

Ekuinas throws weight behind Icon Offshore

> Government-linked private equity fund wants to continue to add value to company

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PETALING JAYA: Government-linked private equity fund Ekuiti Nasional Bhd (Ekuinas) has expressed its confidence in Icon Offshore Bhd, saying that it still believes in the future of the offshore supply vessel provider.

"We want to continue to add value to it (Icon Offshore)," Ekuinas chairman Raja Tan Sri Arshad Raja Tun Uda told a press conference here yesterday in conjunction with the results announcement for 2014.

Ekuinas CEO Datuk Abdul Rahman Ahmad stressed that Icon Offshore has been a good investment for Ekuinas.

"With the listing of Ekuinas in June 2014, we raised more than RM545 million and generated a realised gain of RM336.5 million for 2.6 times capital invested.

"We continue to be committed and believe in long-term value of our portfolio companies, including Icon Offshore," he said.

Filings with the stock exchange show that Ekuinas holds a 42.28% stake in Icon Offshore.

Icon Offshore, which has seen its share price nosedive in recent months due to the decline in global oil prices,

came into the limelight when its CEO Jamal Yusof and COO Rahman Yusof were remanded by the Malaysian Anti-Corruption Commission (MACC) last week to assist investigations that are being conducted. Both are now on leave of absence for up to six months.

Icon Offshore said it could not disclose matters under probe as this may pose a risk of interfering with the relevant authority's investigation.

The company's share price has slumped 68.92% since the listing in June last year. Yesterday, the counter went up 0.5 sen to 57.5 sen.

For 2015, Abdul Rahman said, Ekuinas is aiming a consistent investment figure of between RM500 million and RM600 million.

In terms of investment area, Ekuinas is still looking at opportunities in the healthcare sector and has identified some targets which are involved in healthcare services segment.

"Hospital area is dominated by the large players, this is not the area we're looking at, we're more looking at services within the healthcare space," he said.

Ekuinas' education arm, Ilmu Education Group Bhd (IEGB), is expected to be listed by the end of 2015 or early 2016. "We prefer an IPO, but we cannot discount any strategic sale on any of our investments, not just IEGB," Abdul Rahman said.

IEGB had earlier acquired a 70% stake in Tenby Educare Sdn Bhd (Tenby Group) for RM70 million.

Tenby Group currently operates five international and private schools in Setia Eco Park, Ipoh, Penang, Miri and Johor Baru.

"Now, our portfolios of education have a good balance of both tertiary business as well as K-12, primary and secondary school business," Abdul Rahman said.

Asked on the possibility of listing the food arm, he said the group hasn't made any decision on it despite "the food business being already sizeable".

He said while the group is still keen on pursuing a stake sale in Burger King, it is hoping to turn around the loss-making fast food chain operator.

In 2014, Ekuinas undertook nine direct and outsourced investments worth of RM605.8 million. This has brought its cumulative committed investments to 33 totalling RM2.4 billion since its inception five years ago.

For Ekuinas Direct (Tranche 1) Fund, it registered a gross portfolio return of RM677.1 million, a gross annualised internal rate of return (IRR) of 19.6% and a net annualised IRR of 15.3%, exceeding the long-term minimum target return of 12%.

Ekuinas Direct (Tranche 2) Fund's gross portfolio return, meanwhile, stood at RM148.4 million, translating into a gross and net IRR of 31.9% and 19.3% respectively.

Ekuinas' net profit was flat at RM14.5 million in 2015 against RM14.6 million in 2014.