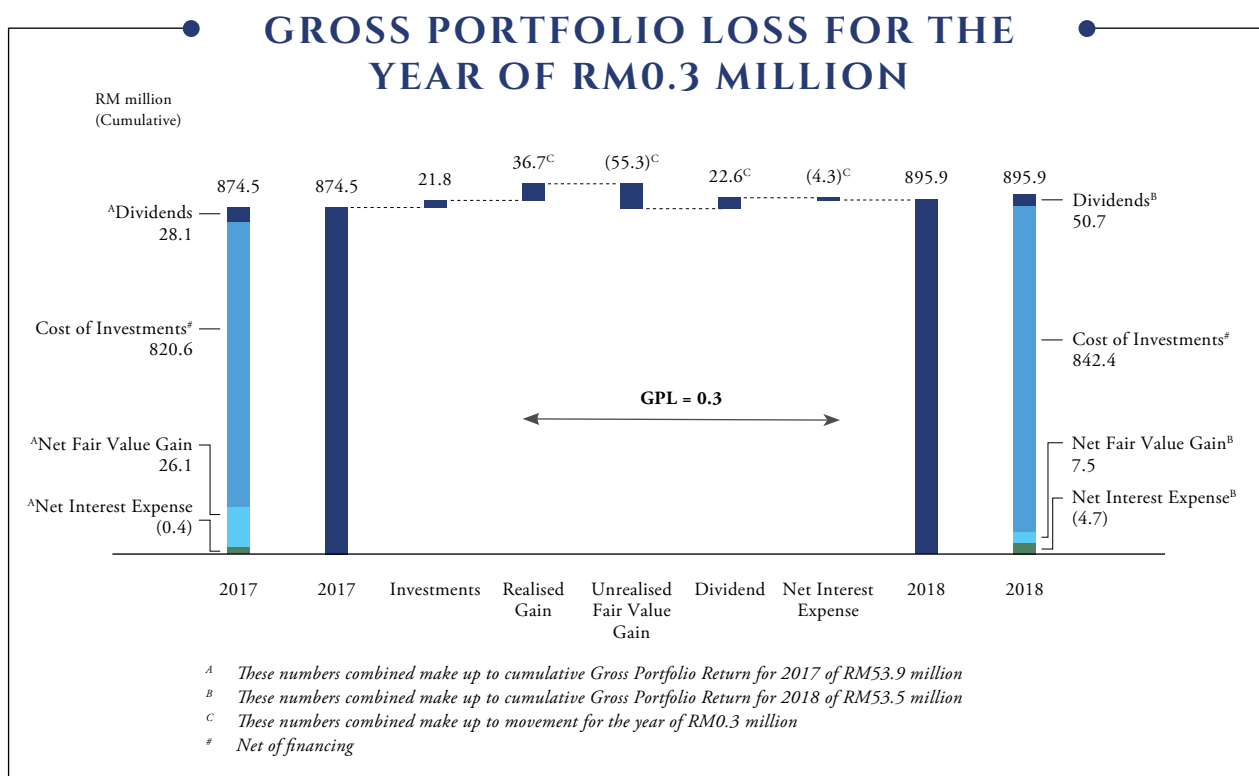
\* Not presented as capital is still being deployed

# INVESTMENT PERFORMANCE REPORT

## c. Ekuinas Direct (Tranche III) Fund Accumulated Portfolio Value Enhancement



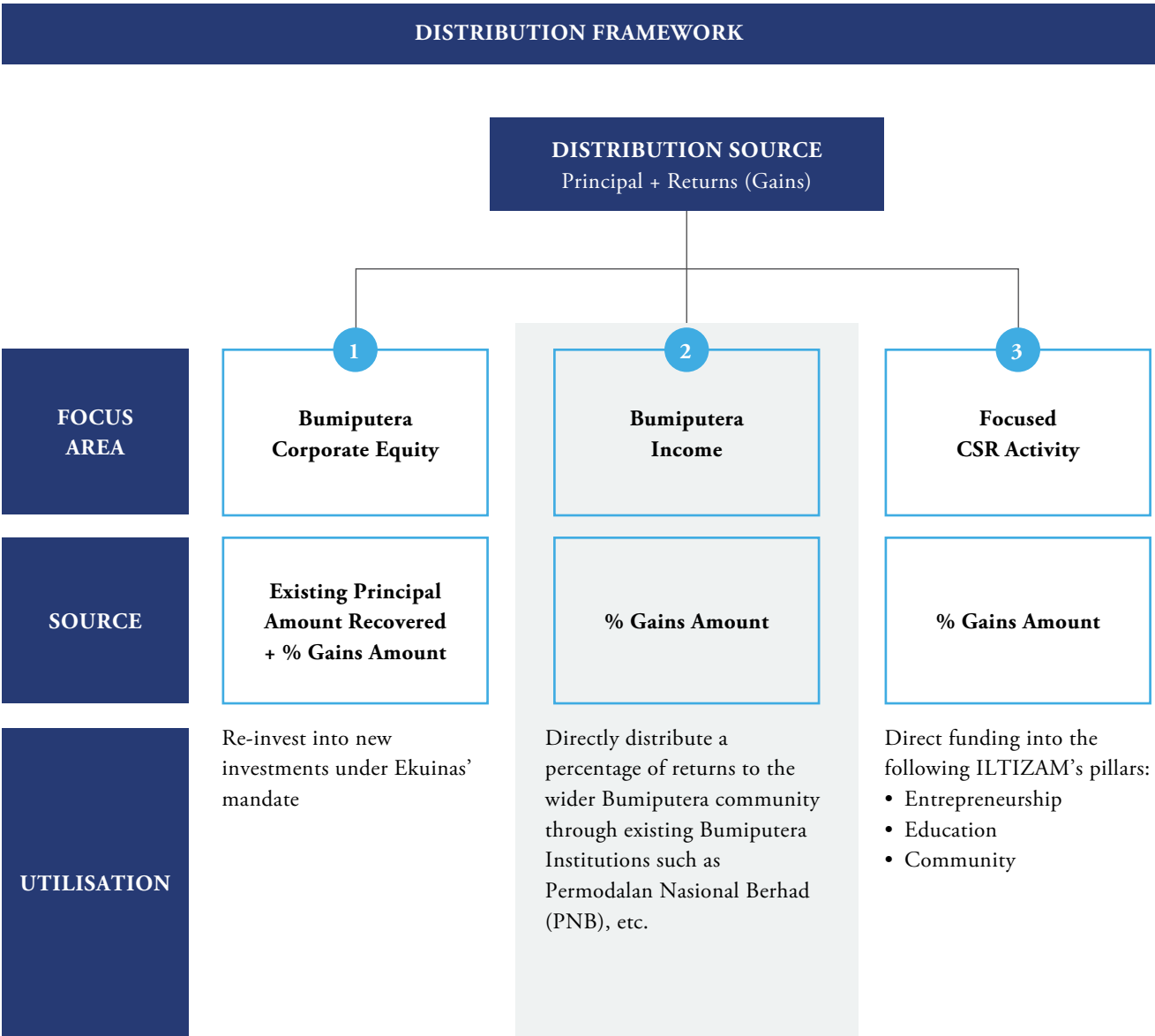
## d. Ekuinas Direct (Tranche III) Fund Portfolio Value Movement as at 31 December 2018



INVESTMENT  
PERFORMANCE REPORT

6. Distribution

Committed Amount	RM500.0 million
Distributed Amount as at 31 December 2018	RM200.0 million



# INVESTMENT PERFORMANCE REPORT

## A SNAPSHOT OF OUR PORTFOLIO COMPANIES



### COSMOPPOINT GROUP

**Investment type**  
Majority investment in a strong Malaysian company

**Acquisition date**  
March 2012

**Ownership**  
90.0%



### UNITAR INTERNATIONAL UNIVERSITY

**Investment type**  
Majority investment in a strong Malaysian company

**Acquisition date**  
May 2012

**Ownership**  
100.0%



APIIT  
ASIA PACIFIC INSTITUTE  
OF INFORMATION TECHNOLOGY  
LANKA

### APIIT LANKA

**Investment type**  
Follow-on investment to expand regionally

**Acquisition date**  
December 2013

**Ownership**  
83.5%



### REVENUE VALLEY SDN BHD

**Investment type**  
Majority investment in a strong Malaysian company

**Acquisition date**  
January 2012

**Ownership**  
85.8%

### ICON OFFSHORE

#### ICON OFFSHORE BHD

**Investment type**  
Majority investment in a strong Malaysian company

**Acquisition date**  
November 2012, merger of TKS and Omni

**Ownership**  
42.3%

**Partial Divestment**  
June 2014



### DAVEX (MALAYSIA) SDN BHD

**Investment type**  
Majority investment in a strong Malaysian company

**Acquisition Date**  
December 2017

**Ownership**  
100.0%



### PRIMABAGUZ SDN BHD

**Investment type**  
Majority investment in a strong Malaysian company

**Acquisition date**  
November 2013

**Ownership**  
100.0%



### ORKIM SDN BHD

**Investment type**  
Buy-out of non-core assets of GLC

**Acquisition date**  
December 2014

**Ownership**  
95.5%



### FLEXI VERSA GROUP SDN BHD

**Investment type**  
Majority investment in a strong Malaysian company

**Acquisition Date**  
April 2018

**Ownership**  
70.0%



### COOLBLOG DESSERTS SDN BHD

**Investment type**  
Majority investment in a strong Malaysian company

**Acquisition date**  
July 2014

**Ownership**  
60.0%



### AL-IKHSAN SPORTS SDN BHD

**Investment type**  
Investment in a strong Malaysian company

**Acquisition Date**  
July 2016

**Ownership**  
35.0%



### EXABYTES CAPITAL GROUP SDN BHD

**Investment type**  
Investment in a strong Malaysian company

**Acquisition Date**  
March 2019

**Ownership**  
40.4%

INVESTMENT  
PERFORMANCE REPORT

EDUCATION  
GROUP

Investment Rationale

Sizeable industry  
with strong  
growth potential.

Education groups  
that have solid  
performance track  
record.

	Cosmopoint Group	UNITAR International University	APIIT Lanka
Investment type	Majority investment in a strong Malaysian company	Majority investment in a strong Malaysian company	Follow-on investment to expand regionally
Acquisition date	March 2012	May 2012	December 2013
Ownership	90.0%	100.0%	83.5%





## INVESTMENT PERFORMANCE REPORT



### APIIT LANKA

- Established: 1993
- Location: Colombo, Sri Lanka
- Type of education: Tertiary
- Specialises in: Computing, Business and Law courses
- Student population: Close to 1,000

### COSMOPOINT GROUP

- Established: 1991
- Locations: Kuala Lumpur + 11 colleges nationwide
- Type of education: Tertiary
- Specialises in: marketable industry-relevant courses that include IT, Business Management, Culinary Arts and Multimedia
- Student population: More than 5,000

### UNITAR INTERNATIONAL UNIVERSITY

- Established: 1997
- Locations: Selangor + 11 independent regional centres
- Type of education: Tertiary and professional certification courses
- Specialises in: Educational programmes at the Foundation, Diploma, Bachelor's, Master's and Doctorate levels as well as professional certification to expand the reach of high-quality learning through conventional and distance learning programmes
- Student population: More than 5,000

	2018 Unaudited RM million	2017 Audited RM million	Growth %
Revenue	109.3	132.3	-17.4
EBITDA before EI	2.4	16.7	-85.5
Number of students	10,413	12,799	-18.6

*EI: Extraordinary items*

INVESTMENT  
PERFORMANCE REPORT

FOOD  
GROUP

	Revenue Valley Sdn Bhd	Coolblog Desserts Sdn Bhd	PrimaBaguz Sdn Bhd
Investment type	Majority investment in a strong Malaysian company	Majority investment in a strong Malaysian company	Majority investment in a strong Malaysian company
Acquisition date	January 2012	July 2014	November 2013
Ownership	85.8%	60.0%	100.0%

Investment Rationale



Investment in strong  
F&B brands.

Investment in F&B  
industry, driven by  
growth in consumer  
spending.

Immediate regional  
presence with  
outlet operations in  
Malaysia, Singapore  
and Thailand.

Experienced  
management team and  
opportunity to develop  
young professional  
managers.

## INVESTMENT PERFORMANCE REPORT



### REVENUE VALLEY SDN BHD



- Established: 2002
- Total outlets: 76
- Type: Casual dining and Quick Service Restaurants (QSR)

### COOLBLOG DESSERTS SDN BHD (COOLBLOG)

- Established: 2007
- Total outlets: More than 250 outlets in Malaysia and Indonesia
- Type: Desserts and beverages in a takeaway kiosk concept

### PRIMABAGUZ SDN BHD

- Established: 1987
- Manufactures and distributes premium halal meat-based products such as sausages, cold cuts, ready-to-eat products and sauces
- Supplies its products to QSR, hotels, restaurants and caterers (HORECA) and wholesalers

	2018 Unaudited RM million	2017 Audited RM million	Growth %
Revenue	278.5	276.7	0.7
EBITDA before EI	27.2	27.4	-0.6
Number of outlets	342	353	-3.1

*EI: Extraordinary items*



## INVESTMENT PERFORMANCE REPORT

# ICON OFFSHORE BERHAD

### Investment Rationale

Strong track  
record of  
delivering growth.

Platform for building  
one of the largest local  
OSV players.



<b>Investment Type</b>	: Majority investment in a strong Malaysian company
<b>Acquisition Date</b>	: November 2012, merger of Tanjung Kapal Services Sdn Bhd and Omni Petromaritime Sdn Bhd
<b>Ownership</b>	: 42.3%
<b>Partial divestment</b>	: June 2014

### ICON OFFSHORE BERHAD

- Icon is the largest Offshore Supply Vessel (OSV) provider in Malaysia and one of the largest in Southeast Asia in terms of number of OSVs.
- The company has 32 vessels operating in waters off Malaysia, Brunei and Thailand. The vessels have had a history of international operations in six countries within Southeast Asia.

	2018 Unaudited RM million	2017 Audited RM million	Growth %
Revenue	199.5	204.6	-2.5
EBITDA before EI	67.0	83.0	-19.3
PAT before EI	(33.8)	(25.4)	-33.1

*EI: Extraordinary items*

# INVESTMENT PERFORMANCE REPORT

## ORKIM SDN BHD

<b>Investment Type</b>	: Buy-out of non-core assets of GLC
<b>Acquisition Date</b>	: December 2014
<b>Ownership</b>	: 95.5%

### Investment Rationale

Strong operational  
track record.

Solid company with  
favourable growth  
dynamics.



### ORKIM SDN BHD

- One of Malaysia's leading Clean Petroleum Product (CPP) tanker companies.
- Strong track record of growth and with 17 vessels under ownership and management.
- Transports CPP from refineries to various oil storage terminals throughout the country and currently has 40% market leading share.

	2018 Unaudited RM million	2017 Audited RM million	Growth %
Revenue	189.8	177.9	6.7
EBITDA before EI	104.3	99.9	4.4
PAT before EI	50.0	45.5	8.8

*EI: Extraordinary items*

## INVESTMENT PERFORMANCE REPORT

### AL-IKHSAN SPORTS SDN BHD

<b>Investment Type</b>	: Investment in a strong Malaysian company
<b>Acquisition Date</b>	: July 2016
<b>Ownership</b>	: 35.0%

#### Investment Rationale



#### AL-IKHSAN SPORTS SDN BHD

- Al-Ikhsan is a leading multi-brand sports retailer in Malaysia with 120 corporate-owned outlets. The company retails sports equipment, apparel and footwear from major brands such as Adidas, Nike, Puma, Asics and Lotto.
- Al-Ikhsan is the principal owner of the brand AL and markets various sports goods under the trademark AL Logo.

	2018 Unaudited RM million	2017 Audited RM million	Growth %
Revenue	285.4	259.0	10.2
EBITDA before EI	24.1	23.6	2.2

*EI: Extraordinary items*

## INVESTMENT PERFORMANCE REPORT

### DAVEX (MALAYSIA) SDN BHD

<b>Investment Type</b>	: Majority investment in a strong Malaysian company
<b>Acquisition Date</b>	: December 2017
<b>Ownership</b>	: 100.0%

#### Investment Rationale

Investment into the fast growing luminaire market.

Regional player with strong market presence.



#### DAVEX (MALAYSIA) SDN BHD

- Homegrown lighting design, consultancy and manufacturer founded in 1983. Primarily involved in the luminaire segment and provided end-to-end lighting solutions to commercial, industrial and residential sectors. The company operates under the brand name of Davis Lighting.
- Completed large-scale notable projects such as Petronas Twin Towers, Putrajaya, Changi Airport and Housing Development Board (Singapore).

	2018 Unaudited RM million	2017 Audited RM million	Growth %
Revenue	230.0	166.8	37.9
EBITDA before EI	35.0	22.2	57.9

*EI: Extraordinary items*



## INVESTMENT PERFORMANCE REPORT

### FLEXI VERSA GROUP SDN BHD

<b>Investment Type</b>	: Majority investment in a strong Malaysian company
<b>Acquisition Date</b>	: April 2018
<b>Ownership</b>	: 70.0%

#### Investment Rationale

Strong relationships with large Original Equipment Manufacturers (OEM).

Diverse manufacturing capabilities with wide regional footprint.



#### FLEXI VERSA GROUP SDN BHD

- Flexi Versa Group Sdn Bhd (FVG) is involved in the design, manufacturing & assembly of audio speaker boxes and drivers.
- FVG also focuses on injection molding, die-cutting of thermoplastics / electro-mechanical components and manufacturing of graphic digital interfaces for the E&E industry.

	2018 Unaudited RM million	2017 Audited RM million	Growth %
Revenue	273.6	293.1	-6.6
EBITDA before EI	46.0	47.3	-2.8

*EI: Extraordinary items*



## INVESTMENT PERFORMANCE REPORT

### EXABYTES CAPITAL GROUP SDN BHD

<b>Investment Type</b>	: Investment in a strong Malaysian company
<b>Acquisition Date</b>	: March 2019
<b>Ownership</b>	: 40.4%

#### Investment Rationale

Platform to be the Southeast Asian market leader in the internet hosting and SME cloud space.

Strong future industry growth prospects driven by corporate digitalisation and expansion of the internet economy.



### EXABYTES CAPITAL GROUP SDN BHD

- Exabytes was founded in 2001 as an internet hosting company.
- Market leader in Malaysia and a leading player in Singapore and Indonesia, combined with over 52,000+ active SME customers, 40,000+ hosting accounts and 100,000+ domains under management.

# INVESTMENT PERFORMANCE REPORT

## SUCCESS STORIES

### APIIT EDUCATION GROUP



Ekuinas saw the potential for the APIIT Group to become an industry leader within the country and region, studied the challenges and gaps within APIIT, and eventually, put together a strong value creation plan that would propel APIIT well into its next phase of growth.

Ekuinas' first port of call was to strengthen the APIIT Group's financial oversight by institutionalising the financial reporting function and financial reporting structure as well as establishing monthly executive committee meetings to guide and manage the process. By strengthening its financial position, APIIT was poised to capitalise on the stability to grow the business. Student numbers grew from 6,900 to 9,800 during Ekuinas' ownership, driven by the increased recruitment campaigns locally and overseas to boost visibility and increase student enrolment numbers.

Part of the value creation plan to grow the business included the expansion of the existing campus to accommodate the fast-growing student population. Ekuinas provided assistance in the acquisition of an 11-acre plot in Technology Park Malaysia and the negotiation for a long-term lease.

The value creation plan proved successful as the financial metrics recorded a top line revenue growth of 9.7% CAGR and EBITDA growth of 10.6% CAGR throughout Ekuinas' ownership.

#### INVESTMENT DETAILS

- Ekuinas first acquired 51% stake in APIIT Education Group (APIIT Group) in November 2010 and subsequently increased its stake to 100% in 2016.

#### BACKGROUND

- APIIT Group was one of Malaysia's largest education groups that provided education at all levels. The Group had also been recognised for its excellence in education. It had been awarded the prestigious Prime Minister's Industry Excellence Award, the Export Excellence Award (Services) and other various awards at local, regional as well as international levels.
- APIIT Group comprised Asia Pacific Schools (APS), Asia Pacific University of Technology & Innovation (APU), and Asia Pacific Institute of Information Technology (APIIT).
- APU was one of the leading private universities in Malaysia, rated SETARA 5 by the Ministry of Higher Education in 2017.

#### INVESTMENT RATIONALE

- Ekuinas' investment in APIIT Group was one of Ekuinas' first investments after its inception and Ekuinas saw the growth potential of APIIT Group over the mid to long term. Its strong track record of delivering revenue and student number growth as well as its solid reputation as a quality education provider were key indicators of the Group's focus to deliver success.
- APIIT Group's strong cash flow generating ability was also a determining factor behind Ekuinas' investment in the Group.

#### PERFORMANCE

##### Refining Education in Malaysia

When Ekuinas identified education as one of its six (6) core sectors, the Company understood that it was playing in a competitive space. APIIT Group stood out as a well-known, high-potential education provider with an excellent track record.

#### DIVESTMENT DETAILS

In December 2017, Ekuinas divested its entire equity interest in APIIT Group to KV Asia Capital and generated a positive blended Internal Rate of Return (IRR) of 22.6% and money multiple of 1.6 times the capital invested.

# INVESTMENT PERFORMANCE REPORT

## SUCCESS STORIES

### TENBY EDUCATION GROUP



#### INVESTMENT DETAILS

- Ekuinas first acquired 70% stake in Tenby Education Group (Tenby) in 2015 and subsequently acquired the remaining 30% stake in 2016.

#### BACKGROUND

- Tenby was established in Ipoh in 1960 and is a leading education group in Malaysia offering private national and international curricular with full-fledged facilities across six (6) campuses in Ipoh, Penang, Miri, Setia Alam, Johor Bahru, and Semenyih.
- Tenby had the largest network of private schools servicing the mid-tier segment in Malaysia.

#### INVESTMENT RATIONALE

- The investment in Tenby presented an opportunity for Ekuinas to increase its presence in the robust K-12 private education section. Tenby's position as one of Malaysia's largest education Groups in terms of network of private schools and total student population, had tremendous growth potential.

These factors were key for Ekuinas to grow both the sector and the education group further.

- In Malaysia, the increased demand for private international education also served as an opportunity for the immense growth of the sector, driven by higher demand arising from favourable demographic population, rising income of Malaysian households and the rise in international students' enrolment. Ekuinas identified this as an opportunity to nurture local education providers such as Tenby to be an industry leader in private education.

#### PERFORMANCE

##### Developing Malaysia's Next Generation of Companies

As Ekuinas continued to nurture its education portfolio, they saw Tenby as an opportunity to cement itself as a partner for growth in Malaysia's education sector. Tenby's large network of private schools and growing prominence was an opportunity for Ekuinas to enter the highly lucrative K-12 education space that caters to the growing mass affluent population within the country.

As part of its investment strategy, Ekuinas worked with Tenby on strengthening the business from within, starting with strengthening and restructuring the senior management team who were capable of growing the business in an increasingly competitive environment. The appointment of a new Chief Executive Officer as well as the promotion of internal talent was key to finding the right balance in terms of experience and understanding of the Company. Upskilling of employees was also a focus to ensure the service and education quality of the Tenby brand.

Ekuinas also saw that improving the operational structure of the business was also key to supporting the group's aggressive growth ambitions. Ekuinas identified areas for improvement such as upgrading its operating and management systems which allowed Tenby to centralise its financial and human resource management. Ekuinas also took steps to improve the utilisation of the management system, which was used to track student performance and responsiveness to parents.

This consolidation eased the collection and oversight of the Group's financial and operational information, which in turn, contributed to the overall productivity of the staff, allowing them to spend less time on operational matters and more on the core of education. This particular focus allowed Tenby to aggressively grow its revenue and earnings, as well as increasing the student number to over 5,000. The productivity-centric approach of the value creation plan set Tenby in good stead to focus on catering to its primary audience: its students. The success was evident throughout Ekuinas' holding period as Tenby recorded a top line revenue growth of 3.7% CAGR and EBITDA growth of 4.6% CAGR.

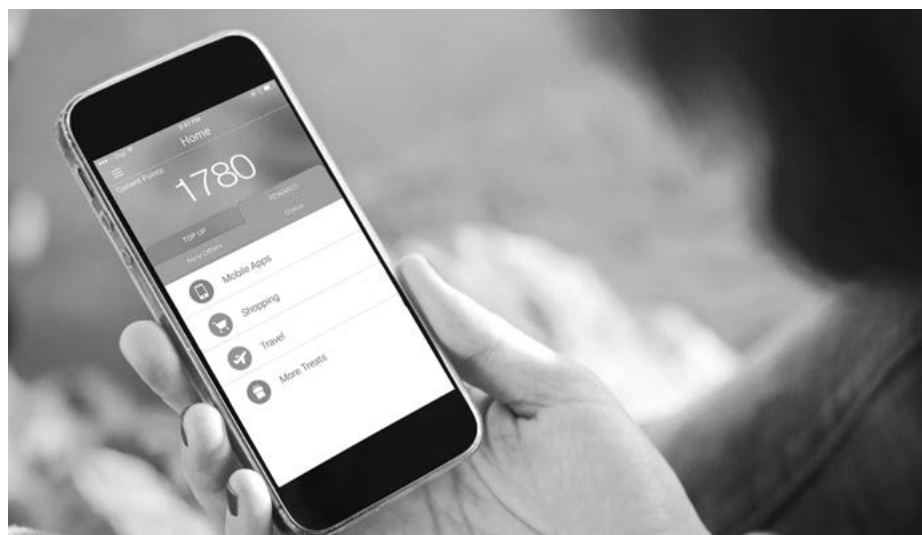
#### DIVESTMENT DETAILS

Ekuinas divested its entire stake in Tenby in January 2018 to International Schools Partnership (ISP) which generated a positive Internal Rate of Return (IRR) of 45.7% and a money multiple of 2.5 times the capital invested, including dividends received.

# INVESTMENT PERFORMANCE REPORT

## SUCCESS STORIES

### TRANGLO



#### INVESTMENT DETAILS

- Ekuinas acquired 60% of Tranglo Sdn Bhd (Tranglo) in March 2015 for RM52.8 million.

#### BACKGROUND

- Tranglo was incorporated in 2009 and was headquartered in Kuala Lumpur. It had international subsidiaries in Indonesia, Middle East, the UK and the US.
- Provided the platform for mobile telecommunication companies (telcos) to facilitate cross border transfer of prepaid credit and money remittance in a fast, easy and secure manner.
- Tranglo's services and solutions have been used globally by banks, mobile operators and money service business for multiple payout channels such as banks, cash, telcos and vouchers across 100 countries.

#### INVESTMENT RATIONALE

- From Ekuinas' perspective, Tranglo represented an opportunity for Ekuinas to enter the technology services sector and Tranglo's position in the market as a pioneer and global leader in airtime credit transfer as well as its growing business in cross border mobile money remittance service had significant potential.
- This growth potential was further strengthened by Tranglo's longstanding relationships with Malaysian and global telecommunications companies. At the point of Ekuinas' investment, the potential in money remittance services was promising given the huge international remittance market, although the industry segment was relatively nascent.

#### PERFORMANCE

##### Driving Regional Technology Services

Homegrown industry leader, Tranglo had been in the business for just over six (6)

years, when Ekuinas determined technology services as a high-potential sector and identified Tranglo as an investment target. Ekuinas saw the opportunity to grow the business beyond Tranglo's focus on its core business of airtime transfer. Ekuinas value creation plan saw them working closely with Tranglo's management team to expand its airtime transfer and money remittance network.

Ekuinas' strategy was to strengthen the business by actively pursuing high volume international money remittance companies to diversify concentration risk and transform the company's capabilities to be able to offer white label products to private labelling via the acquisition of a Malaysian Money Service Business licence. Ekuinas also focused on operational improvements for Tranglo through various initiatives such as better talent retention by aligning the salary structure to market benchmarks, improving the reconciliation process of inventory balance for suppliers, and the implementation of treasury management system.

Ekuinas' strategies bore fruit with Tranglo's money remittance volume growing by a notable 15-fold since acquisition. Tranglo's success story is a testament to the value that Ekuinas can bring to its portfolio companies to achieve their potential.

#### DIVESTMENT DETAILS

In October 2018, Ekuinas divested its entire stake in Tranglo to one of the leading e-wallet applications in the region, TNG FinTech Group Inc. (TNG) for RM114.9 million, generating an Internal Rate of Return (IRR) of 26.9% and money multiple of 2.0 times the capital invested.



# INVESTMENT PERFORMANCE REPORT

## SUCCESS STORIES

### MEDIEXPRESS AND PMCARE



Ekuinas' experience and expertise in operational improvements by leveraging on technology played a key role in building a robust back-end support, which led to higher level of automation in the claims process, leading to productivity improvements. Ekuinas also undertook other initiatives such as strengthening the management and operations teams, instilling financial discipline and improving the reporting structure. Together with management, new revenue streams were explored, which added to the companies' bottomlines.

#### DIVESTMENT DETAILS

In March 2019, Ekuinas divested its entire equity interest of 60% in both MediExpress and PMCare to Sumitomo Corporation (SC), generating a minimum Internal Rate of Return (IRR) of 38.8% and money multiple of 2.6 times the capital invested.

PERFORMANCE

#### INVESTMENT DETAILS

- In December 2015, Ekuinas entered the healthcare services industry via its acquisition of a 60% stake in two (2) Third Party Medical Claims Administrators (TPA) service providers, MediExpress Group (MediExpress) and PMCare Sdn Bhd (PMCare).

#### INVESTMENT RATIONALE

- Together, the two companies formed the largest TPA provider bloc in Malaysia with approximately 40% market share.
- At the point of Ekuinas' investment, the companies had strong potential to grow its member base to expand their market share.

#### BACKGROUND

- Established in 1998, MediExpress, which comprises MediExpress (Malaysia) Sdn Bhd and Health Connect Sdn Bhd, focuses on managing inpatient benefits on behalf of insurance companies and small to medium sized enterprises (SMEs), as well as serving outpatient administration needs. Meanwhile, PMCare focuses mainly on managing the administration of corporate clients' inpatient and outpatient medical benefits. Together, they cater to over two million members across more than 3,000 medical providers in Malaysia.

#### PERFORMANCE

##### Creating Significant Value in High Potential Companies

The investment in MediExpress and PMCare saw Ekuinas' entry into the healthcare sector. It was an opportunity for Ekuinas to tap into the robust sector, which is growing rapidly as the demand for healthcare services rises in line with the economic and population growth. The TPA industry, a healthcare sub-sector, is backed by the demand for healthcare services, where working adults demand high-quality healthcare services, whilst the ageing population demands continuous monitoring.

INVESTMENT  
PERFORMANCE REPORT

C) OUTSOURCED PROGRAMME

1. Fund Overview

EKUINAS OUTSOURCED (TRANCHE I) FUND		EKUINAS OUTSOURCED (TRANCHE II) FUND	
Vintage Year 2011		Vintage Year 2013	
Status: <b>Deployed</b>		Status: <b>Deployed</b>	
CAPITAL COMMITTED			
Ekuinas RM <b>400.0</b> MILLION		Ekuinas RM <b>240.0</b> MILLION	
Other LPs RM <b>151.9</b> MILLION		Other LPs RM <b>110.1</b> MILLION	
Total RM <b>551.9</b> MILLION		Total RM <b>350.1</b> MILLION	
Term <b>6 + 1 + 1</b> years      year      year		Term <b>7 + 1</b> years      year	
Investment Period <b>3 to 6</b> years      years		Investment Period <b>3 to 7</b> years      years	
Investment Focus Malaysia Growth Capital			
Sector Priorities Oil & Gas, Education, FMCG, Retail & Leisure, Healthcare, Services			

# INVESTMENT PERFORMANCE REPORT

## 2. Appointed Outsourced Fund Managers (OFMs)

<b>NAVIS CAPITAL PARTNERS</b>	
	<b>Fund Name</b> Navis Malaysia Growth Opportunities Fund 1, L.P.
	<b>Fund Size</b> <b>RM301.9</b> MILLION
<b>CIMB PRIVATE EQUITY</b>	
	<b>Fund Name</b> CIMB National Equity Fund Ltd. P.
	<b>Fund Size</b> <b>RM125.0</b> MILLION
<b>TREMENDOUS ASIA PARTNERS</b>	
	<b>Fund Name</b> TAP Harimau Fund L.P.
	<b>Fund Size</b> <b>RM125.0</b> MILLION
<b>TAEL PARTNERS</b>	
	<b>Fund Name</b> TAEL Tijari (OFM) L.P.
	<b>Fund Size</b> <b>RM101.0</b> MILLION
<b>RM CAPITAL PARTNERS (RMCP)</b>	
	<b>Fund Name</b> RMCP One Sdn Bhd
	<b>Fund Size</b> <b>RM109.1</b> MILLION
<b>COPE PRIVATE EQUITY</b>	
	<b>Fund Name</b> COPE Opportunities 3 Sdn Bhd
	<b>Fund Size</b> <b>RM80.0</b> MILLION

# INVESTMENT PERFORMANCE REPORT

## 3 Investment Activities

### a. Cumulative Outsourced Programme Investment Activities as at 31 December 2018

RM million	Fund	Sector	Committed Investment by OFMs			Other Co- Investors	Total Economic Capital Deployed
			Ekuinas' Committed Capital	Other LPs	Sub Total		
Atelier Asia Sdn Bhd (Atelier)*	Navis MGO	FMCG	15.0	6.5	21.5	-	21.5
MCAT Box Office Sdn Bhd (MBO)*	Navis MGO	Retail & Leisure	16.8	4.2	21.0	119.7	140.7
SEG International (SEGi)*	Navis MGO	Education	43.5	19.0	62.5	214.5	277.0
Strateq Sdn Bhd (Strateq)*	Navis MGO	Services	39.0	22.5	61.5	-	61.5
HG Power Transmission Sdn Bhd (HGPT)*	Navis MGO	Services	30.1	13.2	43.3	-	43.3
Brickfields Asia College (BAC)	Navis MGO	Education	34.8	15.2	50.0	-	50.0
Macrokiosk Sdn Bhd (Macrokiosk)	CNEF	Services	21.1	13.3	34.4	-	34.4
R.E.A.L Education Group (REAL)	CNEF	Education	28.1	4.9	33.0	-	33.0
Mega Fortris Innovation (Malaysia) Sdn Bhd (Mega Fortris)	TAP	Manufacturing	18.0	7.0	25.0	-	25.0
Big Sdn Bhd (Big Group)	Navis MGO	F&B and Retail	17.6	4.4	22.0	-	22.0
<b>Total investment undertaken - Tranche I</b>			<b>264.0</b>	<b>110.2</b>	<b>374.2</b>	<b>334.2</b>	<b>708.4</b>
STX Precision Corporation Sdn Bhd (STX)	COPE	Services	12.0	4.0	16.0	19.0	35.0
Consobiz Ventures Sdn Bhd (Consobiz)	RMCP	FMCG	8.3	6.7	15.0	-	15.0
Excelvite Sdn Bhd (Excelvite)	TAEL	Manufacturing	5.9	4.1	10.0	-	10.0
Romstar Sdn Bhd (Romstar)	RMCP	Manufacturing	12.0	9.8	21.8	-	21.8
Packerman Sdn Bhd (Packerman)	RMCP	Manufacturing	12.0	9.8	21.8	-	21.8
MBG Holdings Sdn Bhd (MBG)	COPE	F&B and Retail	7.5	2.5	10.0	-	10.0
My Sutera Holding Sdn Bhd (MySutera)	COPE	Manufacturing	11.3	3.7	15.0	-	15.0
Tanamera Group Sdn Bhd (Tanamera)	RMCP	FMCG	6.6	5.4	12.0	-	12.0
<b>Total Investment Undertaken - Tranche II</b>			<b>75.6</b>	<b>46.0</b>	<b>121.6</b>	<b>19.0</b>	<b>140.6</b>
<b>Cumulative Total Investment Undertaken</b>			<b>339.6</b>	<b>156.2</b>	<b>495.8</b>	<b>353.2</b>	<b>849.0</b>

\* Includes follow-on investments



# INVESTMENT PERFORMANCE REPORT

## 4 Fund Performance

### 4.1 Ekuinas Outsourced (Tranche I) Fund

#### a. Fund Net Assets Value (NAV) as at 31 December 2018

	2017 RM million	Movement RM million	2018 RM million
<b>A. Capital Commitment</b>	<b>400.0</b>	<b>-</b>	<b>400.0</b>
<b>B. Capital Called</b>	<b>307.0</b>	<b>0.7</b>	<b>307.7</b>
<b>C. Capital Reinvested</b>	<b>26.0</b>	<b>-</b>	<b>26.0</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>333.0</b>	<b>0.7</b>	<b>333.7</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F. Total Capital Invested (D+E)</b>	<b>333.0</b>	<b>0.7</b>	<b>333.7</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	-	-	-
Net Unrealised Gain/(Loss) on Fair Value of Investments	113.5	(30.0)	83.6
Realised Gain/(Loss) from Divestment	(1.8)	11.7	9.9
Interest Income/(Expenses)	-	-	-
<b>Total Gross Portfolio Return</b>	<b>111.7</b>	<b>(18.3)</b>	<b>93.5</b>
Organisational Expenses	(19.1)	5.5	(13.7)
Capital Distributions to Limited Partners (C+H)*	(26.0)	(145.9)	(171.9)
<b>Net Increase/(Decrease) in Net Assets Value</b>	<b>66.6</b>	<b>(158.7)</b>	<b>(92.2)</b>
<b>G. Net Assets Value</b>	<b>399.6</b>	<b>(158.0)</b>	<b>241.5</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	146.5	(1.4)	145.1
Net Unrealised Gain/(Loss) on Fair Value of Investments	113.5	(30.0)	83.6
<b>Investments carried at Fair Value</b>	<b>260.0</b>	<b>(31.4)</b>	<b>228.7</b>
Plus: Cash Balance	-	-	-
Plus: Working Capital	139.6	(126.6)	12.9
Plus: Uncalled Capital	-	-	-
<b>Equals Net Assets Value</b>	<b>399.6</b>	<b>(158.0)</b>	<b>241.5</b>
<b>Net Assets Value</b>	<b>399.6</b>	<b>(158.0)</b>	<b>241.5</b>
<b>H. Capital Distributed</b>	<b>-</b>	<b>145.9</b>	<b>145.9</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>399.6</b>	<b>(12.1)</b>	<b>387.5</b>
<b>Gross IRR p.a.</b>	<b>7.5%</b>		<b>5.7%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>6.6%</b>		<b>4.8%</b>

\* Includes deemed distribution for reinvested capital

# INVESTMENT PERFORMANCE REPORT

## 4.2 Ekuinas Outsourced (Tranche II) Fund

### a. Fund Net Assets Value (NAV) as at 31 December 2018

	2017 RM million	Movement RM million	2018 RM million
<b>A. Capital Commitment</b>	<b>240.0</b>	-	<b>240.0</b>
<b>B. Capital Called</b>	<b>92.3</b>	<b>0.8</b>	<b>93.2</b>
<b>C. Capital Reinvested</b>	-	-	-
<b>D. Total Capital Contributed (B+C)</b>	<b>92.3</b>	<b>0.8</b>	<b>93.2</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	-	-	-
<b>F. Total Capital Invested (D+E)</b>	<b>92.3</b>	<b>0.8</b>	<b>93.2</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	-	-	-
Net Unrealised Loss on Fair Value of Investments	(8.3)	(2.6)	(10.9)
Realised Loss from Divestment	(2.3)	-	(2.3)
Interest Income/(Expenses)	-	-	-
<b>Total Gross Portfolio Loss</b>	<b>(10.6)</b>	<b>(2.6)</b>	<b>(13.2)</b>
Organisational Expenses	(5.3)	(0.4)	(5.7)
Capital Distributions to Limited Partners (C+H)*	-	-	-
<b>Net Decrease in Net Assets Value</b>	<b>(15.9)</b>	<b>(3.0)</b>	<b>(18.9)</b>
<b>G. Net Assets Value</b>	<b>76.4</b>	<b>(2.2)</b>	<b>74.2</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	85.2	(0.3)	84.9
Net Unrealised Loss on Fair Value of Investments	(8.3)	(2.6)	(11.0)
<b>Investments carried at Fair Value</b>	<b>76.9</b>	<b>(2.9)</b>	<b>73.9</b>
Plus: Cash Balance	-	-	-
Plus: Working Capital	(0.5)	0.7	0.3
Plus: Uncalled Capital	-	-	-
<b>Equals Net Assets Value</b>	<b>76.4</b>	<b>(2.2)</b>	<b>74.2</b>
<b>Net Assets Value</b>	<b>76.4</b>	<b>(2.2)</b>	<b>74.2</b>
<b>H. Capital Distributed</b>	-	-	-
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>76.4</b>	<b>(2.2)</b>	<b>74.2</b>
<b>Gross IRR p.a.<sup>#</sup></b>	<b>N/M</b>		<b>N/M</b>
<b>Net IRR p.a. (before carried interest)<sup>#</sup></b>	<b>N/M</b>		<b>N/M</b>

<sup>#</sup> The Gross IRR and Net IRR for Ekuinas Outsourced (Tranche II) Fund are not presented as the fund is still in early stages of investments

\* Includes deemed distribution for reinvested capital

# INVESTMENT PERFORMANCE REPORT

## PORTFOLIO COMPANIES UNDER OUTSOURCED PROGRAMME

 <p><b>MCAT BOX OFFICE SDN BHD (MBO)</b></p> <p><b>Transaction Details</b> OFM: Navis Capital Partners Sector: Retail and Leisure Acquisition Date: March 2012</p>	 <p><b>SEG INTERNATIONAL BERHAD (SEGI)</b></p> <p><b>Transaction Details</b> OFM: Navis Capital Partners Sector: Education Acquisition Date: March 2012</p>	 <p><b>STRATEQ SDN BHD</b></p> <p><b>Transaction Details</b> OFM: Navis Capital Partners Sector: Services Acquisition Date: March 2013</p>	 <p><b>BRICKFIELDS ASIA COLLEGE</b></p> <p><b>Transaction Details</b> OFM: Navis Capital Partners Sector: Education Acquisition Date: November 2013</p>
 <p><b>BIG SDN BHD (F&amp;B)</b></p> <p><b>Transaction Details</b> OFM: Navis Capital Partners Sector: F&amp;B Acquisition Date: December 2014</p>	 <p><b>STX PRECISION CORPORATION SDN BHD</b></p> <p><b>Transaction Details</b> OFM: CMS Opus Private Equity Sector: Services Acquisition Date: December 2013</p>	 <p><b>CONSOBIZ VENTURES SDN BHD</b></p> <p><b>Transaction Details</b> OFM: RM Capital Partners Sector: Fast Moving Consumer Goods (FMCG) Acquisition Date: February 2014</p>	 <p><b>EXCELVITE SDN BHD</b></p> <p><b>Transaction Details</b> OFM: TAEI Capital Partners Sector: Manufacturing Acquisition Date: April 2015</p>
 <p><b>ROMSTAR SDN BHD</b></p> <p><b>Transaction Details</b> OFM: RM Capital Partners Sector: Manufacturing Acquisition Date: January 2016</p>	 <p><b>PACKERMAN SDN BHD</b></p> <p><b>Transaction Details</b> OFM: RM Capital Partners Sector: Manufacturing Acquisition Date: July 2016</p>	 <p><b>MBG HOLDINGS SDN BHD</b></p> <p><b>Transaction Details</b> OFM: COPE Private Equity Sector: Retail - F&amp;B Acquisition Date: August 2016</p>	 <p><b>TANAMERA GROUP SDN BHD</b></p> <p><b>Transaction Details</b> OFM: RM Capital Partners Sector: Fast Moving Consumer Goods (FMCG) Acquisition Date: April 2017</p>
 <p><b>MY SUTERA HOLDINGS SDN BHD</b></p> <p><b>Transaction Details</b> OFM: COPE Private Equity Sector: Manufacturing Acquisition Date: April 2017</p>			

# INVESTMENT PERFORMANCE REPORT

## D) SOCIAL OBJECTIVE PERFORMANCE

### a. Bumiputera Equity Value and Total Economic Value

Total for Portfolio Companies	BUMIPUTERA				TOTAL COMPANY			
	Ex Ante	As at 31 Dec	Increase in Bumiputera Value	Multiple of Ekuinas' Invested Capital	Ex Ante	As at 31 Dec	Economic Value Created	Multiple of Ekuinas' Invested Capital
2018	2,367.6	4,940.6	4,976.8	1.5x	5,501.1	4,771.6	6,647.3	2.0x
2017	2,283.7	5,306.8	4,369.1	1.5x	5,223.0	7,723.4	6,265.1	2.2x

### b. Portfolio Companies - Management and Employees

	Bumiputera Headcount	Total Headcount	% Bumiputera to Total Headcount	% Increase in Bumiputera Headcount from Ex Ante
<b>2018</b>				
Management	241	592	40.7%	24.9%
Employees	10,120	17,325	58.4%	17.3%
<b>2017</b>				
Management	215	512	42.0%	25.0%
Employees	9,424	15,672	60.1%	25.1%

## E) EKUITI NASIONAL BERHAD - FUND MANAGEMENT COMPANY

Ekuiti Nasional Berhad (Fund Management Company)	2018 RM million	2017 RM million
Total Funds under Management (FuM)	3,140.0	4,140.0
Operating Expenditure (OPEX)	43.8	43.9
Ratio of OPEX to FuM	1.4%	1.1%
Profit After Tax and Zakat (PAT)	7.3	18.1

A young girl with her hair in a ponytail, wearing a school uniform, is looking at a book in a library. The background shows bookshelves filled with books. The word "PASSION" is written in large, green, serif capital letters over the image.

# PASSION

We are passionate in our  
task to deliver beyond  
the ordinary

*A pupil from Sekolah Kebangsaan Bukit Lanjan (Asli), a school adopted by Ekuinas under  
ILTIZAM Education Empowerment Programme since 2014.*

## INVESTMENT PERFORMANCE REPORT

### D) SOCIAL OBJECTIVE PERFORMANCE

#### a. Bumiputera Equity Value and Total Economic Value

Total for Portfolio Companies	BUMIPUTERA				TOTAL COMPANY			
	Ex Ante	As at 31 Dec	Increase in Bumiputera Value	Multiple of Ekuinas' Invested Capital	Ex Ante	As at 31 Dec	Economic Value Created	Multiple of Ekuinas' Invested Capital
2018	2,367.6	4,940.6	4,976.8	1.5x	5,501.1	4,771.6	6,647.3	2.0x
2017	2,283.7	5,306.8	4,369.1	1.5x	5,223.0	7,723.4	6,265.1	2.2x

#### b. Portfolio Companies - Management and Employees

	Bumiputera Headcount	Total Headcount	% Bumiputera to Total Headcount	% Increase in Bumiputera Headcount from Ex Ante
2018				
Management	211	592	40.7%	24.9%
Employees	10,120	17,325	58.4%	17.3%
2017				
Management	215	512	42.0%	25.0%
Employees	9,424	15,672	60.1%	25.1%

### E) EKUITI NASIONAL BERHAD - FUND MANAGEMENT COMPANY

Ekuiti Nasional Berhad (Fund Management Company)	2018 RM million	2017 RM million
Total Funds under Management (FuM)	3,140.0	4,140.0
Operating Expenditure (OPEX)	43.8	43.9
Ratio of OPEX to FuM	1.4%	1.1%
Profit After Tax and Zakat (PAT)	7.3	18.1



*A pupil from Sekolah Kebangsaan Bukit Lanjan (Asli), a school adopted by Ekuinas under ILTIZAM Education Empowerment Programme since 2016.*

# STATEMENT ON CORPORATE GOVERNANCE

## INTRODUCTION

Ekuinas is not a listed entity and therefore, is only encouraged to comply with the corporate governance disclosure requirements set out by Bursa Malaysia Securities Berhad (Bursa Malaysia) or the Malaysian Code on Corporate Governance. However, as a government-linked private equity fund management company, Ekuinas is fully committed to transparency and providing quality reporting in its Annual Report and as such, subscribes to the relevant and applicable principles of the corporate governance requirements.

Accordingly, the disclosures under this section have been prepared based on the best practice requirements set out by Bursa Malaysia, the Malaysian Code on Corporate Governance 2017 as well as Ekuinas' Disclosure Policy. These are the Statement on Corporate Governance, Statement on Risk Management and Internal Control, and Audit and Risk Management Committee Report. These statements will hopefully provide Ekuinas' stakeholders with meaningful, high-level information about the state of Ekuinas' governance practice.

For clarity purposes, we wish to highlight that all appointments of the members of the Board of Directors of Ekuinas are approved by the Government of Malaysia, who are indirectly, the ultimate shareholders of the Company. However, for the purpose of this report, we have categorised directors who are currently not in government service (and have not been in service for the last two years), as Independent Directors, being independent of the Management and free from any business or other relationship which could interfere with the exercise of independent judgement. All other directors outside this definition are accordingly deemed as Non-Independent Directors.

## EKUINAS CORPORATE GOVERNANCE FRAMEWORK

The Board and Management of Ekuinas are committed to the highest standards of corporate governance and have implemented the Ekuinas Corporate Governance Framework at the Company level, while advocating good governance practices within that Framework to all portfolio companies.

A pragmatic corporate governance framework has been developed, approved by the Board and adopted by Ekuinas based on the following principles:

i

To promote greater transparency, accountability and responsiveness

ii

To reinforce long term value creation and strike a balance between risks and returns

iii

To encourage innovation and entrepreneurship within the Company through efficient oversight and risk management framework



# STATEMENT ON CORPORATE GOVERNANCE

## EKUINAS CORPORATE GOVERNANCE FRAMEWORK

### STATEMENT ON GOOD GOVERNANCE

Board and Board Committees
Directors' Roles and Responsibilities
Stakeholder Management
Accountability and Audit

### STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Internal Systems & Control
Internal Audit Framework
Risk Management Framework
External Audit Framework

## CODE OF ETHICS

Directors' Code of Ethics	Employees' Code of Ethics	Service Provider Code of Conduct
Fraud & Whistleblowing Policy		
Anti Bribery & Anti Corruption (ABC) Policy		
Disclosure & Dealing in Securities		

Ekuinas acknowledges the critical roles played by the Board members and the Management to formulate and determine Ekuinas' direction and operations. Ekuinas is led by experienced and skilled Board members with varied backgrounds ranging from the Government and private sectors who are essential for the overall strategic direction of Ekuinas.

During the financial year, the Board continued to ensure that the highest standards of corporate governance were practised to protect and enhance stakeholders' interest.

As part of best practice in good corporate governance, the Board has adopted a Governance Charter that delineates the key governance principles to be adhered to by the Board and the Company. The charter addresses, among others, the following matters:

- Duties and Responsibilities of the Board;
- Composition of the Board;
- Board Committees;
- Board Meetings and Support;
- Separation of Power;
- Code of Conduct;
- Delegation of Authority;
- Stakeholder Engagement and Communication; and
- Internal Control and Audit Process.

The adopted Governance Charter sets out the key values, principles and ethos of Ekuinas. In this regard, the Governance Charter serves not only as a reminder of the Board's roles and responsibilities, but also as a general statement of intent and expectation as to how the Board will discharge their duties.

The following statement provides a description on how Ekuinas has applied the relevant and applicable key principles and recommendations of good practices in line with the Malaysian Code on Corporate Governance 2017 (the Code) and Bursa Malaysia's Main Market Listing Requirements (MMLR).

### BOARD RESPONSIBILITIES AND LIMITS OF AUTHORITY

Ekuinas has established the Limits of Authority which reserve full decision-making powers to the Board on specific matters such as:

- The acquisition and disposal of investments;
- The Company's annual plan, budget and strategy;
- Key policies, procedures and delegation of authorities; and
- Changes to Senior and Executive Management.

Apart from matters which specifically require the Board's approval, the Board also approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Management so as to optimise operational efficiency.

# STATEMENT ON CORPORATE GOVERNANCE

## BOARD COMPOSITION AND BALANCE

The Board currently has six (6) members, which comprises an Independent Non-Executive Chairman, one (1) Executive Director designated as the Chief Executive Officer (CEO), three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The tenure of three of the Independent Directors has exceeded the cumulative term of nine (9) years and they were retained as Independent Directors by the Company.

The current structure of the Board and integrity of the individual Directors ensure that no single individual or group dominates the decision-making process. Two-thirds of the Board members are Independent Non-Executive Directors, exceeding the one half requirement as set out in the Code and the MMLR, reflecting the commitment of the Board to maintain a strong representation of Independent Directors on the Board as well as to ensure objectivity on all issues deliberated.

The Board is led by active and experienced Board members with diverse professional backgrounds including industry and commercial, accounting and finance, business and management, regulatory and public service. This mix of skills and experience adds value in leading the strategic direction and performance of Ekuinas as it forges ahead to become a leading private equity organisation.

### Appointments to the Board and Re-election of Directors

The size and composition of the Board are reviewed from time to time by the Nomination and Remuneration Committee (NRC), which seeks to ensure that the size of the Board is conducive for effective discussion and decision-making, and that the Board has the appropriate number of independent directors. The NRC also seeks to maintain an effective balance of expertise, skills and attributes among the Directors including minimising potential conflicts of interests.

The NRC establishes and reviews the profiles required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of directors, with endorsement from Yayasan Ekuiti Nasional.

When an existing Director chooses to retire, or the need for a new Director arises, the NRC will review the range of expertise, skills and attributes on the Board and the composition of the Board.

The NRC will then identify Ekuinas' needs and prepare a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the NRC may seek advice from external search consultants.

The NRC's membership is purely Non-Executive and the majority are Independent Directors. Details on the scope and functions of the NRC can be found on page 79 in the Statement on Corporate Governance.

## BOARD COMMITTEES

To assist the Board in efficient discharge of its responsibilities in providing independent oversight of the Company's management, a number of board committees (Board Committees) have been established, as set out below:

- Audit and Risk Management Committee;
- Nomination and Remuneration Committee;
- Investment Committee; and
- CSR Committee.

The functions and written Terms of Reference (TOR) of all Board Committees are clearly defined and where applicable, comply with the recommendations of the Code. The authority limits and terms of reference are reviewed periodically to ensure that they are relevant and updated.

The recommendations and decisions made by each Board Committee are recorded and minuted. A summary of these Committees' reports and deliberations are incorporated into the minutes of the Board meetings where required. A brief description of each Board Committee and their salient TOR are provided below:

### a. Audit and Risk Management Committee (ARMC)

The Audit and Risk Management Committee comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director namely:

Chairman:

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

Members:

Tan Sri Dato' Seri Mohamed Jawhar Hassan

Tan Sri Dr Rahamat Bivi Yusoff

## STATEMENT ON CORPORATE GOVERNANCE

Further details on the TOR and summary of activities of the Audit and Risk Management Committee during the financial year are set out on pages 92 - 96 of this Annual Report.

### b. Nomination and Remuneration Committee (NRC)

The NRC comprises three Independent Non-Executive Directors, all of whom are independent of Management and free from any business or other relationship which could interfere with the exercise of their independent judgement. They are as below:

Chairman:

Tan Sri Dato' Seri Mohamed Jawhar Hassan

Members:

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

Tan Sri Mohamed Azman Yahya

There were three (3) meetings held during the financial year and the attendance record is set out in the table on page 81.

### Terms of Reference

The primary responsibility of the NRC, in accordance with its terms of reference, is to assist the Board with the following functions:

#### a. **Main Functions**

In relation to nomination, its responsibilities shall include the following:

- to nominate and recommend to the Board, candidates to be appointed as Director of the Company;
- to consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer (CEO) or by any senior executive or any director or shareholder;
- to recommend to the Board, directors to fill the seats on Board Committees;
- to assist the Board in its annual review of its required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board; and

- to assist the Board in implementing an assessment programme to assess the effectiveness of the Board as a whole, the committees of the Board and the individual director on an annual basis.

In relation to remuneration, its responsibilities shall include the following:

- to determine and recommend to the Board the framework or broad policy for the remuneration package of the CEO, and such other members of the Management as it is designated to consider;
- to establish a formal and transparent procedure for developing the policy on the total individual remuneration package of the CEO and other designated Management including, where appropriate, bonuses, incentives and shadow options;
- to review and recommend to the Board any improvement on designated Management remuneration policy and package, and other issues relating to benefits for the Management on an annual basis;
- to review any major changes in employee benefit structures throughout the Company, and if deemed fit, to recommend to the Board for adoption; and
- to review and recommend to the Board for adoption the framework for the Company's annual incentive scheme. The framework for the annual incentive scheme may include:
  - Merit increment;
  - Merit bonus; and
  - Retention and reward incentives.

#### b. **Authority**

In exercising its responsibilities in relation to the issue of remuneration, the NRC is authorised by the Board:

- to seek any information it requires from any employees of the Company in order to perform its duties; and
- to obtain, at the Company's expense, any outside legal or other professional advice including the advice of independent remuneration consultants, to secure the attendance of the external advisers at its meeting if it considers necessary, and to obtain reliable, up-to-date information about remuneration in other companies.

## STATEMENT ON CORPORATE GOVERNANCE

The NRC shall have the full authority to commission any report or survey which it deems necessary to help it fulfil its obligations.

### c. Meetings

- Meetings are to be held at least once a year or as and when necessary.
- At least seven (7) days' notice of the NRC meeting shall be given to the members of the NRC present in Malaysia.
- Any two members present shall constitute a quorum.
- The Chairman of the meeting shall have a casting vote in case of equality of votes.
- A resolution signed by all members of the NRC shall be effective as a resolution passed at the NRC meeting duly convened and held, and may consist of several documents in like form, each signed by one or more members of the NRC.

### Summary of Activities in 2018

During the financial year ended 31 December 2018, the NRC undertook a number of key activities as listed below:

- Conducted the annual assessment on the composition and independence of the Independent Directors;
- Reviewed and considered the appointment/contract renewal of Senior Management of Ekuinas;
- Deliberated and made recommendation to the Board on the achievement of Ekuinas Key Performance Indicators (KPI) for FYE2018, Bonus Payout and Merit Increment for 2018; and
- Reviewed the Proposed KPI Framework for the FYE2019.

### c. Investment Committee (IC)

The Investment Committee is made up of members of the Senior Management of the Company and two Independent Non-Executive Directors. This structure is common practice in most private equity organisations to ensure investment decisions can be made on a timely basis with adequate oversight, strong commitment and accountability from the investment professionals.

The key responsibilities and functions of the Investment Committee include:

- approving for recommendation all investment and divestment decisions made by Ekuinas;
- approving all decisions pertaining to the management of all investments made by Ekuinas; and
- reviewing of the quality and reliability of all financial information in respect of all investments.

### d. CSR Committee (CC)

The CSR Committee (CC), which is chaired by a Non-Executive Director and consists of the Senior Management, was established to review and monitor Ekuinas' CSR programmes and ensure that the Company implements the highest standards of governance and internal control for CSR activities. Management is required to update the CSR activities and programmes as and when required by the CSR Committee and/or the Board.

The key responsibilities and functions of the CC include:

- to review and approve Ekuinas CSR's annual plan including the allocation of the total budgeted amount for Ekuinas CSR as approved by the Board, for the different CSR programmes and initiatives;
- to monitor the implementation of all CSR activities; and
- to deliberate any serious issues on CSR projects that have financial or reputational implications against Ekuinas.

### e. Risk Management Committee

The Risk Management Committee (RMC), which is chaired by the CEO and consists of the Senior Management, was established to assist the ARMC and the Board in discharging its functions with regard to risk management in Ekuinas. The RMC meets every quarter to review the quarterly risk report prior to presenting the report to the ARMC.

## STATEMENT ON CORPORATE GOVERNANCE

### BOARD MEETINGS

Board meetings are held at least once every quarter to review and approve the financial results and discuss reports by Management on the Company's performance, plans and proposals. A board meeting is also held at the end of each financial year to consider and approve the Company's budget for the following year. Special board meetings are convened as and when necessary for the Board to deliberate on matters that require expeditious decisions.

The schedule for the board meetings is communicated to all members before the start of each financial year to plan and secure the time commitment from all Directors.

### Attendance at Board and Board Committee Meetings

A record of the Directors' attendance at the Board and Board Committee meetings during the financial year is set out below:

Name of Director	Board	ARMC <sup>1</sup>	NRC <sup>2</sup>	IC <sup>3</sup>	CC <sup>4</sup>
	No. of Meetings Attended				
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	6 out of 6	4 out of 4	3 out of 3	-	-
Tan Sri Dato' Seri Mohamed Jawhar Hassan	5 out of 6	3 out of 4	2 out of 3	-	-
Tan Sri Mohamed Azman Yahya	6 out of 6	-	3 out of 3	2 out of 2	-
Tan Sri Dr. Rahamat Bivi Yusoff	6 out of 6	3 out of 4	-	-	1 out of 1
Dato' Nik Azman Nik Abdul Majid <sup>5</sup>	3 out of 4	-	-	-	-
Datuk Ali Abdul Kadir	6 out of 6	-	-	2 out of 2	-
Syed Yasir Arafat Syed Abd Kadir	6 out of 6	-	-	2 out of 2	-

#### Notes

<sup>1</sup> ARMC – Audit and Risk Management Committee

<sup>2</sup> NRC – Nomination and Remuneration Committee

<sup>3</sup> IC – Investment Committee

<sup>4</sup> CC – CSR Committee

<sup>5</sup> Resigned as a Non-Executive Director effective 21<sup>st</sup> October 2018. The attendance reflects the number of meetings scheduled during the time the Director held office.

### MAINTAINING AN INDEPENDENT, STRONG AND EFFECTIVE BOARD

#### Independence and Balance of Power

To ensure an appropriate balance of power, the positions of Chairman of the Board and CEO are not held by a single person. A clear separation of roles promotes constructive debate and discussion at the Board level. Combining the two positions may render bias and impair the ability and willingness of Independent Directors to exercise their independent judgement. The Chairman and CEO are not related to each other.

The Chairman, who is a non-executive, leads and facilitates the work of the Board at its meetings and is responsible for the leadership of the Board, its efficient organisation and function, and ensures principles and processes of the Board are maintained. The CEO is accountable to the Board for the development and implementation of strategy, policies and conduct of Ekuinas.

The Independent Non-Executive Directors, all of whom are well qualified and outstanding individuals, bring to the Board in-depth knowledge in their respective fields. They do not participate in the day-to-day operations and do not engage in any business dealings or other relationships with Ekuinas to ensure that they are capable of exercising judgement objectively and acting in Ekuinas' best interest. Profiles of the Board members are highlighted on pages 31 - 34 of this Annual Report.

# STATEMENT ON CORPORATE GOVERNANCE

## Annual Independence Assessment for Independent Directors

The Board, through the NRC, conducts independence assessments on all Independent Directors during the financial year. The independence assessment criteria are guided by the definition of “independent director” as prescribed by Bursa Malaysia MMLR. Moreover, all Directors also submit a declaration of compliance to the Directors’ Code of Ethics.

## CODE OF CONDUCT

Ekuinas has adopted the Directors’ Code of Ethics for all the Directors of Ekuinas which are based on principles of sincerity, integrity, responsibility and corporate social responsibility. The adoption of the Directors’ Code of Ethics formalises the ethical values throughout the Company and ensures its compliance.

The Board oversees the business affairs of Ekuinas and therefore, assumes responsibility for the following:

- strategic guidance for Ekuinas by influencing how the objectives of Ekuinas are determined and achieved;
- enhancement of the long term value for Ekuinas’ stakeholders while preserving and protecting the underlying value of Ekuinas for their benefit;
- effective oversight of the management of Ekuinas including its control and accountability systems;
- approving and monitoring the progress of major capital expenditure, capital management and investment acquisition/divestment;
- monitoring compliance with all legal, tax and regulatory obligations;
- reviewing and ratifying systems of risk management and internal compliance as well as controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- monitoring Management’s performance and implementation of strategies and policies, while ensuring resources are available;
- approving and monitoring financial and other reporting to the market, employees and other stakeholders; and
- approving the appointment, reappointment or replacement of the external auditor.

## DIRECTORS’ REMUNERATION

The objective of the Company’s policy on directors’ remuneration is to attract and retain directors of the calibre needed to lead the Company successfully. In the case of the Executive Director, the component parts of the remuneration are structured so as to link rewards to corporate and individual performance. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the Non-Executive Directors concerned.

The NRC recommends to the Board the framework of the remuneration package for the Executive Director. It is the ultimate responsibility of the entire Board to approve the remuneration of the Executive Director.

The details on the aggregate remuneration of Directors for the financial year ended 31 December 2018, with categorisation into appropriate components are as follows:

Remuneration	Total Amount (RM)
Salary / Fees 2018 including Bonus	2,879,668
Other remuneration (e.g. Allowances and EPF)	690,693

The remuneration paid to Directors during the year, analysed into appropriate ranges is as follows:

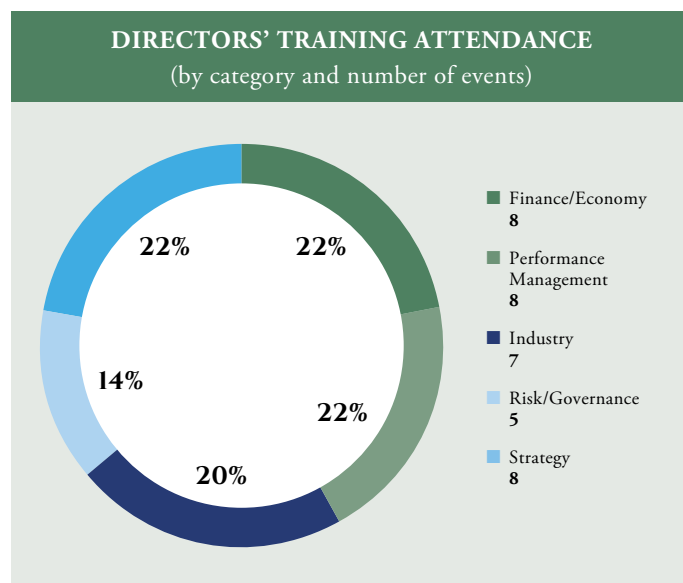
Range of remuneration (RM)	Executive Director	Non-Executive Directors
Below RM100,000		1
RM100,000 – RM200,000		5
Above RM1,000,000	1	

## DIRECTORS’ TRAINING

The Board acknowledges the importance of continuing education for its Directors to ensure they are equipped with the necessary skill and knowledge to perform their functions and meet the challenges of the Board. Training programmes, conferences and seminars deemed beneficial to the Directors are identified on an on-going basis and the Company allocates a dedicated training budget to support the continuous development of the Directors. Directors are also regularly updated on the Company’s businesses which include presentations by Senior Management and external consultants/experts on strategic issues relating to specific areas or industry.

## STATEMENT ON CORPORATE GOVERNANCE

The development and training programmes attended by the Directors as well as their participation as speakers at local and international conventions on topics relevant to their roles during the financial year ended 31 December 2018 were as follows:



### ACCESS TO INFORMATION AND INDEPENDENT ADVICE

To assist the Board in discharging its duties, the Management furnishes comprehensive investment and financial reports on a regular basis. As a practice, Management endeavours to forward the meeting agenda together with a set of Board papers containing relevant information to the Board members at least five (5) days before the Board meeting. This is to provide sufficient time for the Board members to review, consider and better understand the matters prior to the meeting where discussions may be focused on questions that they have on these matters.

Board papers are prepared in a well-structured, consistent and concise format providing both quantitative and qualitative information thereby enabling informed decisions to be made. The Board papers include among others, the following:

- Minutes of meetings of the previous Board;
- Minutes of meetings of all previous Committee meetings of the Board;
- Report on Matters Arising;
- Report on matters requiring the Board's deliberation and approval;

- Quarterly financial report and report on investment performance of the Company; and
- Other key developments for discussion and approval.

The CEO and Chief Financial Officer (CFO) are present at these presentations to address any queries which the Board may have.

The Board has ready and independent access to the CEO, Senior Management, Company Secretary as well as internal and external auditors at all times. The Board exercises its discretion to seek independent professional advice, if deemed necessary, to ensure that full information and advice are available before important decisions are made.

The Company Secretary assists the Board with the preparation of meeting agenda and administers, attends and prepares minutes of board proceedings, ensuring an effective information flow within the Board and its committees. The Management also assists the Board in implementing good governance practices and processes within the Company.

### INTEGRITY IN FINANCIAL REPORTING

The Board aims to provide and present a balanced and meaningful assessment of the Company's financial performance in all disclosures made to the stakeholders. The Board, assisted by the Audit and Risk Management Committee, oversees the financial reporting process and quality of financial reporting, besides reviewing and monitoring the integrity of the Company's financial statements. It also reviews the appropriateness of the Company's accounting policies and the changes to these policies, and ensures these financial statements comply with the accounting and regulatory requirements as well as good corporate governance practices.

The Audit and Risk Management Committee also meets with the external auditors without the presence of Management, and this is a forum at which the external auditors may raise, among other matters, any concern they may have on the compliance aspect of the financial statements. All accounting standards which the Board considers to be applicable have been adopted, subject to any explanation for material departures disclosed in the notes to the financial statements.



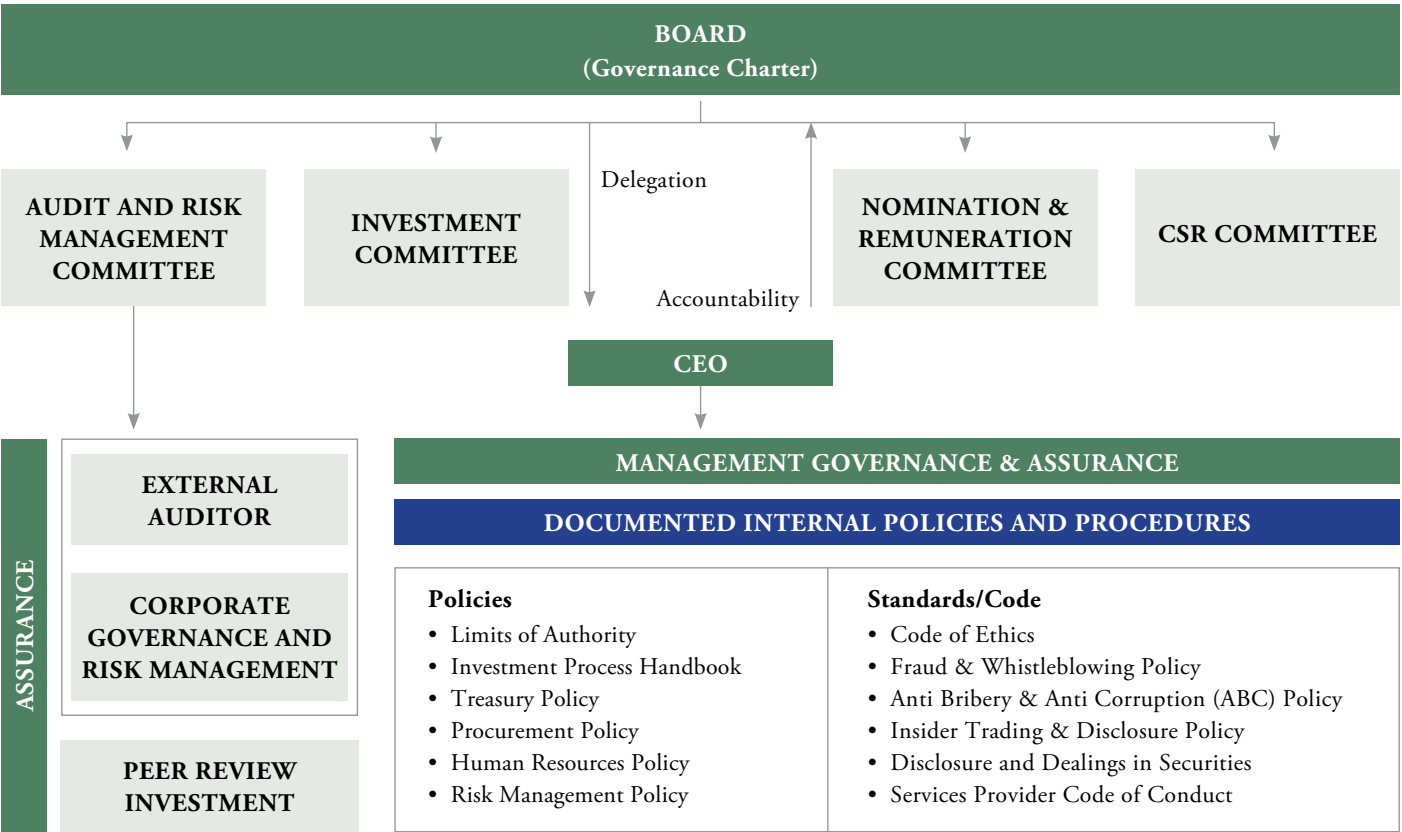
# STATEMENT ON CORPORATE GOVERNANCE

## INDEPENDENCE OF EXTERNAL AUDITORS

The Board, through the Audit and Risk Management Committee, has established a formal and transparent relationship with the Company’s auditors, both external and internal. The Audit and Risk Management Committee meets regularly with the external and internal auditors to discuss and review the audit plan, quarterly financial performance, annual financial statements and any audit findings, and makes recommendations for the Board’s approval. During the year, the Board has met with the external auditors without the presence of the Management, in line with best practice requirements.

The Board is aware of the potential conflict of interest situation that may arise if the Company’s external auditors are engaged to provide other non-audit services to the Company. To mitigate this risk, the Audit and Risk Management Committee reviews the performance, independence and fees of the external auditor. The Company’s Annual Report also discloses fees received by the external auditors for non-audit work.

The reporting structure of the CGRM function is as illustrated below:



## MANAGEMENT OF RISKS AND INTERNAL CONTROL

The Board is responsible for maintaining a system of risk management and internal controls that provides reasonable assurance of effective and efficient operations in compliance with the applicable laws and regulations, as well as internal procedures and guidelines.

The Statement of Risk Management and Internal Control, which provides an overview of the state of internal controls within the Company, is set out on pages 86 - 91 of this Annual Report.

### Internal Audit Function

The Board empowers Management to achieve business objectives within the boundaries of business ethics and high standards of good governance. The Corporate Governance and Risk Management (CGRM) Department which also operates as an in-house internal audit function, has a direct reporting line to the Audit and Risk Management Committee, which underscores the Company’s commitment to ensure the integrity of its governance framework.



## STATEMENT ON CORPORATE GOVERNANCE

### RELATIONSHIP WITH STAKEHOLDERS

In fulfilling its role and objectives as a government-linked private equity fund management company, Ekuinas deals with a wide range of stakeholders. The Company recognises the importance of maintaining transparency and accountability while managing a successful and productive relationship with the Company's stakeholders. As such, the Company places strong emphasis on the importance of timely dissemination of information and transparency to the general public and stakeholders.

### Stakeholder Engagement and Communication

The Company has adopted comprehensive stakeholder management and communication policies, which are reviewed on a regular basis. The aforesaid policies regulate the way the Company interacts with the different stakeholder groups including the general public, media, government bodies and authorities in compliance with its continuous and timely disclosure requirements.

Other than press releases and announcements, the Company utilises its website as another communication channel for the Company to disseminate information to the stakeholders and general public. The Company is committed to ensure that the general public have convenient access to the information via its website [www.ekuinas.com.my](http://www.ekuinas.com.my).

Any query regarding Ekuinas may be conveyed to:

Telephone number : 03-7710 7171

Facsimile number : 03-7710 7173

#### General Matters

Communications

E-mail: [info@ekuinas.com.my](mailto:info@ekuinas.com.my)

#### Governance Matters

Corporate Governance & Risk Management

E-mail: [governance@ekuinas.com.my](mailto:governance@ekuinas.com.my)

#### Whistleblowing Channel

Whistleblowing Reports

E-mail: [whistleblowing@ekuinas.com.my](mailto:whistleblowing@ekuinas.com.my)

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 12 March 2019.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the Board) is pleased to present this Statement on Risk Management and Internal Control (SORMIC) pursuant to paragraph 15.26(b) of Bursa Malaysia’s Main Market Listing Requirements (MMLR). This is to promote good corporate governance and best practices, notwithstanding the fact that the MMLR is not applicable to the Company.

## RESPONSIBILITY

The Board, in discharging its responsibilities, is fully committed to maintaining a sound risk management and internal control system that ensures adequacy and integrity through a process of review, monitoring and assurance. It should however, be noted that the system can only provide reasonable and not absolute assurance against material losses, fraud, misstatements or breaches of laws or regulations.

The Audit and Risk Management Committee (ARMC) is established by the Board with the principal responsibilities for risk management and internal control oversight; which is assisted by the Risk Management Committee (RMC), the Chief Executive Officer (CEO) and Senior Management in implementing the Board’s policies and procedures on risks and control.

The Board has also formalised an on-going process for identifying, evaluating and managing significant risks faced by the Company. This is embedded in our Corporate Governance Framework which includes the Risk Management Framework and Policy,

the Internal Audit Charter and the Internal Systems and Controls Framework.

## Adequacy of Risk Management and Internal Control System

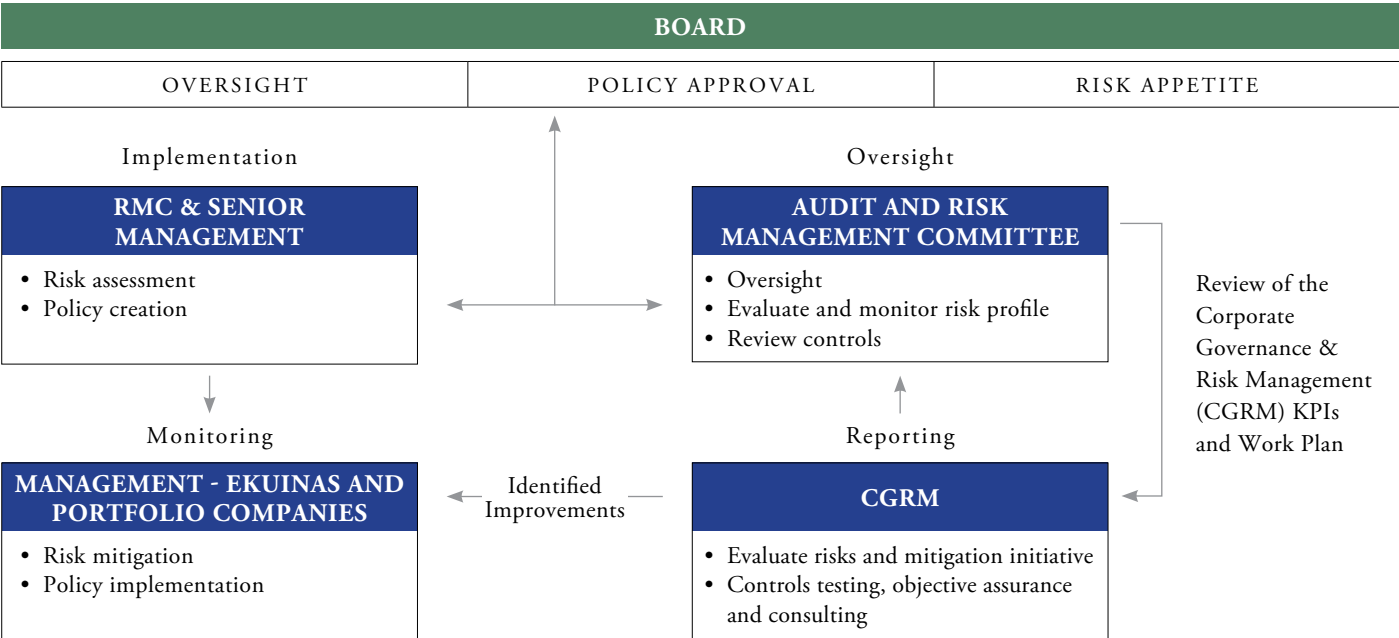
The Board has been assured by the CEO and Chief Financial Officer (CFO) that the Company’s risk management and internal control systems are operating adequately and effectively in all material aspects for the financial year under review and up to the date of approval of this Statement.

## RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has approved the Risk Management Framework and Policy for the Company which sets out clear accountability and responsibility for the risk management process, including identification and management of risks which could materially impact the Company’s strategic objectives or execution.

The Board is ultimately responsible for risk management, which includes the Company’s governance or oversight structure and maintaining an appropriate internal control framework. The Management’s responsibility is to manage risk on behalf of the Board and they are also expected to exercise a more rigorous review of risks for any specific strategic proposal or transaction and ensure that risk issues are identified, analysed, prioritised and managed in a consistent manner.

The risk management and internal control system and structure is summarised as follows:



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Audit and Risk Management Committee (ARMC)

The Board, through the ARMC, oversees all of the risk management and internal control activities within the Company. Amongst the principal responsibilities of the ARMC are to ensure the Risk Management Framework is soundly implemented, evaluate risk exposures and review internal control issues highlighted by the Corporate Governance & Risk Management (CGRM) department, the Management; and the external auditors; and review the CGRM functions and work plan. The CGRM department, which maintains the internal audit function for the Company reports directly to the ARMC.

A majority of the ARMC members are Independent Non-Executive members of the Board and have full access to both internal and external auditors. It meets with the external auditors without any Management present, at least once a year.

### Risk Management Committee (RMC)

The RMC assists the Board in discharging its functions with regard to the risk management. While the risk reporting is not purporting to represent every business risk faced by Ekuinas, the objective of the risk reporting is to identify major business risks and outline key steps to mitigate these risks involving Ekuinas as an organisation as well as its portfolio companies.

All major risks identified are individually assessed and ranked according to their potential impact and likelihood of occurrence in accordance with the Company Risk Rating Framework as per the approved Ekuinas Risk Management Policy.

Through discussion with the Management, the key initiatives to be undertaken to mitigate the risks are identified. The summary of risks based on their priorities are then documented in the report and presented to the RMC and ARMC on a quarterly basis.

The following are the duties and responsibilities of the RMC:

- review and recommend risk management policy and reports for approval by the ARMC and the Board;
- monitor the risk exposure of the Company and portfolio companies and recommend actions where necessary;

- review on a quarterly basis the overall performance of the portfolio companies, initiatives undertaken and major business risks; and
- review any significant risks and exposures that exist and assess the initiatives undertaken by the Management and portfolio companies to mitigate the risks.

In line with the above responsibilities, four (4) RMC meetings were held throughout the financial year 2018. The resulting quarterly Risk Management reports were presented and approved by the ARMC and the Board.

### Corporate Governance and Risk Management (CGRM) Department

The role of Corporate Governance and Risk Management (CGRM) department is to assist the ARMC and the Management of the Company in the effective discharge of their responsibilities by establishing cost-effective internal controls, assessing risks, recommending measures to mitigate those risks and assuring proper governance process. As an integral part of this process, CGRM furnishes the ARMC with independent analyses, appraisals, counsel and information on the activities they review.

The CGRM Annual Plan and KPIs are reviewed and approved by the ARMC and the Board, and the results of audits are communicated and reported periodically to the Management and the ARMC.

### RISK MANAGEMENT AND INTERNAL CONTROL ACTIVITIES

#### Risk Mitigation Strategies

The Company's risk management framework is a pragmatic guide on the identification and management of risk that is central in delivering the strategic objectives. The effectiveness of the risk mitigation framework is systematically reviewed and improved.

The Company has identified the following types of risks – strategic, financial, operational and investment. These four risks are not exhaustive and the investment risks are considered the most critical business risks within the Company.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

EKUINAS' RISKS (COMPANY)			
STRATEGIC	DIRECT INVESTMENT	OUTSOURCED PROGRAMME	OPERATIONAL
<ul style="list-style-type: none"> <li>• External environment</li> <li>• Funding</li> <li>• Regulatory</li> <li>• Stakeholder</li> </ul>	<ul style="list-style-type: none"> <li>• Deal sourcing and evaluation</li> <li>• Investment performance and management</li> <li>• Non-financial objective</li> </ul>	<ul style="list-style-type: none"> <li>• OFM Selection</li> <li>• OFM Performance</li> <li>• OFM Management</li> </ul>	<ul style="list-style-type: none"> <li>• Human Capital</li> <li>• Treasury</li> <li>• Financial Management &amp; Reporting</li> <li>• Compliance</li> <li>• Shared Services</li> </ul>
PORTFOLIO COMPANIES' RISKS			
STRATEGIC AND MARKET	BUSINESS & FINANCIAL	STRATEGIC VALUE CREATION	EXECUTION
<ul style="list-style-type: none"> <li>• External environment</li> <li>• Industry</li> <li>• Government &amp; Regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Business operations</li> <li>• Capex and investment</li> <li>• Gearing/Debts</li> </ul>	<ul style="list-style-type: none"> <li>• Business Expansion</li> <li>• Mergers &amp; Acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>• Human Capital</li> <li>• IT system and processes</li> <li>• Financial Management &amp; Reporting</li> <li>• Government &amp; Compliance</li> </ul>

Strategic risks are managed through regular and ongoing monitoring of key economic indicators, industry outlook and regulatory developments, as well as periodic engagement and update with the Government.

To manage financial risks, the Company's treasury policies and financial authority limits are documented, reviewed periodically and reported to the Board. The approved policies set out the parameters for management of the Company's liquidity, counterparty risk and financing. Any significant financial risks such as liquidity, gearing, net debt and credit exposure would be regularly identified, assessed, addressed and reported to the Board.

It is recognised that operational risks can never be entirely eliminated and that the cost of minimising it may outweigh the potential benefits. Accordingly, the Company manages operational risks by putting in place policies and standard operating procedures, documented limits of authority and a regular reporting framework which encompass operational and financial reporting.

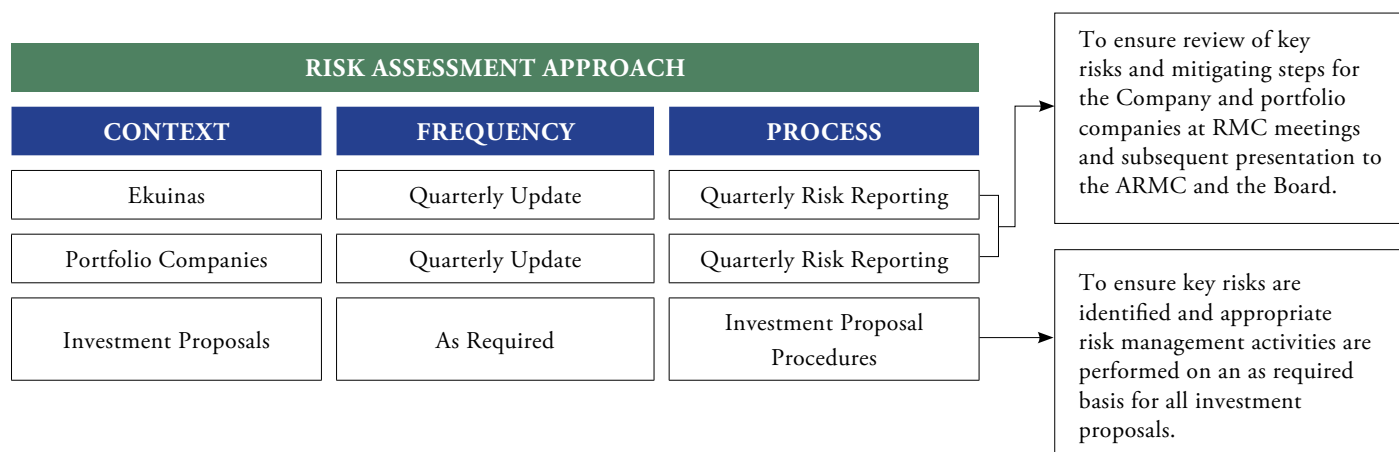
To mitigate investment risks, the Company's investment decision-making process is guided by investment parameters instituted via the Company's Investment Framework, to ensure deals undertaken are within the key investment criteria where the priority sectors are identified based on a transparent screening approach.

The Investment Framework also incorporates risk management with a rigorous review of risks for all strategic and specific proposals or transactions to ensure risks are identified, analysed, prioritised and managed in a consistent manner. All investments are subject to thorough scrutiny to ensure that they are in line with the Company's strategic focus, rates of return and cover all other relevant risk factors such as industry and execution risks. In addition, the Board requires that all investment proposals submitted to the Board are accompanied by a comprehensive risk assessment and corresponding proposed mitigation strategies by Management.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management Reporting

The Risk Management Framework sets out the basis of Ekuinas' approach to risk management, linking to the strategic and organisation objectives and integration into the Company's business processes. The Risk Management Report includes an assessment of risk, an evaluation of the effectiveness of the controls in place and the requirements for further controls to mitigate the risks for the Company and all Portfolio Companies. The key elements of the process are as follows:



### Key Internal Control Processes

The Board is fully committed to maintaining a strong control structure and environment for proper conduct of the Company's operations. The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls, among others, are as follows:

- **Board Committees**

To promote corporate governance and transparency, in addition to the Board, the Company has established the Audit and Risk Management Committee, Nomination and Remuneration Committee, Investment Committee and CSR Committee. These Board Committees are established to assist the Board in providing independent oversight of the Company's management with responsibilities and authorities clearly set out in their respective terms of reference.

- **Policies and Standard Operating Procedures (SOP) Framework**

Written procedures on key processes within the Company are documented, implemented and communicated by the Management to staff in accordance with the approved Policy and SOP Framework by the Board. Approved policies by the Board are supported with documented procedures to manage operational risks. The objective of the policies and procedures is to ensure that internal control principles or mechanisms are embedded in the Company's operations. The SOP Framework for the Company is illustrated on the next page.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



Note: 1 & 2 Investment Framework completed and approved by the Board

SHARED SERVICES	<b>FINANCE &amp; ACCOUNTING</b>	Accounting Policies and/or SOP covering:	
		• Fixed Assets	☑
		• Petty Cash	☑
		• Financial Reporting Policy and Procedure	☑
		• Budgeting	☑
		• Payments & Claims	☑
		• Portfolio Investment Fair Valuation Guidelines	☑
	<b>TREASURY</b>	• Treasury Policy and SOP	☑
	<b>PROCUREMENT &amp; ADMINISTRATION</b>	• Procurement Policy and SOP	☑
	<b>CORPORATE SOCIAL RESPONSIBILITY (CSR)</b>	• CSR Policy and SOP	☑
	<b>STAKEHOLDER MANAGEMENT</b>	• Stakeholder Management Policy and SOP	☑
	<b>HUMAN RESOURCES</b>	HR Policies and/or Procedures covering:	
		• Payroll Management	☑
		• Training & Development	☑
		• Recruitment & Human Capital Planning	☑
		• Performance & Compensation Management	☑
		• Employment Terms Retention Plan	☑
		• Talent Management	☑
		• Employee Relations	☑
	<b>LEGAL</b>	• Legal/SOP	☑
	<b>M.I.S.</b>	• IT Policy and SOP	☑
	<b>COMMUNICATIONS</b>	• Communications Policy and SOP	☑
	<b>DISCLOSURE POLICY</b>	• Disclosure Policy and Framework	☑

Note: ☑ Completed and approved for adoption

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### • Code of Ethics

The Board and Senior Management set the tone at the top for corporate behaviour and corporate governance. The Code of Ethics has been formalised and adopted for the Directors and Employees to encourage high standards of conduct that are associated with ethical business practices. It is a requirement for all Directors and Employees to understand their respective Codes and to acknowledge and sign off on the declaration form.

### • Service Provider Code of Conduct

The Company believes that relationships with service providers should be based on the principles of integrity, honesty and accountability, and strongly opposes any form of bribery or corruption. With this objective, the Service Provider Code of Conduct requires all major service providers including consultants, professional advisors and key suppliers to adhere to this Code when conducting business with Ekuinas. Ekuinas may take the necessary action for breaches of this Code which includes but is not limited to termination and preclusion from future services.

### • Documented Limits of Authority

Approved Limits of Authority are imposed on the Management in respect of the day-to-day operations, investment decisions, acquisitions and disposal of assets as a control to minimise any risk of abuse of authority.

### • Fraud Prevention Manual and Whistleblowing Policy

To reinforce the culture of good business ethics and governance across the Company, a whistleblowing policy is in place which provides employees with an accessible avenue to report in good faith any suspected wrongdoing. This policy addresses the Company's commitment to integrity and ethical behaviour by helping to foster and maintain an environment where employees can act appropriately without fear of punishment.

### • Investment Controls

In most investment cases, Ekuinas' senior representatives are appointed to the executive management committee and

board of the portfolio companies to actively participate in the strategic direction, key decision-making process and major operational areas.

While preserving good rapport with the management of portfolio companies, Ekuinas also engages in key operational processes for value creation initiatives and advocates good governance and best practices.

### Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 December 2018.

Based on the procedures performed, they have reported to the Board that nothing has come to their attention that would cause them to believe that the Statement on Risk Management and Internal Control (SORMIC) intended to be included in the annual report is not prepared, in all material respects, 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 to be set out, nor is the SORMIC factually inaccurate.

Their limited assurance review was performed in accordance with the Recommended Practice Guide (RPG) 5 (Revised 2015) issued by the Malaysian Institute of Accountants. RPG 5 (Revised 2015) does not require the external auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Company, including the assessment and opinion by the Board and Management thereon.

### CONCLUSION

For the financial year under review, based on inquiry, information and assurance provided, the Board is of the view that the risk management and internal control system within the Company is sound and sufficient to safeguard the interests of its stakeholders. There will be continual focus on measures to protect and enhance stakeholders' value and business sustainability. This statement is made in accordance with a resolution of the Board of Directors dated 12 March 2019.



# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Ekuinas is pleased to present the report of the Audit and Risk Management Committee (ARMC) for the financial year ended 31 December 2018.

## COMPOSITION AND ATTENDANCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC was established in 2010 in line with the Code and Bursa Malaysia MMLR. The committee members were appointed from amongst the Company's Board members and fulfil the following requirements:

Comprise not fewer than three Members	Majority are Independent Directors	All members are Non-Executive	At least one should be a member of an accounting association	No alternate director can be appointed as a member of the ARMC
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The composition of the ARMC and the record of their attendance are as follows:

Name of Directors	Status of directorship	No. of meetings attended	%
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda (Chairman of the Committee)	Independent Non-Executive Director	4 out of 4	100
Tan Sri Dato' Seri Mohamed Jawhar Hassan	Independent Non-Executive Director	3 out of 4	75
Tan Sri Dr Rahamat Bivi Yusoff	Non-Independent Non-Executive Director	3 out of 4	75

## Meetings of the Audit and Risk Management Committee

The ARMC meets at least four (4) times annually, or more frequently as circumstances dictate.

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Corporate Governance and Risk Management (CGRM) and external auditor's representatives attend the meetings as and when appropriate. The ARMC has also conducted a meeting with the external auditor without the presence of management during the ARMC meeting on 15 March 2018 and 2 October 2018.

The Chairman of ARMC makes a report on each meeting to the Board and minutes of each meeting are kept and distributed to each member of the ARMC.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### Terms of Reference

In performing its duties and discharging its responsibilities, the ARMC is guided by the Terms of Reference as follows:

### Composition of Members

The Committee must be appointed from amongst its Directors and fulfil the following requirements:

- the ARMC must be composed of not less than three (3) members;
- a majority of the members must be independent directors and all members must be non-executive; and
- at least one member of the ARMC:
  - must be a member of the Malaysian Institute of Accountants (MIA); or
  - if s/he is not a member of the MIA, s/he must have at least three (3) years' working experience and:
    - s/he must have passed the examination specified in Part I of the 1<sup>st</sup> Schedule of the Accountants Act 1967; or
    - s/he must be a member of one of the associations of accountants specified in Part II of the 1<sup>st</sup> Schedule of the Accountants Act 1967.
  - the Chairman shall be an Independent, Non-Executive Director. No alternate director is appointed as a member of the ARMC;
  - in the event that any vacancy in the ARMC results in the non-compliance of the above requirements, the Company must fill the vacancy within three (3) months; and
  - the Company Secretary shall act as Secretary to the ARMC.

### Scope

- The ARMC shall be granted the authority to investigate any activity of the Company and its subsidiaries, and all employees shall be directed to co-operate as requested by members of the Committee;
- the ARMC shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities;
- the ARMC shall provide assistance to the Board in fulfilling its fiduciary responsibilities particularly relating to business ethics, policies and financial management control;
- the ARMC shall maintain a direct line of communication between the Board, External Auditors, Internal Auditors and Management through regularly scheduled meetings;
- the ARMC shall provide greater emphasis on the audit functions by increasing the objectivity and independence of External and Internal Auditors and providing a forum for discussion that is independent of the Management;
- the ARMC may invite any person to the meeting to assist the ARMC in decision-making process and that the ARMC may meet exclusively as and when necessary; and
- serious allegations that have financial implications against any employee of the Company shall be referred to the ARMC for investigation.

### Authority

The ARMC shall have the following authority as empowered by the Board of Directors:

- to investigate any matter within its terms of reference;
- the resources which are required to perform its duties;
- full, free and unrestricted access to any information, records, properties and personnel of the Company and any other subsidiaries (if any) or sister companies;

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- to obtain independent professional or other advice; and
- to convene meetings with the external auditors and internal auditors together with other independent non-executive members of the Board, excluding the attendance of any Executive Directors, at least once a year or whenever deemed necessary.

### Meetings

- The ARMC shall meet at least four (4) times in a year to discuss any matters raised by the Auditors in discharging their functions. The quorum for a meeting of the ARMC shall be two (2);
- at least once a year, the whole Board shall meet with the external auditors without the presence of any executive Board member/ Chief Executive Officer or Senior Management;
- the Secretary is responsible for the co-ordination of administrative details including calling for meetings, voting and keeping of minutes;
- in addition to the ARMC members, the CFO and the Director of CGRM are invited for attendance at each meeting. The Head of companies/departments and their management team will attend when audit reports on their companies/departments are tabled for discussion. The presence of external auditors will be requested when required;
- the Chairman shall, upon the request of the external auditor, convene a meeting of the ARMC to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders; and
- the external auditors have the right to appear and be heard at any meeting of the ARMC and shall appear before the ARMC when required to do so by the ARMC.

### Duties and Responsibilities

The duties and responsibilities of the ARMC with the following groups will be as follows:

#### a. Board

- To obtain satisfactory response from Management on reports issued by internal and external auditors and report to the Board:
  - Significant findings identified and the impact of the audit findings on the operations;
  - Deliberations and decisions made at the ARMC's level with focus given to significant issues and resolutions resolved by the ARMC, on a regular basis; and
  - A summary of material concerns and weaknesses in the control environment noted during the year and the corresponding measures taken to address the issues.
- To oversee the function of the CGRM department and report to the Board significant changes in the business and the external environment, which affect key risks;
- To review arrangements established by Management for compliance with any regulatory or other external reporting requirements, by-laws and regulations related to the Company's operations;
- Where the review of audit reports of subsidiaries and any related corporations also falls under the jurisdiction of the ARMC, all the above mentioned functions shall also be performed by the ARMC in co-ordination with the Board of Directors of the subsidiaries and related corporation; and
- To consider other areas as defined by the Board.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### b. External Auditors

- To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- To discuss with the external auditors, their audit report and evaluation of the system of the internal controls; and
- To review the quarterly and year-end financial statements of the Company, focusing particularly on:
  - any changes in accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.

### c. Internal Auditors

- To discuss problems and reservations arising from the external audits, and any matter the auditor may wish to discuss;
- To oversee the internal audit function by:
  - Reviewing the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - Reviewing the internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and ensure that appropriate action is taken on the recommendations of the internal audit function;
  - Reviewing any appraisal or assessment of the performance of members of the internal audit function;
  - Determining and recommending to the Board the remit of the internal audit function;
  - Approving any appointment or termination of senior staff members of the internal audit function;
  - Informing itself of resignations of internal audit staff members and providing the resigning staff member with an opportunity to submit his reasons for resigning;
  - Ensuring an on-going basis that internal audit has adequate and competent resources;
  - Monitoring closely any significant disagreement between internal audit and Management irrespective of whether they have been resolved; and
  - To consider the major findings of internal investigations and Management's response.

### d. Related Party Transaction

- To consider any related party transactions that may arise within the Company including any transaction, procedure or course of conduct that raises questions of Management's integrity.

### Activities

In line with the terms of reference for the ARMC, the following activities were carried out during the financial year:

- Review and approval of the audit plan of the CGRM department and external auditor, including their scope of work for the financial year prepared by the CGRM department and external auditor respectively;
- Review of the reports for the Company prepared by CGRM and external auditor and consideration of issues and action plans;
- Review of the quarterly and annual reports of the Company, prior to submission to the Board for consideration and approval;
- Review of the proposed key policies and procedures for adoption by the Company, prior to submission to the Board for consideration and approval;

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- Review of the Risk Management report presented by the Risk Management Committee on quarterly basis for consideration and approval;
- Meeting with the external auditor without management presence;
- Review of the performance, independence and fees of the external auditor;
- Review of the reports on the ARMC, Statement on Corporate Governance and SORMIC prior to their inclusion in the Company's Annual Report;
- Review and deliberation of the audit reports, issues and recommendations from the external and internal auditors from the audit conducted during the year;
- Review of the adequacy of resources and competencies of staff within the internal audit function to execute the plan and the results of their work; and
- Review and consideration of ad hoc and special reviews conducted by CGRM arising from special requests from Management/ ARMC.

### Internal Audit Function

The Company has an in-house internal audit function which is carried out by the CGRM department. The CGRM department reports to the ARMC and administratively to the CEO. The internal audit function has three (3) personnel comprising the Director of CGRM and two (2) internal auditors. The Director of CGRM, Noramly bin Bachok is a Member of the Malaysian Institute of Accountants (MIA) and a Member of the Institute of Internal Auditors Malaysia (IIAM).

The CGRM department has adopted a Corporate Governance Charter that provides for its independence in evaluating and reporting on the adequacy, integrity and effectiveness of the overall internal control system, risk management and corporate governance in the Company using a systematic and disciplined approach. The review and control improvement initiatives conducted by CGRM were defined in an annual audit plan that was reviewed and approved by the ARMC during the financial year.

During the year, as per the approved internal audit plan, CGRM has reviewed and assisted on the documentation and formalisation of the Company's policies and procedures, and facilitated the risk review and documentation of Ekuinas risk reporting to the RMC and ARMC. Furthermore, CGRM engages with the management of portfolio companies to advocate implementation of good governance and best practices.

CGRM also participates in the due diligence exercise for proposed acquisitions or investments, covering governance and investment risks. Major findings are highlighted to the Management and Board as part of the investment evaluation process, ensuring all major investment risks are prudently mitigated.

All internal audit functions during the year were conducted by CGRM department in accordance with the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework which include ensuring internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence. There were no areas of the internal audit function which were outsourced.

**This report is made in accordance with a resolution of the Board of Directors dated 12 March 2019.**

# DISCLOSURE POLICY

As a private equity firm mandated to manage and invest public funds, Ekuinas is a public interest entity operating in a highly regulated environment. We thus strive to be transparent to all stakeholders including the Government, our portfolio companies, the media and ultimately the Malaysian public. To this end, the Company has established a disclosure framework which is market-friendly, transparent and benchmarked against best practices.

Ekuinas' disclosure guidelines were formulated based on several industry guidelines including those outlined in the Walker Guidelines Monitoring Group 2007, a private equity monitoring group on transparency and disclosure, and the European Private Equity & Venture Capital Association (EVCA) Reporting Guidelines 2006, among others. The framework was also established following a comprehensive study of disclosures provided by leading private equity companies, sovereign wealth funds and hedge funds around the world.

The disclosures ranged from providing minimum information such as contact details and basic information on company websites, to the average provision of strategies and objectives, acquisitions and disposals, as well as portfolio performance. The benchmarks for Ekuinas were, however, organisations such as UK-based 3i plc and the Norway Government Pension Fund, which provide full disclosure of all portfolio holdings and ownerships, background on the management team, profiles of selected portfolios, as well as audited annual reports and financial statements.

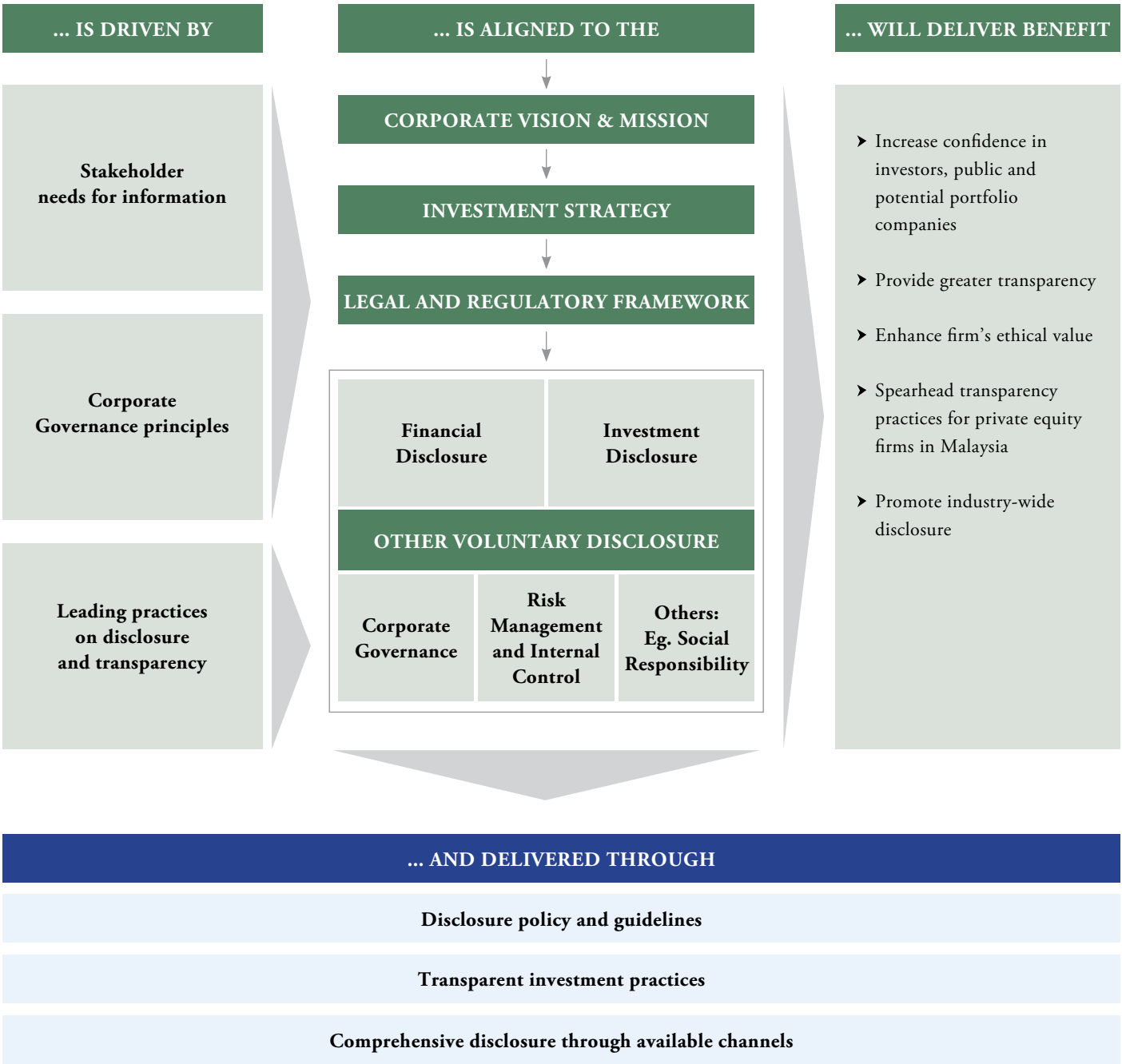
Ekuinas is committed to provide fair and comprehensive disclosure of corporate information, in line with the best practices adopted by global private equity firms. We will comply with all laws and regulations to ensure communications to the public are disseminated according to applicable legal and regulatory requirements.

Our key guiding principles on disclosure are:

- Benchmarked against leading private equity and sovereign wealth fund industry practices;
- Material information must be disclosed fairly and comprehensively to the public via annual reports and broadly disseminated news releases;
- Responsive to requests for information from our key stakeholders, while at the same time adhering to the rules and guidelines of this disclosure policy; and
- In the event that we are not able to disclose any information in cases where co-investment partners demand confidentiality or where disclosure would materially impact value creation plans, we would provide due explanation.

# DISCLOSURE POLICY

## EKUINAS DISCLOSURE FRAMEWORK







# FOCUSED

We are focused in our  
quest to achieve our  
objectives

*Ekuinas invested in Flexi Versa Group Sdn Bhd, a leading Southeast Asian turnkey and components manufacturer in 2018.*

# DISCLOSURE POLICY

## EKUINAS DISCLOSURE FRAMEWORK





*Ekuinas invested in Flexi Versa Group Sdn Bhd, a leading Southeast Asian turnkey and components manufacturer, in 2018.*

# ILTIZAM BY EKUINAS

EKUINAS IS A RESPONSIBLE CORPORATE CITIZEN AND WE STRIVE TO MAKE A LASTING POSITIVE IMPACT AS A PRIVATE EQUITY FIRM WITH A BUMIPUTERA MANDATE TO ENSURE WE STIMULATE SOCIAL PROGRESS WHILE ENABLING INDIVIDUALS, FAMILIES AND NEIGHBOURHOODS TO THRIVE. EKUINAS MAKES THIS POSSIBLE THROUGH ILTIZAM, WHICH CONTRIBUTES TO THE SOCIETY BY CREATING SUSTAINABLE VALUE FOR THE WELL-BEING OF THE BUMIPUTERA COMMUNITY.

ILTIZAM consist of three pillars: Entrepreneurship, Education and Community. The objective of ILTIZAM's initiatives is aligned with Ekuinas' mission of promoting equitable and sustainable Bumiputera wealth creation and economic participation.



In 2018 and as in the years before, every ringgit spent by ILTIZAM can be accounted for and results of all initiatives, tangible and intangible, are reported to Ekuinas' Board of Directors. This ensures everything that falls under ILTIZAM's ambit adheres to the highest standards of professionalism, accountability, responsibility and transparency.

A total of RM7.7 million was invested in all of our programmes across ILTIZAM's three pillars during the year and impacted around 9,000 beneficiaries. The total amount contributed to ILTIZAM over the last five years amounted to RM37.2 million.

ILTIZAM champions the culture of helping those in need, as we believe the assistance we provide can help transform businesses and lives. To embody and promote this culture, a key performance indicator (KPI) was implemented for all Ekuinas' employees in 2018.

This KPI encouraged all Ekuinas' employees to volunteer for at least a day in one or two ILTIZAM's programmes. Employees can volunteer in an ILTIZAM initiative or a self-initiated programme that requires the participation of other employees. In its first year of implementation, all of Ekuinas' employees met their KPIs.

During the year, activities participated by our employees include packing and distributing food to the homeless and underprivileged, distributing food boxes and *duit raya* during the holy month of Ramadhan, and acting as judges for a business challenge which was part of ILTIZAM Professional Development Programme that saw our employees imparting knowledge on business and investment to the young talents of the future.

# ILTIZAM FOR ENTREPRENEURSHIP



Micro, small and medium enterprises are recognised as the backbone of local economy and seen as a key driver of Malaysia's economic growth. The **ILTIZAM Entrepreneur Mentorship Programme (EMP)** aims to assist Bumiputera micro and small businesses across the country and support the government's target of SMEs contributions to the national gross domestic product (GDP) to reach 41% by 2020.

To encourage entrepreneurship beyond our core investment activities, we wanted Ekuinas, through ILTIZAM, to act as a mentor to small Bumiputera business owners, those that do not fall under our investment criteria, as their businesses are smaller in nature.

We wanted to help these entrepreneurs to strengthen their business by investing in the necessary systems, marketing tools and others, depending on each business' requirements.

In 2018, assistance from ILTIZAM EMP was extended to Raw Denim House, a Bumiputera bespoke vintage jeans maker from Besut, Terengganu. Raw Denim House handmakes jeans from denim cloth imported from Japan, Thailand, China, Dubai, the United States, Zimbabwe, Italy and Turkey.

Bespoke handmade jeans are a niche business in Malaysia and Raw Denim House has many loyal customers and a growing market that appreciate their originality and their commitment to creating vintage jeans. To preserve the traditional jeans-making method, the founders of Raw Denim House use custom-made two-prong buttons, chain



stitching and machines produced in the 1940s and 1950s.

After identifying a number of business challenges facing Raw Denim House, ILTIZAM embarked on initiatives to enhance the financial understanding of the company and increase the visibility and marketability of their bespoke jeans. This was done by improving the preparation of financial statements and building an interactive e-commerce website for "made-to-measure" custom tailored jeans for the company. Other efforts include implementation of a marketing pilot project to build brand awareness and increase Raw Denim House's capability to market, improving their business processes and installing a financial system. Our goal is that these initiatives will improve Raw Denim House's internal operations and the marketability of their brand and products.

A new venture undertaken by ILTIZAM for entrepreneurs in 2018 is a collaboration with the Youth Trust Foundation (MyHarapan) and Malaysian Global Innovation and Creativity Centre (MaGIC) which is to create micro-franchising opportunities for the B40 communities across the country.

Called the "PUSH Programme" (Pemangkin Usahawan Social Hebat), this initiative aims to produce dynamic, resilient and inclusive entrepreneurs, as well as generate and increase the income of the underprivileged community through apprenticeships.

Four impact-driven Bumiputera small businesses from PUSH Programme were selected by ILTIZAM. The target for these four businesses is to provide micro-franchising business opportunities to at least 39 micro-entrepreneurs from the B40 community.

The selected micro-franchise business opportunities are:

- **Stall Lipat** which provides customised business food stall for street food that is portable and affordable;
- **MyFizro**, a venture that aims to reintroduce ice popsicles, a traditional Malaysian ice-cream;
- **Gading Emas Venture**, a company that provides consultation and starter-kit for those interested in lobster and prawn farming; and
- **Walter Barber**, a business entity that offers a full time gentlemen's barbershop service.



# ILTIZAM FOR EDUCATION



ILTIZAM has long recognised the importance of education in a progressive and inclusive society. We believe that education is the key to Malaysia's future to break the cycle of poverty and necessary for a self-fulfilled economically independent life.

The need for education and life-long learning opportunities is also increasingly important for Malaysia to succeed in the rapidly evolving digital economy and the Fourth Industrial Revolution, commonly known as Industry 4.0.

To contribute towards and increase Malaysia's human capital, ILTIZAM's education pillar carries out the following initiatives:

- The Education Empowerment Programme
  - Assistance provided to Yayasan Peneraju Pendidikan Bumiputera (Yayasan Peneraju)
  - ILTIZAM Education Fund
  - Oil & Gas Marine Training and Development Programme
  - School Support Programme
  - Back-to-School Programme
- The Professional Development Programme



## ILTIZAM EDUCATION EMPOWERMENT PROGRAMME

ILTIZAM has consistently supported Yayasan Peneraju in achieving its mandate of increasing the quality of Bumiputera talent. Last year, ILTIZAM provided financial assistance of RM600,000 to Yayasan Peneraju to enable 28 Bumiputera students pursue their higher education at Ekuinas' education institutions. As at the end of last year, ILTIZAM has made a total contribution of RM2.8 million to Yayasan Peneraju over the last five years.

ILTIZAM Education Fund also directly supports deserving Bumiputera students studying at Ekuinas' education institutions namely Cosmopoint College, Kuala Lumpur Metropolitan University College and UNITAR International University.

These students often struggle with their studies, coming from financially challenged households but still possess the strong desire to push through despite all the difficulties.

Given the very limited avenues for these students, we are delighted to have been able to assist them, as we know that if they were given the opportunity to graduate and find employment, the impact to their families' lives is immeasurable. We are pleased to report that a total of RM2.0 million was disbursed to allow 1,616 students to continue their tertiary education.

Launched in 2016, the Oil & Gas Marine Training and Development Programme aims to develop Bumiputera senior officers to operate oil and gas vessels. The oil and gas industry requires all vessels to operate with a crew matrix comprising local employees in different ranks and varying levels of seniority.

A large majority of those holding senior positions on these vessels are foreign talents working in Malaysia. Clearly, increasing the maritime talent pool with more local senior officers will support the growth and resilience of the country's oil and gas industry.

## ILTIZAM FOR EDUCATION

In 2018, ILTIZAM invested RM600,000 to sponsor 26 candidates working at Icon Offshore Berhad and Orkim Sdn Bhd to pursue senior officers' programmes at Akademi Laut Malaysia (ALAM). This programme has successfully contributed towards a total of 58 Bumiputera candidates, eight of whom completed the senior rank officer programme and the remaining 50 are still undergoing the training.

ILTIZAM also seeks to improve education opportunities for communities especially disadvantaged and underprivileged children. This is through its School Support Programme and the Back-to-School Programme.

The School Support Programme assisted Sekolah Kebangsaan Bukit Lanjan (Asli) (SKBL) and Sekolah Kebangsaan Tun Abdul Razak (SKTAR). Both of these schools serve the Orang Asli communities.

ILTIZAM has been assisting SKBL in the past four years. In 2018, we continued to sponsor tuition classes for English, Bahasa Malaysia, Maths and Science for students in Standard Four to Standard Six and we facilitated teachers from the school to attend training with Khazanah Nasional Bhd's PINTAR (Promoting Intelligence, Nurturing Talent and Advocating Responsibility) Foundation's leadership programme for PINTAR school leaders. During the year, we also sponsored an iftar event for SKBL's 180 students and their families during Ramadhan.

A new school that we engaged in 2018 is SKTAR in Kuala Kubu Bharu, Selangor that has 187 students who are from the

Orang Asli community within the district. ILTIZAM sponsored assembly tents for the school and took the students to visit Institute Pendidikan Guru Kampung Tengku Ampuan Afzan in Kuala Lipis, Pahang. Visiting the teachers' institute

was initiated by the teachers at SKTAR to build awareness of a career as an educator among its students.

ILTIZAM also organised a special combined educational fieldtrip for students from SKTAR and SKBL. A fieldtrip called '*Program Santai Minda 2018*', which

included visits to the National Museum, Kuala Lumpur City Gallery and the National Science Centre with the aim to provide these students with learning opportunities outside the classroom and expose them to new discoveries and innovations.

### A total of 2,237 students students from 55 schools across 13 states benefited from ILTIZAM Back-to-School Programme in 2018

Another annual initiative is ILTIZAM Back-to-School Programme that helps to provide families with the assistance needed to enable their children to continue attending school and at the same time, alleviate the parents' burden of providing essential school supplies such as school uniform, socks and shoes. The beneficiaries are typically students from households that fall under the B40 classification living in rural areas.

A total of 2,237 students from 55 schools across 13 states benefited from the programme in 2018. This initiative was made possible by our partners - government agencies, Ministry of Education, school district offices and Jabatan Kemajuan Orang Asli (JAKOA).





## ILTIZAM FOR EDUCATION



### ILTIZAM PROFESSIONAL DEVELOPMENT PROGRAMME

ILTIZAM strongly believes in building the capabilities and skills of Bumiputera graduates through a specialised one-year graduate trainee programme with 75 placements available to be offered. Our contributions in this area is through ILTIZAM Professional Development Programme (PDP), a bedrock of Ekuinas' initiative for education since 2012.

In this programme, we provide on-the-job work experience for Bumiputera graduates from low-income families at our portfolio companies as well as partner companies,

and at the same time, provide them with personal leadership development, English and Communication enhancement plus other soft skills and technical skills required by them to boost their employability.

Throughout the programme, they earn an income while learning the core skills needed to thrive in the corporate workplace. These graduates are also given access to coaching and mentoring sessions aimed at developing a professional attitude and mind-set. All activities conducted over a 12-month period are designed to position them for successful long-term careers.

In 2018, 70 trainees graduated and 75 new trainees were accepted into ILTIZAM PDP. The new trainees, selected from 7,000 applications across the country were offered placements at Ekuinas, our portfolio companies and partner companies.

One indicator of success is the number of trainees that have secured permanent employment after graduating from ILTIZAM PDP. Since inception of this programme in 2012, more than 90% of our graduate trainees managed to secure permanent graduate level employment and many of them are currently working in government agencies, listed companies, banks and education institutions, as well as Ekuinas' portfolio companies.



# ILTIZAM FOR COMMUNITY



The **Community Enrichment Programme** is the third pillar in ILTIZAM's Framework. Our community-centred initiatives aim to demonstrate high standards of social responsibility by continuously working towards improving the quality of life within the Bumiputera communities especially the underprivileged and disadvantaged across the country and empowering practitioners in the arts and culture with the purpose to preserve our Malaysian heritage.

In 2018, ILTIZAM continued to collaborate with award-winning social enterprise, the Batik Boutique. Here, we contributed towards a new Batik Boutique centre, which opened in early 2018, equipped with new sewing machines and refurbishments. The unit serves as both workshop and training centre for underprivileged women who live at the government-subsidised housing (PPR) flats in Kota Damansara to give them the opportunity to work as seamstresses and undergo various trainings such as sewing, fabric dyeing and packaging.

The skills acquired from Batik Boutique will enable them to earn a fair income and improve their employability. As a result, the production of Batik Boutique's handiwork has seen a tremendous increase with this centre.

As in the previous years, ILTIZAM donated food and non-food items to the underprivileged community during the holy month of Ramadhan for a total of approximately RM160,000, which benefited more than 5,200 individuals. These include children from Rumah Kasih Pertiwi, urban poor families in PPR Bukit



Bangsar and PPR Kota Damansara and underprivileged students from UNITAR International University, Kuala Lumpur Metropolitan University College and Cosmopoint College.

ILTIZAM also collaborated with Institut Onn Ja'afar (IOJ), a non-profit organisation that provides medical, education, food and material aids to the poor and vulnerable. Here, ILTIZAM and IOJ collaborated on Jom Bekpes programme,

a soup kitchen initiative that provides breakfast for underprivileged children and the homeless in Chow Kit, Kuala Lumpur.

**In 2018, ILTIZAM continued to collaborate with award-winning social enterprise, the Batik Boutique. Here, we contributed towards a new Batik Boutique centre, which opened in early 2018, equipped with new sewing machines and refurbishments**

Besides making a philanthropic donation of RM30,000 to cover the expenses for breakfast, Ekuinas' employees volunteered their time to pack and distribute food for 13 Jom Bekpes sessions between July to November 2018.

ILTIZAM also embarked on another collaboration with MyHarapan to organise the Social Project Challenge 2018 to encourage the youth to address social issues facing the country using a social enterprise business model.





## ILTIZAM FOR COMMUNITY



ILTIZAM contributed RM30,000 to organise this and Ekuinas' employees volunteered their expertise by mentoring students from 10 teams that were selected to participate in a three-day boot camp to refine their ideas.

ILTIZAM also made financial contributions to Badan Amal Kebajikan Al-Miezan, Persatuan Orang-orang Cacat Anggota Malaysia, Hidayah Centre Foundation, Tabung Thalassaemia Malaysia, Tilawah Al-Quran Programme and Festival Kuantan Kreatif in 2018.

To support the local arts and Malaysian culture, ILTIZAM sponsored a musical production organised by Tunas Tari and supported *Jerayawara Pekan Bangsawan Warisan Budaya 2018*, a roadshow that celebrates and promotes Teater Bangsawan, which is part of the Malay cultural heritage.

*Jerayawara Pekan Bangsawan Warisan Budaya 2018*, jointly-organised by Pat Ibrahim Project Entertainment and



Jabatan Kebudayaan dan Kesenian Negara, took place in nine venues throughout the country. Each location held a symposium on the preservation of Teater Bangsawan and a four-day workshop on the musical production to stage *Bangsawan Dendam Laksamana*, a musical theatre based on the history of Sultan Mahmud Mangkat Dijulang.

We would like to take this opportunity to thank Ekuinas' employees, ILTIZAM's partners, volunteers and beneficiaries. The work accomplished by ILTIZAM and all the positive changes that we have achieved are only possible because of them.

We, at ILTIZAM, hope that our efforts during the year under review have made significant impact to the beneficiaries and have inspired them to push themselves to achieve their highest potential. We look forward to helping more Bumiputera micro and small businesses as well as communities throughout the country.



# HUMILITY

We stay true to our roots  
and are cognisant that we  
serve a greater purpose

*Ekuiņas supported a non-governmental organisation, PUSAKA, in its efforts to preserve the art of making 'Rebana Ubi' in 2014.*

## ILTIZAM FOR COMMUNITY



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*Ekuinas supported a non-governmental organisation, PUSAKA, in its efforts to preserve the art of making 'Rebana Ubi' in 2014.*

# EKUINAS DIRECT (TRANCHE II) FUND

AS AT 31 DECEMBER 2018

## FUND OVERVIEW

Fund Name	Ekuinas Direct (Tranche II) Fund
Vintage Year	2012
Status	Deployed
Capital Commitment	RM1.0 billion
Term	5 Years + 2 Years + 1.5 Years
Investment Period	3 to 5 Years
Legal Form & Structure	One fund manager and one investor.  Fund: Ekuinas Direct (Tranche II) Fund Fund Manager: Ekuiti Nasional Berhad Fund's Domicile: Malaysia
Geographical Focus	Malaysia
Investment Focus	Buy-Out and Growth Capital Fund
Industry Focus	- Education - Oil & Gas - Fast Moving Consumer Goods (FMCG) - Retail & Leisure - Healthcare - Services



# EKUINAS DIRECT (TRANCHE II) FUND

AS AT 31 DECEMBER 2018

## FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2018

	2017 RM million	Movement RM million	2018 RM million
<b>A. Capital Commitment</b>	<b>1,000.0</b>	<b>-</b>	<b>1,000.0</b>
<b>B. Capital Called</b>	<b>1,051.5</b>	<b>13.5</b>	<b>1,065.1</b>
<b>C. Capital Reinvested</b>	<b>4.8</b>	<b>-</b>	<b>4.8</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>1,056.3</b>	<b>13.5</b>	<b>1,069.9</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>95.0</b>	<b>(10.0)</b>	<b>85.0</b>
<b>F. Total Capital Invested (D+E)</b>	<b>1,151.3</b>	<b>3.5</b>	<b>1,154.9</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	12.4	4.9	17.3
Net Unrealised Gain/(Loss) on Fair Value of Investments	346.9	(69.2)	277.7
Realised Gain from Divestments	27.6	160.6	188.2
Net Interest Income	4.8	2.1	6.9
<b>Total Gross Portfolio Return</b>	<b>391.7</b>	<b>98.4</b>	<b>490.1</b>
Organisational Expenses	(154.6)	(40.6)	(195.2)
Capital Distributions to Limited Partners (C+H)*	(102.6)	(449.8)	(552.4)
<b>Net Increase/(Decrease) in Net Assets Value</b>	<b>134.6</b>	<b>(392.0)</b>	<b>(257.5)</b>
<b>G. Net Assets Value</b>	<b>1,285.9</b>	<b>(388.5)</b>	<b>897.4</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	831.7	(151.1)	680.6
Net Unrealised Gain/(Loss) on Fair Value of Investments	346.9	(69.2)	277.7
<b>Investments carried at Fair Value</b>	<b>1,178.6</b>	<b>(220.3)</b>	<b>958.3</b>
Plus: Cash Balance	20.2	(3.2)	17.0
Plus: Working Capital	88.4	(166.3)	(77.9)
Plus: Uncalled Capital	(1.3)	1.3	-
<b>Equals Net Assets Value</b>	<b>1,285.9</b>	<b>(388.5)</b>	<b>897.4</b>
<b>Net Assets Value</b>	<b>1,285.9</b>	<b>(388.5)</b>	<b>897.4</b>
<b>H. Capital Distributed</b>	<b>97.8</b>	<b>449.8</b>	<b>547.6</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>1,383.7</b>	<b>61.3</b>	<b>1,445.0</b>
<b>Gross IRR p.a.</b>	<b>14.6%</b>		<b>14.0%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>10.2%</b>		<b>9.8%</b>
<b>Carried Interest (RM million)</b>	<b>57.8</b>		<b>72.3</b>
<b>H/B Cash Distributions to Capital Called</b>	<b>0.1</b>		<b>0.5</b>
<b>G/B Net Assets Value to Capital Called</b>	<b>1.2</b>		<b>0.8</b>
<b>(G+H)/B Total Value to Capital Called</b>	<b>1.3</b>		<b>1.4</b>
<b>B/A Capital Called to Committed Capital</b>	<b>1.1</b>		<b>1.1</b>

\* Includes deemed distribution for reinvested capital

# EKUINAS DIRECT (TRANCHE II) FUND

AS AT 31 DECEMBER 2018

## INVESTMENT PERFORMANCE

### (a) Current Portfolio Summary as at 31 December 2018

Company	Date of Initial Investment	Stake %	Cost of Investment <sup>#</sup> RM million	Fair Value <sup>#</sup> RM million	Gross Portfolio Return RM million
Icon Offshore Berhad	19 November 2012	9.6	201.1	924.8	302.1
PrimaBaguz Sdn Bhd	27 November 2013	100.0	40.0		
Asia Pacific Institute of Information Technology Lanka Pvt Ltd	20 December 2013	45.9	20.3		
Revenue Valley Group	27 June 2014	-	10.0		
Coolblog Sdn Bhd	24 July 2014	60.0	45.8		
Orkim Sdn Bhd	18 December 2014	95.5	309.8		
<b>Total</b>			<b>627.0</b>		

Gross IRR 14.0% p.a.

Net IRR 9.8% p.a.

Net IRR is derived after management fees and other operating expenses.

<sup>#</sup> Cost of investment and fair value represent amount net of financing

### (b) Realisation Summary as at 31 December 2018

Company	Date of Disposal	Stake %	Cost of Investment RM million	Total Realisation RM million
<b>Full realisation</b>				
Burger King Singapore	18 August 2015	100.0	47.2	23.9
Burger King Malaysia	18 August 2015	20.9	52.6	25.1
Lyndarahim Ventures Sdn Bhd	28 March 2016	-	5.0	6.0
Tenby Educare Sdn Bhd	17 January 2018	70.0	70.0	168.4
Tranglo Sdn Bhd	11 October 2018	60.0	52.8	114.9
<b>Partial realisation</b>				
Icon Offshore Berhad	25 June 2014	7.8	76.6	154.0

# EKUINAS DIRECT (TRANCHE III) FUND

AS AT 31 DECEMBER 2018

## FUND OVERVIEW

<b>Fund Name</b>	Ekuinas Direct (Tranche III) Fund
<b>Vintage Year</b>	2014
<b>Status</b>	Investing
<b>Capital Commitment</b>	RM1.5 billion
<b>Term</b>	5 Years + 2 Years
<b>Investment Period</b>	3 to 5 Years
<b>Legal Form &amp; Structure</b>	One fund manager and one investor.  Fund: Ekuinas Direct (Tranche III) Fund Fund Manager: Ekuiti Nasional Berhad Fund's Domicile: Malaysia
<b>Geographical Focus</b>	Malaysia
<b>Investment Focus</b>	Buy-Out and Growth Capital Fund
<b>Industry Focus</b>	<ul style="list-style-type: none"> <li>- Education</li> <li>- Oil &amp; Gas</li> <li>- Fast Moving Consumer Goods (FMCG)</li> <li>- Retail &amp; Leisure</li> <li>- Healthcare</li> <li>- Services</li> </ul>

# EKUINAS DIRECT (TRANCHE III) FUND

AS AT 31 DECEMBER 2018

## FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2018

	2017 RM million	Movement RM million	2018 RM million
<b>A. Capital Commitment</b>	<b>1,500.0</b>	<b>-</b>	<b>1,500.0</b>
<b>B. Capital Called</b>	<b>384.9</b>	<b>603.8</b>	<b>988.7</b>
<b>C. Capital Reinvested</b>	<b>-</b>	<b>10.8</b>	<b>10.8</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>384.9</b>	<b>614.6</b>	<b>999.5</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>127.5</b>	<b>77.5</b>	<b>205.0</b>
<b>F. Total Capital Invested (D+E)</b>	<b>512.4</b>	<b>692.1</b>	<b>1,204.5</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	28.1	22.6	50.7
Net Unrealised Gain/(Loss) on Fair Value of Investments	83.8	(55.3)	28.5
Realised (Loss)/Gain from Divestment	(57.7)	36.7	(21.0)
Net Interest Expenses	(0.4)	(4.3)	(4.7)
<b>Total Gross Portfolio Return</b>	<b>53.9</b>	<b>(0.3)</b>	<b>53.5</b>
Organisational Expenses	(127.4)	(54.3)	(181.6)
Capital Distributions to Limited Partners (C+H)*	-	(127.0)	(127.0)
<b>Net Decrease in Net Assets Value</b>	<b>(73.5)</b>	<b>(181.6)</b>	<b>(255.1)</b>
<b>G. Net Assets Value</b>	<b>438.9</b>	<b>510.5</b>	<b>949.4</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	852.3	157.8	1,010.1
Net Unrealised Gain/(Loss) on Fair Value of Investments	83.8	(55.3)	28.5
<b>Investments carried at Fair Value</b>	<b>936.1</b>	<b>102.5</b>	<b>1,038.6</b>
Plus: Cash Balance	4.5	2.8	7.3
Plus: Working Capital	(501.7)	440.2	(61.5)
Plus: Uncalled Capital	-	(35.0)	(35.0)
<b>Equals Net Assets Value</b>	<b>438.9</b>	<b>510.5</b>	<b>949.4</b>
<b>Net Assets Value</b>	<b>438.9</b>	<b>510.5</b>	<b>949.4</b>
<b>H. Capital Distributed</b>	<b>-</b>	<b>116.3</b>	<b>116.3</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>438.9</b>	<b>626.8</b>	<b>1,065.7</b>
<b>Gross IRR p.a.</b>	<b>10.7%</b>		<b>4.5%</b>
<b>Net IRR p.a. (before carried interest)#</b>	<b>N/M</b>		<b>N/M</b>
<b>Carried Interest (RM million)</b>	<b>-</b>		<b>-</b>
<b>H/B Cash Distributions to Capital Called</b>	<b>-</b>		<b>0.1</b>
<b>G/B Net Assets Value to Capital Called</b>	<b>1.1</b>		<b>1.0</b>
<b>(G+H)/B Total Value to Capital Called</b>	<b>1.1</b>		<b>1.1</b>
<b>B/A Capital Called to Committed Capital</b>	<b>0.3</b>		<b>0.7</b>

\* Includes deemed distribution for reinvested capital

# Not presented as capital is still being deployed

# EKUINAS DIRECT (TRANCHE III) FUND

AS AT 31 DECEMBER 2018

## INVESTMENT PERFORMANCE

### (a) Current Portfolio Summary as at 31 December 2018

Company	Date of Initial Investment	Stake %	Cost of Investment <sup>#</sup> RM million	Fair Value <sup>#</sup> RM million	Gross Portfolio Return RM million
PMCare Sdn Bhd*	29 December 2015	60.0	21.0	747.6	74.5
MediExpress (Malaysia) Sdn Bhd*	29 December 2015	60.0	58.8		
Al-Ikhsan Sports Sdn Bhd	22 July 2016	35.0	67.3		
ILMU Education Group	15 December 2015	-	16.7		
Icon Offshore Berhad	5 December 2017	-	20.0		
Davex (Malaysia) Sdn Bhd	12 December 2017	100.0	76.5		
Cosmopoint Group	27 December 2017	90.0	54.7		
UNITAR International University	27 December 2017	90.0	109.2		
Revenue Valley Group	27 December 2017	85.8	132.4		
Icon Offshore Berhad	27 December 2017	32.7	100.1		
Flexi Versa Group Sdn Bhd	16 April 2018	70.0	52.5		
<b>Total</b>			<b>709.1</b>		

Gross IRR 4.5% p.a.  
Net IRR N/M\*\*

Net IRR is derived after management fees and other operating expenses.

<sup>#</sup> Cost of investment and fair value represent amount net of financing

\* Realisation of PMCare Sdn Bhd and MediExpress (Malaysia) Sdn Bhd was completed in early 2019

\*\* Not presented as capital is still being deployed

### (b) Realisation Summary as at 31 December 2018

Company	Date of Disposal	Stake %	Cost of Investment RM million	Total Realisation RM million
<b>Full realisation</b>				
ILMU Education Group	29 December 2017	-	95.8	40.2
ILMU Education Group	17 January 2018	-	37.5	72.2

# EKUINAS OUTSOURCED (TRANCHE I) FUND

AS AT 31 DECEMBER 2018

## FUND OVERVIEW

Fund Name	Ekuinas Outsourced (Tranche I) Fund
Vintage Year	2011
Status	Deployed
Capital Commitment	RM400.0 million
Term	6 Years + 1 Year + 1 Year
Investment Period	3 to 6 Years
Legal Form & Structure	<p>One fund manager and multiple investors. Outsourced to the following fund and fund managers:</p> <p>1) Fund: Navis Malaysia Growth Opportunities Fund I, L.P. Fund Manager: Navis MGO I GP Ltd. Fund’s Domicile: Cayman Islands</p> <p>2) Fund: CIMB National Equity Fund Ltd. P. Fund Manager: CIMB General Partner Ltd. Fund’s Domicile: Labuan</p> <p>3) Fund: TAP Harimau Fund L.P. Fund Manager: TAP (Malaysia) Ltd. Fund’s Domicile: Labuan</p>
Investment Focus	Malaysia
Investment Focus by Stage	Minority Growth Capital Fund
Investment Focus by Industry	General except for Ekuinas’ negative investment list

# EKUINAS OUTSOURCED (TRANCHE I) FUND

AS AT 31 DECEMBER 2018

## FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2018

	2017 RM million	Movement RM million	2018 RM million
<b>A. Capital Commitment</b>	<b>400.0</b>	<b>-</b>	<b>400.0</b>
<b>B. Capital Called</b>	<b>307.0</b>	<b>0.7</b>	<b>307.7</b>
<b>C. Capital Reinvested</b>	<b>26.0</b>	<b>-</b>	<b>26.0</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>333.0</b>	<b>0.7</b>	<b>333.7</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F. Total Capital Invested (D+E)</b>	<b>333.0</b>	<b>0.7</b>	<b>333.7</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Net Unrealised Gain/(Loss) on Fair Value of Investments	113.5	(30.0)	83.6
Realised Gain/(Loss) from Divestment	(1.8)	11.7	9.9
Interest Income/(Expenses)	-	-	-
<b>Total Gross Portfolio Return</b>	<b>111.7</b>	<b>(18.3)</b>	<b>93.5</b>
Organisational Expenses	(19.1)	5.5	(13.7)
Capital Distributions to Limited Partners (C+H)*	(26.0)	(145.9)	(171.9)
<b>Net Increase/(Decrease) in Net Assets Value</b>	<b>66.6</b>	<b>(158.7)</b>	<b>(92.2)</b>
<b>G. Net Assets Value</b>	<b>399.6</b>	<b>(158.0)</b>	<b>241.5</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	146.5	(1.4)	145.1
Net Unrealised Gain/(Loss) on Fair Value of Investments	113.5	(30.0)	83.6
<b>Investments carried at Fair Value</b>	<b>260.0</b>	<b>(31.4)</b>	<b>228.7</b>
Plus: Cash Balance	-	-	-
Plus: Working Capital	139.6	(126.6)	12.9
Plus: Uncalled Capital	-	-	-
<b>Equals Net Assets Value</b>	<b>399.6</b>	<b>(158.0)</b>	<b>241.5</b>
<b>Net Assets Value</b>	<b>399.6</b>	<b>(158.0)</b>	<b>241.5</b>
<b>H. Capital Distributed</b>	<b>-</b>	<b>145.9</b>	<b>145.9</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>399.6</b>	<b>(12.1)</b>	<b>387.5</b>
<b>Gross IRR p.a.</b>	<b>7.5%</b>		<b>5.7%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>6.6%</b>		<b>4.8%</b>
<b>Carried Interest (RM million)</b>	<b>6.2</b>		<b>-</b>
<b>H/B Cash Distributions to Capital Called</b>	<b>-</b>		<b>0.5</b>
<b>G/B Net Assets Value to Capital Called</b>	<b>1.3</b>		<b>0.8</b>
<b>(G+H)/B Total Value to Capital Called</b>	<b>1.3</b>		<b>1.3</b>
<b>B/A Capital Called to Committed Capital</b>	<b>0.8</b>		<b>0.8</b>

\* Includes deemed distribution for reinvested capital



# EKUINAS OUTSOURCED

(TRANCHE I) FUND

AS AT 31 DECEMBER 2018

## INVESTMENT PERFORMANCE

### Current Portfolio Summary as at 31 December 2018

Company	Ekuinas Commitment RM million	Private Capital Commitment RM million	Total Fund Size RM million	Ekuinas Invested Capital RM million	Investment by Others RM million	Net Asset Value RM million
Navis Malaysia Growth Opportunities Fund I, L.P.						
CIMB National Equity Fund Ltd. P.						
TAP Harimau Fund L.P	400.0	151.9	551.9	145.1	80.1	241.5

**Gross IRR** 5.7% p.a.

**Net IRR** 4.8% p.a.

# EKUINAS OUTSOURCED (TRANCHE II) FUND

AS AT 31 DECEMBER 2018

## FUND OVERVIEW

<b>Fund Name</b>	Ekuinas Outsourced (Tranche II) Fund
<b>Vintage Year</b>	2013
<b>Status</b>	Deployed
<b>Capital Commitment</b>	RM240.0 million
<b>Term</b>	7 Years + 1 Year
<b>Investment Period</b>	3 to 7 Years
<b>Legal Form &amp; Structure</b>	<p>One fund manager and multiple investors. Outsourced to the following fund and fund managers:</p> <ol style="list-style-type: none"> <li>1) Fund: RMCP One Sdn Bhd Fund Manager: RMCP Cayman Ltd. Fund's Domicile: Malaysia</li> <li>2) Fund: COPE Opportunities 3 Sdn Bhd Fund Manager: CMS Opus Private Equity Sdn Bhd Fund's Domicile: Malaysia</li> <li>3) Fund: Tael Tijari (OFM) L.P. Fund Manager: TAEL Tijari Partners Ltd. Fund's Domicile: Cayman Islands</li> </ol>
<b>Investment Focus</b>	Malaysia
<b>Investment Focus by Stage</b>	Minority Growth Capital Fund
<b>Investment Focus by Industry</b>	General except for Ekuinas' negative investment list

# EKUINAS OUTSOURCED (TRANCHE II) FUND

AS AT 31 DECEMBER 2018

## FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2018

	2017 RM million	Movement RM million	2018 RM million
<b>A. Capital Commitment</b>	<b>240.0</b>	<b>-</b>	<b>240.0</b>
<b>B. Capital Called</b>	<b>92.3</b>	<b>0.8</b>	<b>93.2</b>
<b>C. Capital Reinvested</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>92.3</b>	<b>0.8</b>	<b>93.2</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F. Total Capital Invested (D+E)</b>	<b>92.3</b>	<b>0.8</b>	<b>93.2</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Net Unrealised Loss on Fair Value of Investments	(8.3)	(2.6)	(10.9)
Realised Loss from Divestment	(2.3)	-	(2.3)
<b>Total Gross Portfolio Loss</b>	<b>(10.6)</b>	<b>(2.6)</b>	<b>(13.2)</b>
Organisational Expenses	(5.3)	(0.4)	(5.7)
<b>Net Decrease in Net Assets Value</b>	<b>(15.9)</b>	<b>(3.0)</b>	<b>(18.9)</b>
<b>G. Net Assets Value</b>	<b>76.4</b>	<b>(2.2)</b>	<b>74.2</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	85.2	(0.3)	84.9
Net Unrealised Loss on Fair Value of Investments	(8.3)	(2.6)	(11.0)
<b>Investments carried at Fair Value</b>	<b>76.9</b>	<b>(2.9)</b>	<b>73.9</b>
Plus: Cash Balance	-	-	-
Plus: Working Capital	(0.5)	0.7	0.3
Plus: Uncalled Capital	-	-	-
<b>Equals Net Assets Value</b>	<b>76.4</b>	<b>(2.2)</b>	<b>74.2</b>
<b>Net Assets Value</b>	<b>76.4</b>	<b>(2.2)</b>	<b>74.2</b>
<b>H. Capital Distributed</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>76.4</b>	<b>(2.2)</b>	<b>74.2</b>
<b>Gross IRR p.a.<sup>#</sup></b>	<b>N/M</b>		<b>N/M</b>
<b>Net IRR p.a. (before carried interest)<sup>#</sup></b>	<b>N/M</b>		<b>N/M</b>
<b>Carried Interest (RM million)</b>	<b>0.5</b>		<b>0.5</b>
<b>H/B Cash Distributions to Capital Called</b>	<b>-</b>		<b>-</b>
<b>G/B Net Assets Value to Capital Called</b>	<b>0.8</b>		<b>0.8</b>
<b>(G+H)/B Total Value to Capital Called</b>	<b>0.8</b>		<b>0.8</b>
<b>B/A Capital Called to Committed Capital</b>	<b>0.4</b>		<b>0.4</b>

\* Includes deemed distribution for reinvested capital

# The Gross IRR and Net IRR for Ekuinas Outsourced (Tranche II) Fund are not presented as the fund is still in early stages of investments

# EKUINAS OUTSOURCED (TRANCHE II) FUND

AS AT 31 DECEMBER 2018

## INVESTMENT PERFORMANCE

### Current Portfolio Summary as at 31 December 2018

Company	Ekuinas Commitment RM million	Private Capital Commitment RM million	Total Fund Size RM million	Ekuinas Invested Capital RM million	Investment by Others RM million	Net Asset Value RM million
RMCP One Sdn Bhd						
COPE Opportunities 3 Sdn Bhd						
Tael Tijari (OFM) L.P.	180.0*	110.1	290.1	84.9	47.2	74.2
					<b>Gross IRR</b>	<b>N/M<sup>#</sup></b>
					<b>Net IRR</b>	<b>N/M<sup>#</sup></b>

\* Tuas Capital Partners Malaysia Growth 1 L.P. was terminated in 2015

<sup>#</sup> The financial performance for Ekuinas Outsourced (Tranche II) is not presented as the fund is still in early stages of investments

# NOTES TO THE PORTFOLIO REPORTING

## 1. NOTES TO THE PORTFOLIO REPORTING

The external auditor, PwC, was engaged by Ekuinas to perform certain procedures on the Portfolio Reporting on pages 108 - 120 for the financial year ended 31 December 2018, and has checked the information on Funds' Net Assets Value and Investment Performance as at 31 December 2018 included therein to support source data, and re-performed computations, where applicable.

# GLOSSARY

## Buy-Out

(Also known as MBO-LBO-MBI-BIMBO)

Buy-out funds enable the current operating management and investors to acquire or to purchase a significant shareholding in the company they manage. The private equity firm usually gains control of a majority of a target company's equity when a buy-out occurs.

## "Buy and Build" Strategy

A strategy to support active, inorganic growth of portfolio companies through add-on acquisitions.

## Bolt-on Investment

(Also known as Follow-on Investment)

An investment via an existing portfolio company into a business, usually in the same industry, that presents strategic value.

## Co-investment

A co-investment is a minority investment made alongside another private equity investor. It is a passive, non-controlling investment, as the private equity firm involved will typically exercise control and perform monitoring functions.

## Commitment

The specified sum of capital that has been agreed to a private equity fund. The sum of commitments to a private equity fund equals the total size of the fund.

## Committed Investment

The specified amount of capital that has been committed for investment in a portfolio company.

## Divestment

Reduction of an asset or sale of an existing business by a firm.

## Drawdown

The actual act of transferring capital that has been committed to the fund for undertaking an investment.

## Dry Powder

Amount of cash reserves or liquid assets available to deploy for investment.

## Emerging Markets

Funds that invest in equity or debt of emerging markets that tend to have higher inflation and volatile growth.

## Fund of Funds

A financial instrument that invests in a number of private equity partnerships. Ekuinas' Outsourced Programme is a fund of funds where Ekuinas' capital is pooled together with capital raised by third party private equity fund managers that have been appointed to invest on its behalf.

## General Partner (GP)

The General Partner (GP) is in charge of managing a private equity fund's portfolio and earns a management fee.

## Growth Capital

Growth capital refers to funds used to accelerate the growth of a company or used for business expansion.

## Limited Partner (LP)

Institutions or high-net-worth individuals/sophisticated investors that contribute capital to a private equity fund. In Ekuinas' case, the LP is Yayasan Ekuiti Nasional/the Government of Malaysia.

## Management Fees

Management fees during the investment period are almost invariably calculated as a percentage fee applied to the commitments made by the LP to the fund. The primary determinant of the workload for the GP is the search for potential investments, and this is driven by the size of total commitments to the fund, and not the actual amount invested at this stage in the fund's lifetime.

## Net Internal Rate of Return (IRR) %

The net IRR earned by an LP to date after fees and carry. The internal rate of return is based upon the realised cash flows and the valuation of the remaining interest in the partnership. IRR is an estimated figure, given that it relies upon not only cash flows but also the valuation of unrealised assets.

## Portfolio Companies/Investee Companies

A portfolio company or an investee company is a company or entity in which a private equity fund invests. All of the companies currently backed by a private equity firm can be referred to as being under the firm's portfolio.

## Private Investment in Public Equity (PIPE)

Investment by a private equity fund in a publicly traded company.

## Public-Private Partnerships (PPP)

Contractual agreements between public bodies, local authorities or central government, and private companies to deliver a public, social or economic infrastructure project.

## Sector Focused

A fund that invests solely in businesses that operate in a particular industry or sector of the economy.

## Venture Capital

Venture capital is a type of private equity investment that provides capital to new or growing businesses. Venture funds invest in start-up firms and small businesses with perceived, long-term growth potential.

Based on some definitions on ([www.preqin.com](http://www.preqin.com)) and accepted internal uses at Ekuinas







**Ekuiti Nasional Berhad (868265 U)**

Level 16, Surian Tower,  
No 1 Jalan PJU 7/3, Mutiara Damansara,  
47810 Petaling Jaya, Selangor.

Tel: +603 7710 7171 Fax: +603 7710 7173

**[www.ekuinass.com.my](http://www.ekuinass.com.my)**