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Ekuinas may sell ILMU to third party

Business & Markets 2014

Written by Yen Ne Foo of theedgemalaysia.com

Tuesday, 29 April 2014 10:30

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KUALALUMPUR: Ekuiti Nasional Bhd (Ekuinas), a state-funded private equity fund management company, is planning to list ILMU Education Group Bhd in 2015. Ekuinas chief executive officer Datuk Abdul Rahman Ahmad does not rule out the possibility of the fund selling it to a third party as it did with its investment in Konsortium Logistik Bhd.

"As you know we have entered into asset crystallisation phase, divestment phase because this is our fifth year of operations ... we hope ILMU to be our next one [to divest] but it will probably be in 2015," he said.

However, Abdul Rahman said the private equity fund company remains open to an option for divesting its interest in ILMU.

"I think our exit strategy lies in either to list the company on Bursa Malaysia which I believe is the preferred strategy by the government because it allows institutionalisation of the company as well as the bigger opportunity for Malaysians and Malaysian institutions to participate in this company going forward.

"However, we are open and we do look at what we call strategic sale ... we are open as long as it maximises the value [and] at the same time, it meets the social objectives that we are pursuing," he said.

According to Abdul Rahman, the fund's investment period is between three and five years.

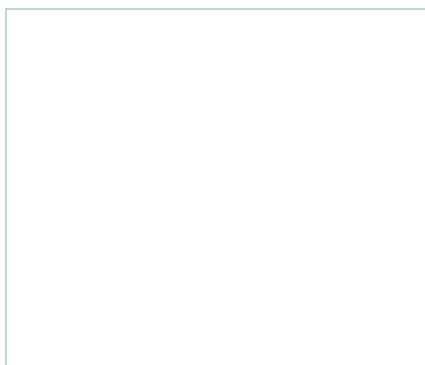
Ekuinas is already working towards the listing of Icon Offshore Bhd Malaysia's largest pure-play offshore support vessel company by June.

In April last year, Equinas received RM600 million from the government, bringing the cumulative total to RM2.4 billion or 48% of the total sum originally allocated under the 9th and 10th Malaysia plans

Ekuinas hopes to receive additional funding of RM600 million this year from the government but there is no indication when it will be granted a bigger war chest.

Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar said, "It would depend on the government. At this moment, RM600 million has been given out. So the total is RM2.4 billion. As the amount gets exhausted, we have additional allocation."

On Ekuinas' future investment plans, Abdul Rahman said it will continue to focus on the six sectors it has identified: education, services, healthcare, oil and gas, fast moving consumer goods, and retail and leisure.



(From left) Ekuiti Nasional Bhd chairman Datuk Seri Arshad Raja Tun Uda, Abdul Wahid and Abdul Rahman at the announcement of Ekuinas results yesterday.

He said Equinas will "continue to try to look at investment" in the healthcare sector, which it has yet to venture into while exploring other options within the sectors it is already operating in.

Last year, Ekuinas undertook nine direct and outsourced investments with a capital of RM246.8 million.

It made three direct investments worth RM121.1 million. They were investments in Integrated Food Group to expand Burger King Malaysia, in ILMU for the acquisition of APIIT Lanka Pte Ltd, and in PrimaBaguz Sdn Bhd.

On its social objectives, Ekuinas increased the total bumiputera equity value in its portfolio companies by RM2.8 billion or 1.7 times of the capital invested. The total shareholder value for all portfolio companies also increased by RM4.1 billion or 2.5 times of the invested capital.

This article first appeared in *The Edge Financial Daily*, on April 29, 2014.

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