

**PRESS RELEASE**

**For Immediate release**

**25 November 2014**

**EKUINAS DIVESTMENT ACTIVITIES PROGRESSING RAPIDLY AND GENERATING VALUE**

**Key highlights: -**

- Ekuinas announced the realisation impact pursuant to the Icon Offshore Bhd (ICON) Initial Public Offering (IPO) in June 2014. Ekuinas generated a total proceeds of RM545.4 million and realised gain of RM332.7 million across two funds, which translates to a gross IRR of 68.0% and 2.6 times of capital invested. Further, Ekuinas still holds a residual 42.3% stake in ICON which also provides significant additional unrealised gain and is focused to continue creating long term value in ICON.
- Ekuinas also announced that it is undertaking a portfolio restructuring exercise of its F&B portfolio by exiting the Quick Service Restaurant (QSR) segment through the divestment of its entire BURGER KING® portfolio for RM95.0 million to a Bumiputera consortium led by Brahim's Holdings Berhad (Brahim's).
- This exercise is to enable Ekuinas and its F&B arm, Integrated Food Group Sdn Bhd (IFG) to fully focus on the casual dining and dessert franchise segments under various brands such as Tony Roma's, Manhattan Fish Market and Coolblog which has a combined revenue of RM280.1 million and operating 443 outlets in Malaysia and across the region.

**KUALA LUMPUR, 25 November 2014:** Ekuiti Nasional Berhad (Ekuinas), the government-linked private equity fund management company, today announced that its divestment activities are progressing rapidly and generating significant value. The Company announced details of the partial divestment of its stake in ICON pursuant to the IPO of the company in June 2014, where it generated a total gross proceeds of RM545.4 million and a realised gain of RM332.7 million across two funds. This translates to a gross internal rate of return (IRR) of 68.0% or 2.6 times money multiple (MM) of capital invested.

The IPO of ICON was undertaken after Ekuinas successfully merged its two portfolio companies, Tanjung Kapal Services Sdn Bhd (TKS) and OMNI PetroMaritime Sdn Bhd in which it had invested in 2010 and 2012 respectively. ICON was successfully listed on the Main Market of Bursa Malaysia in June 2014 with revenue of over RM300 million and adjusted net profit of RM90 million, with its market capitalisation at IPO reaching RM2.1 billion. After the IPO, Ekuinas

still holds 42.3% equity stake in ICON which offers further significant gain to be realised. Ekuinas remains an active shareholder in ICON and is focused on continuing to create long term value for the leading Malaysian offshore support vessel (OSV) company.

Ekuinas also announced that it is undertaking a comprehensive portfolio restructuring exercise of its F&B portfolio by exiting from the Quick Service Restaurants (QSR) segment through the sale of its entire stake in the BURGER KING® restaurant portfolio covering Malaysia and Singapore. Ekuinas had acquired a 95% equity interest in BURGER KING® restaurant business in Malaysia and a 100% equity interest in the BURGER KING® restaurant business in Singapore progressively in 2011 and 2012.

The decision to restructure the F&B portfolio was made after undertaking a detailed review of Ekuinas F&B portfolio and taking into account that QSR requires significant additional financial investment as well as operational capability in order to further expand the outlet network and achieve profitability. Further, the portfolio restructuring exercise will enable Ekuinas and its F&B arm, Integrated Food Group Sdn Bhd (IFG) to fully focus and expand on its significant existing investments in the casual dining and dessert franchise segments under various brands such as Tony Roma's, Manhattan Fish Market and Coolblog.

Pursuant to this review, Ekuinas today announced that it has entered into a conditional Share Sale Agreement with a Bumiputera consortium led by Brahim's Holdings Berhad (Brahim's) to divest its entire BURGER KING® restaurant portfolio for a total consideration of RM95 million. The Consortium was selected based on merit after a rigorous and exhaustive sale process, which had attracted the interest of four (4) local and international parties. The Consortium submitted the best and most competitive offer in terms of pricing, financial resources, operational capability and sustainability of social objectives, including Bumiputera ownership. The selection was also made after the Consortium had received the endorsement and approval of BK Asiapac, Pte. Ltd., the master franchisor of the BURGER KING® system in the Asia Pacific region.

The divestment generated a loss across two funds with a negative IRR of 21.0% and investment recovery of 0.64 times of capital invested.

Ekuinas' Chairman, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda said, "We are pleased that Ekuinas has succeeded in facilitating the first listing of its portfolio company via ICON, and

generated significant amount of value. Ekuinas will continue to focus on creating long term value for ICON to ensure its continued growth as the leading Malaysian pure play OSV company.”

“At the same time, the divestment of the BURGER KING® restaurant portfolio will enable the brand to be under a long term partner that possesses the financial strength and the requisite operational expertise that will best benefit this iconic brand.” Raja Tan Sri Arshad elaborated.

“We are pleased with the commitment and effort Ekuinas has put into its BURGER KING® restaurants in Singapore and Malaysia over the last three years to bring the business to where it is now,” said Elias Diaz Sese, President, BK Asiapac, Pte. Ltd. “We are excited about the opportunity ahead in both markets and look forward to working with the Consortium led by Brahim’s to further expand and grow the BURGER KING® brand in Singapore and Malaysia over the next years,” added Elias Diaz Sese.

Ekuinas’ Chief Executive Officer, Dato’ Abdul Rahman Ahmad also said, “We are pleased that after five years in operation, our divestment initiatives are progressing rapidly to accelerate the realisation of our investments. The portfolio restructuring exercise for our F&B portfolio will enable us to further expand our casual dining business namely Tony Roma’s, Manhattan Fish Market and the recently launched brand New York Steak Shack, as well as focus on the expansion of CoolBlog’s network.”

Collectively, the casual dining and dessert franchise brands under IFG have combined revenue of RM280.1 million and currently operate 443 outlets in Malaysia and across the region. Further, these brands are profitable and currently generate EBITDA of RM26.0 million and PAT of RM9.8 million for the year ending 31 December 2013.

With the divestments announced today, Ekuinas stands to collect a total proceed of RM640.4 million upon completion of the divestment process and is expected to have strong momentum to deliver on its current year’s financial performance. Ekuinas is expected to announce its results for the year ending 31 December 2014 by April 2015, in line with its disclosure policy.

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## **About Ekuinas**

Ekuinas (Ekuiti Nasional Berhad) is a government-linked private equity fund management company established on 1 September 2009. With the government endowment of RM5 billion under the 9<sup>th</sup> Malaysia Plan and 10th Malaysia Plan, Ekuinas aims to create Malaysia's next generation of leading companies whilst promoting equitable, effective and sustainable Bumiputera economic participation. To date, Ekuinas has undertaken investments in high potential Malaysian companies involved in the business of fast moving consumer goods, oil and gas, logistics, education and retail.

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