



ekuinas  
EKUITI NASIONAL BERHAD

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# DELIVERING PERFORMANCE

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**ANNUAL REPORT 2014**

COMMERCIALY DRIVEN . HIGH PERFORMANCE  
MERIT-BASED . PASSION . FOCUSED . HUMILITY



# DELIVERING PERFORMANCE

**COMMERCIALLY DRIVEN . HIGH PERFORMANCE  
MERIT-BASED . PASSION . FOCUSED . HUMILITY**

In 2009, Ekuiti Nasional Berhad (Ekuinas) was established with a mandate to promote equitable and sustainable Bumiputera economic participation via the creation of Malaysia's next generation of leading companies. Operating two investment models, direct investments and outsourced programme, Ekuinas has seen tremendous growth in its five years of operations.

This growth has been driven by both the culture in which we develop and the values which solidify our common goals.

Catalysed by our high performance environment, commercially driven approach, merit-based recognition, a passion for achievement, focused objectives and humility, we remain steadfast in ensuring our operations deliver on expectations and to drive further excellence in the coming years ahead.

# VISION

To be a world-class Private Equity fund management company



# MISSION

To create Malaysia's next generation of leading companies whilst promoting equitable, effective and sustainable Bumiputera economic participation







# 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





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Scan this QR Code to direct you  
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## EASY STEPS TO VIEW MORE INFORMATION FROM EKUINAS ANNUAL REPORT 2014



**1** Install a QR code reader app. Download the app from Apple App Store or Google Play with your smartphone.



**2** Click the app and install (Please check your device compatibility before installing).



**3** Once installed, click 'open' and run the app.



**4** Select Scan Barcode.



**5** Point your camera to the QR code. Hold your camera steady to focus.



**6** Your smartphone will direct you to Ekuinas' official website.

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# THE YEAR IN BRIEF

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## COMMERCIALLY DRIVEN

### MEETING NEEDS · EMBRACING CHALLENGES

Under the guidance of our Board of Directors and further refined by our stringent investment process and management acumen, we pursue our investment goals with prudence and strict commercial discipline to create value.











**MEETING NEEDS.  
EMBRACING  
CHALLENGES.**



Alliance Cosmetics Group (ACG), a leading mass market, colour cosmetics and fragrance player in Malaysia, Singapore and Brunei.

# 2014 AT A GLANCE

## INVESTMENT PERFORMANCE

### DIRECT TRANCHE I

GROSS  
PORTFOLIO  
RETURN

**RM677.1**  
MILLION

GROSS  
IRR

**19.6%**  
p.a.

NET  
IRR

**15.3%**  
p.a.

### DIRECT TRANCHE II

GROSS  
PORTFOLIO  
RETURN

**RM148.4**  
MILLION

GROSS  
IRR

**31.9%**  
p.a.

NET  
IRR

**19.3%**  
p.a.

### OUTSOURCED TRANCHE I

GROSS  
PORTFOLIO  
RETURN

**RM55.0**  
MILLION

GROSS  
IRR

**10.6%**  
p.a.

NET  
IRR

**8.8%**  
p.a.

## TOTAL CUMULATIVE INVESTMENT PORTFOLIO

Number of investments -  
Direct and Outsourced

**33**

Direct  
Investments

**21**

Outsourced  
Programme

**12**

Total committed investment by Ekuinas

**RM2.4  
BILLION**

Total economic capital deployed, together  
with private sector partners

**RM3.0  
BILLION**

## SOCIAL OBJECTIVE PERFORMANCE - COMBINED DIRECT AND OUTSOURCED

Increase in Bumiputera equity

**RM4.2  
BILLION**

(1.9x capital invested)

Increase in Total Shareholders' Value

**RM5.5  
BILLION**

(2.4x capital invested)

Increase in Bumiputera management since  
Ekuinas' entry

**9.4%**

Increase in Bumiputera employees since  
Ekuinas' entry

**18.3%**

## FUND MANAGEMENT COMPANY

Profit After Tax

**RM14.5  
MILLION**

Total Funds under Management (FuM)

**RM4.1  
BILLION**

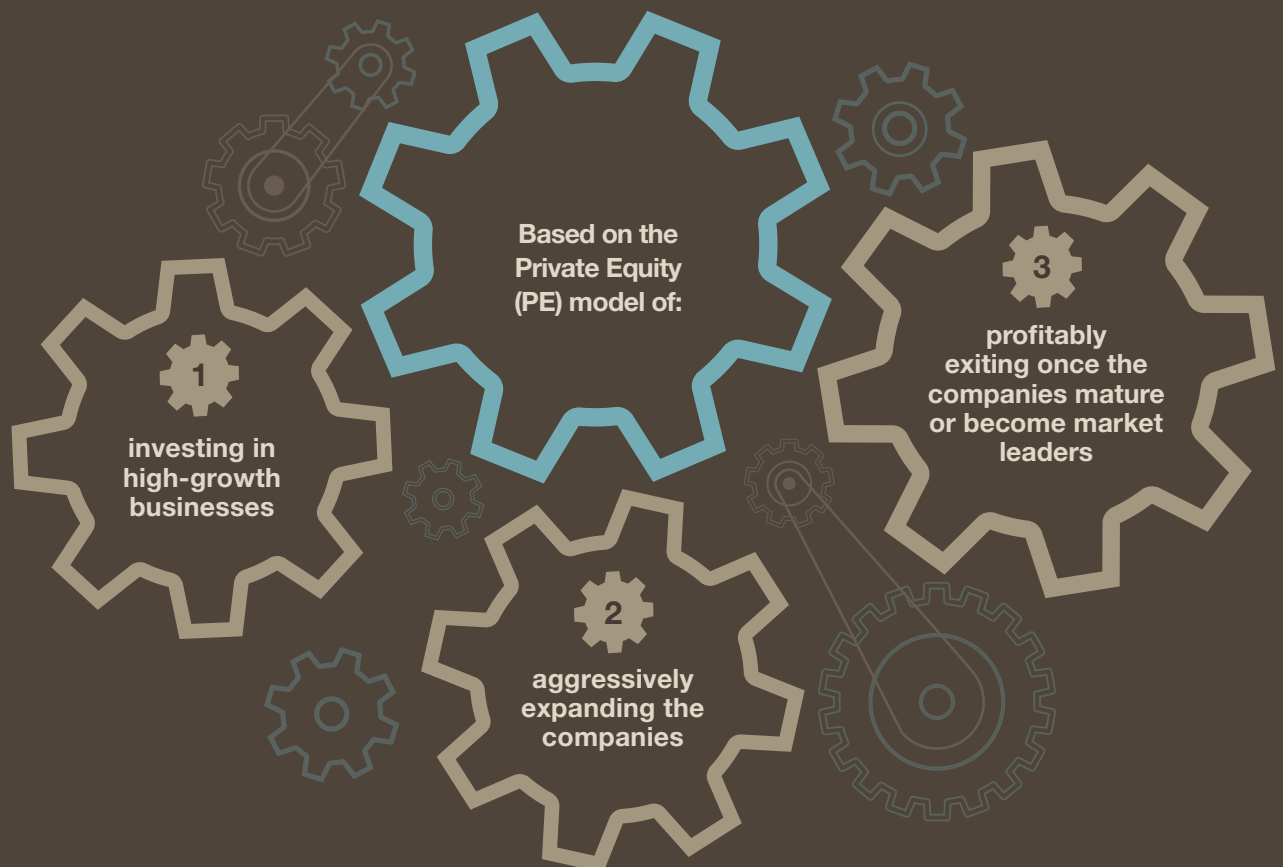
Ratio of OPEX to FuM

**1.0%**

# EKUINAS BUSINESS MODEL

Ekuinas is a government-linked private equity (PE) firm which promotes equitable and sustainable Bumiputera economic participation via the creation of Malaysia's next generation of leading companies.

## HOW DOES EKUINAS OPERATE?



Objectives to be pursued in a manner that is market-friendly, merit-based, transparent and ensures that the impact is sustainable over the long term.

## PURSUES 2 OBJECTIVES...

### FINANCIAL OBJECTIVES

Enhance institutional Bumiputera equity  
Target return: **Min 12%, Aspirational 20% IRR** per annum



Min

**12%**

IRR per annum

Aspirational

**20%**

IRR per annum

### SOCIAL OBJECTIVES

Enhance Bumiputera participation across four dimensions

EQUITY  
OWNERSHIP

MANAGEMENT

EMPLOYMENT

CREATING VALUE  
IN SUPPLY CHAIN

## THROUGH 2 KEY METHODS...

### DIRECT INVESTMENTS

DIRECTLY  
UNDERTAKE  
INVESTMENTS

SKEWED  
TOWARDS  
BUY-OUTS AND  
CONTROLLING  
STAKE

### OUTSOURCED PROGRAMME

CAPITAL TO OUTSOURCED FUND  
MANAGERS (OFM) FOR INVESTMENTS

OFMS MUST RAISE EXTERNAL CAPITAL

FOCUSED ON PROVISION  
OF GROWTH CAPITAL

## TARGETING 2 KEY GROUPS

### ENTREPRENEURS

SUPPLEMENT  
ENTREPRENEURS'  
RISK CAPITAL

ENHANCE THEIR  
CAPABILITIES WITH  
PROFESSIONAL  
OVERSIGHT

### PROFESSIONAL MANAGERS

PROVIDE OPPORTUNITIES FOR CAPABLE  
MANAGERS TO EARN "SWEAT EQUITY"

# 2014 KEY FINANCIAL HIGHLIGHTS

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

	2014 RM million	2013 RM million
Funds disbursement from YEN during the year	600.0	600.0
Cumulative funds disbursement from YEN	3,000.0	2,400.0
Capital returned to YEN during the year	200.0	-
Cumulative capital returned to YEN	200.0	-

## 2 FUNDS ESTABLISHED

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

\* Recently established in November 2014

## 3 TOTAL FUNDS UNDER MANAGEMENT

	2014 RM million	2013 RM million
Direct	3,500.0	2,000.0
Outsourced	640.0	640.0
	4,140.0	2,640.0
Total Funds available for Investments, including private capital	4,427.0	2,927.0



#### 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>2014</b>			
Ekuinas Direct (Tranche I) Fund	10	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	11	917.3	917.3
Total	21	2,175.5	2,297.6
Ekuinas Outsourced (Tranche I) Fund	10	243.2	675.5
Ekuinas Outsourced (Tranche II) Fund	2	20.3	50.0
Total	12	263.5	725.5
<b>Total</b>	<b>33</b>	<b>2,439.0</b>	<b>3,023.1</b>
<b>2013</b>			
Ekuinas Direct (Tranche I) Fund	10	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	5	375.2	375.2
Total	15	1,633.4	1,755.5
Ekuinas Outsourced (Tranche I) Fund	7	179.5	595.0
Ekuinas Outsourced (Tranche II) Fund	2	20.3	50.0
Total	9	199.8	645.0
<b>Total</b>	<b>24</b>	<b>1,833.2</b>	<b>2,400.5</b>

##### b. Summary Of Cumulative Realisation Activity

	Total Number of Realisation	Total Realised Amount RM million
<b>2014</b>		
Ekuinas Direct (Tranche I) Fund and Ekuinas Direct (Tranche II) Fund	3	954.8
<b>2013</b>		
Ekuinas Direct (Tranche I) Fund	2	409.4

## c. Summary of Cumulative Financial Performance

	Gross Portfolio Return RM million	Gross Internal Rate of Return (IRR)	Net IRR
<b>Direct Fund</b>			
<b>2014</b>			
Ekuinas Direct (Tranche I) Fund	677.1	19.6% p.a.	15.3% p.a.
Ekuinas Direct (Tranche II) Fund	148.4	31.9% p.a.	19.3% p.a.
<b>2013</b>			
Ekuinas Direct (Tranche I) Fund	655.9	25.5% p.a.	20.4% p.a.
Ekuinas Direct (Tranche II) Fund	133.0	68.9% p.a.	50.4% p.a.
<b>Outsourced Fund</b>			
<b>2014</b>			
Ekuinas Outsourced (Tranche I) Fund	55.0	10.6% p.a.	8.8% p.a.
Ekuinas Outsourced (Tranche II) Fund*	-	N/M	N/M
<b>2013</b>			
Ekuinas Outsourced (Tranche I) Fund	12.5	5.0% p.a.	2.4% p.a.
Ekuinas Outsourced (Tranche II) Fund*	-	N/M	N/M

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

## 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>2014</b>	4,246.2	1.9x	5,517.6	2.4x
<b>2013</b>	2,838.2	1.7x	4,087.5	2.5x

## 5 EKUITI NASIONAL BERHAD (FUND MANAGEMENT COMPANY)

	2014 RM million	2013 RM million
Total Funds under Management (FuM)	4,140.0	2,640.0
Operating Expenditure (OPEX)	40.3	33.8
Profit After Tax (PAT)	14.5	14.6
Ratio of OPEX to FuM	1.0%	1.3%

## 6 INDIVIDUAL FUND PERFORMANCES

### a. Ekuinas Direct (Tranche I) Fund

	2014 RM million	2013 RM million
Fund Size	1,000.0	1,000.0
Number of Investments	10	10
<b>Investment Activity</b>		
Committed Investments Undertaken	1,258.2	1,258.2
Total Economic Capital Deployed in Malaysian Economy	1,380.3	1,380.3
<b>Realisation Activity</b>		
Total Number of Realisation	3	2
Total Realised Amount	800.8	409.4
<b>Financial Performance</b>		
(i) Returns		
Gross Portfolio Return	677.1	655.9
Gross Internal Rate of Return (IRR) %	19.6% p.a.	25.5% p.a.
Net IRR %	15.3% p.a.	20.4% p.a.
(ii) Balance sheet		
Portfolio Value	1,077.3	1,461.2
Net Asset Value (NAV)	914.0	1,264.0

**b. Ekuinas Direct (Tranche II) Fund**

	2014 RM million	2013 RM million
Fund Size	1,000.0	1,000.0
Number of Investments	11	5
<b>Investment Activity</b>		
Committed Investments Undertaken	917.3	375.2
Total Economic Capital Deployed in Malaysian Economy	917.3	375.2
<b>Realisation Activity</b>		
Total Number of Realisation	1	-
Total Realised Amount	154.0	-
<b>Financial Performance</b>		
(i) Returns		
Gross Portfolio Return	148.4	133.0
Gross Internal Rate of Return (IRR) %	31.9% p.a.	68.9% p.a.
Net IRR %	19.3% p.a.	50.4% p.a.
(ii) Balance sheet		
Portfolio Value	642.5	370.1
Net Asset Value (NAV)	300.2	302.0

**c. Ekuinas Outsourced (Tranche I) Fund**

	2014 RM million	2013 RM million
Fund Size	400.0	400.0
Number of Investments	10	7
<b>Investment Activity</b>		
Total Committed Investments Undertaken by OFMs	341.3	260.8
- Out of which, Ekuinas' committed investments	243.2	179.5
Total Economic Capital Deployed in Malaysian Economy	675.5	595.0
<b>Financial Performance</b>		
(i) Returns		
Gross Portfolio Return	55.0	12.5
Gross Internal Rate of Return (IRR) %	10.6% p.a.	5.0% p.a.
Net IRR %	8.8% p.a.	2.4% p.a.
(ii) Balance sheet		
Portfolio Value	331.1	216.2
Net Asset Value (NAV)	331.1	216.2

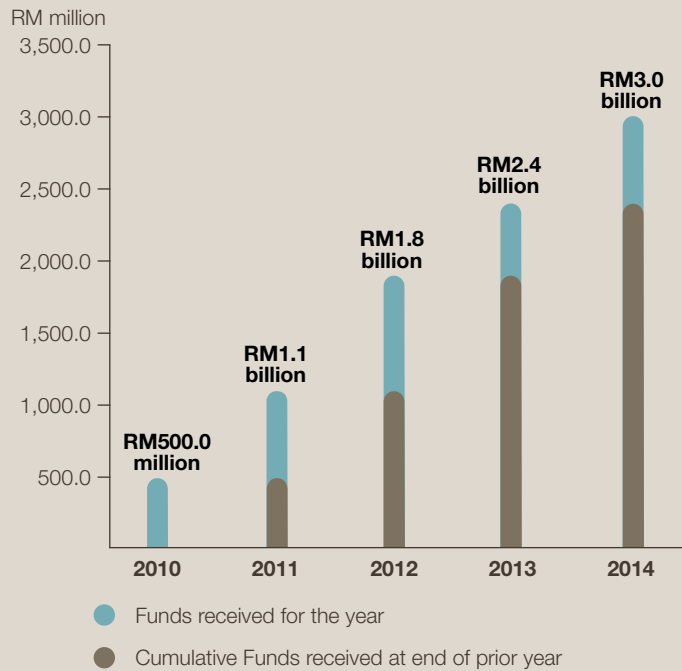
**d. Ekuinas Outsourced (Tranche II) Fund**

	2014 RM million	2013 RM million
Fund Size	240.0	240.0
Number of Investments	2	2
<b>Investment Activity</b>		
Total Committed Investments Undertaken by OFMs	31.0	31.0
- Out of which, Ekuinas' committed investments	20.3	20.3
Total Economic Capital Deployed in Malaysian Economy	50.0	50.0
<b>Financial Performance</b>		
(i) Returns		
Gross Portfolio Return	-	-
Gross Internal Rate of Return (IRR) (annualised) %*	N/M	N/M
Net IRR (annualised) %*	N/M	N/M
(ii) Balance sheet		
Portfolio Value	14.8	17.1
Net Asset Value (NAV)	14.8	17.1

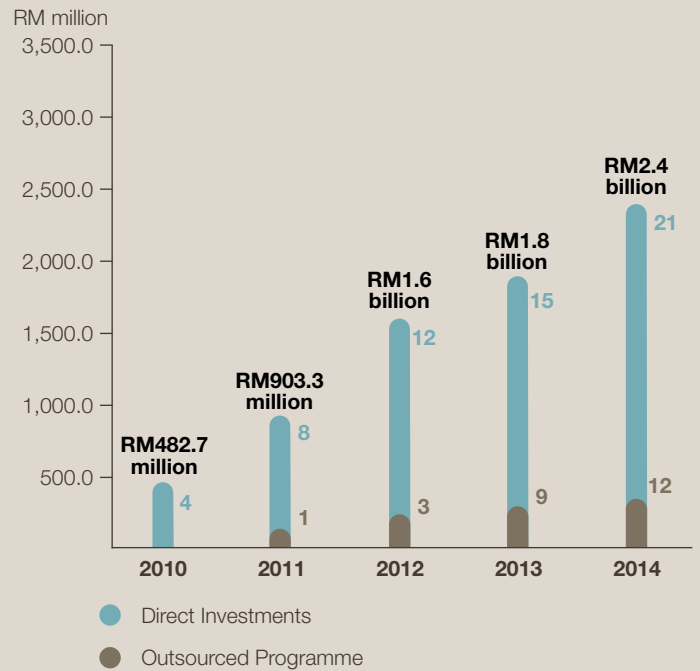
\* The Gross IRR and Net IRR for Ekuinas Outsourced (Tranche II) Fund are not presented as the fund is still in early stages of investments.

# FIVE-YEAR FINANCIAL HIGHLIGHTS

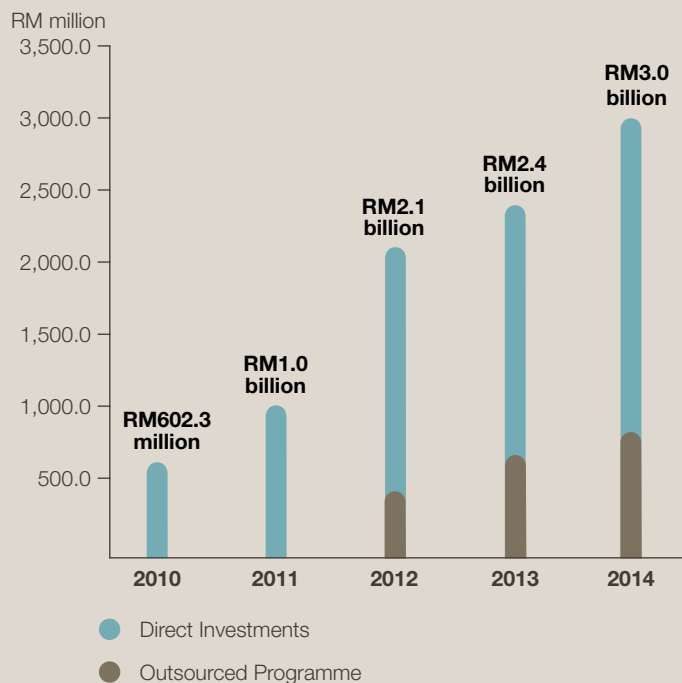
**Total Funds Received**



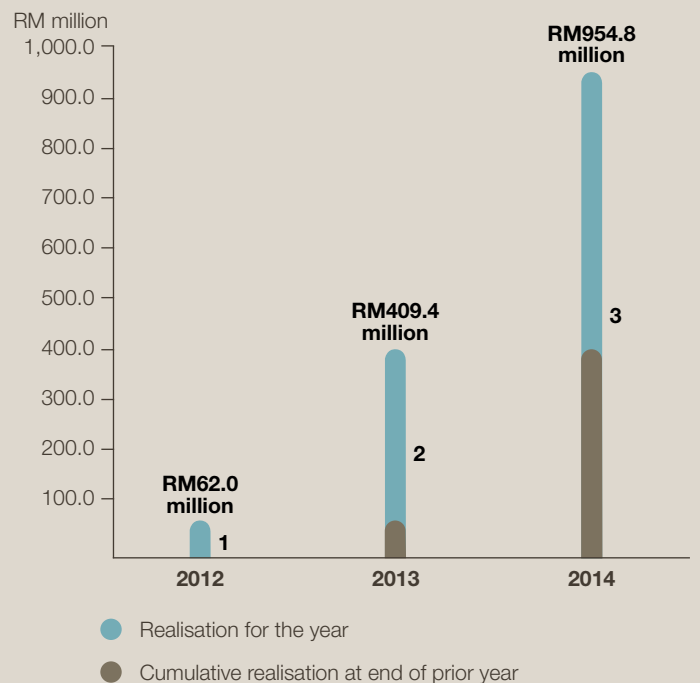
**Total Number and Value of Committed Investments**



**Total Economic Capital Deployed**

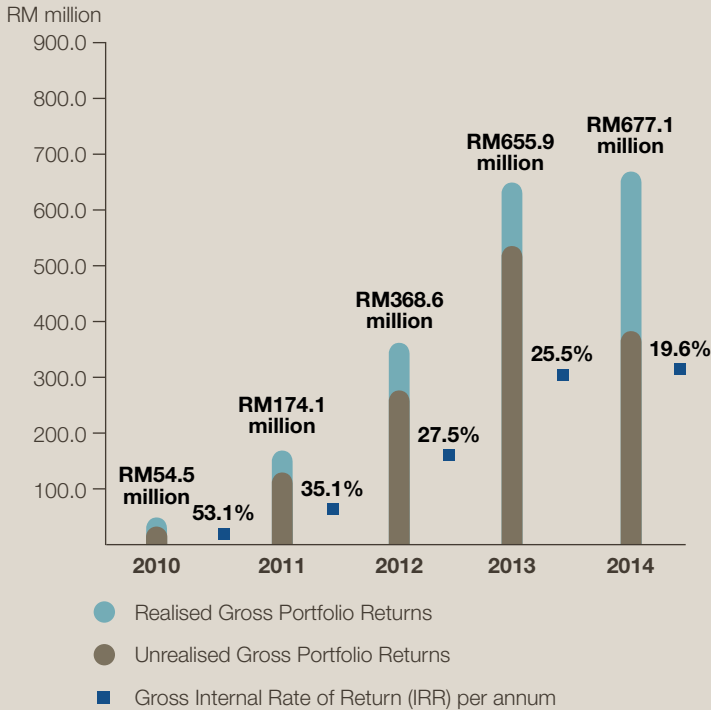


**Total Number and Realisation From Divestments**

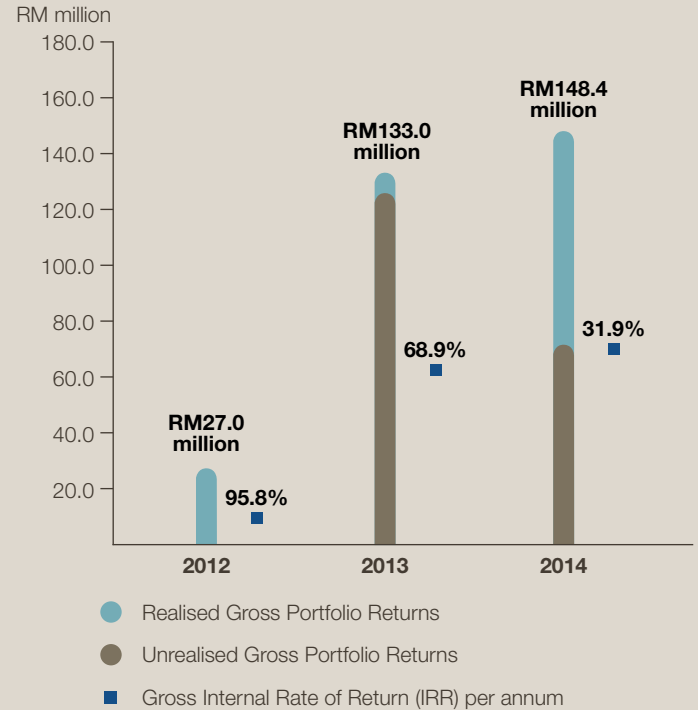




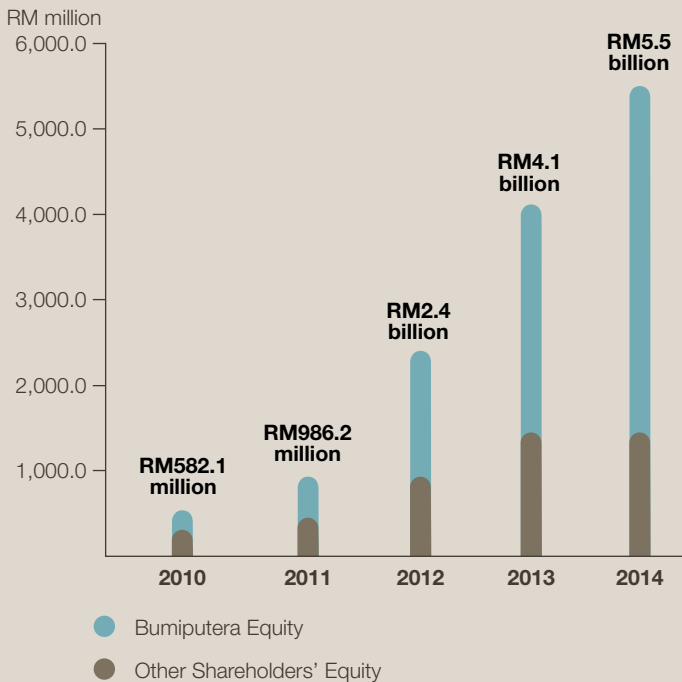
**Fund Performance - Ekuinas Direct (Tranche I) Fund**



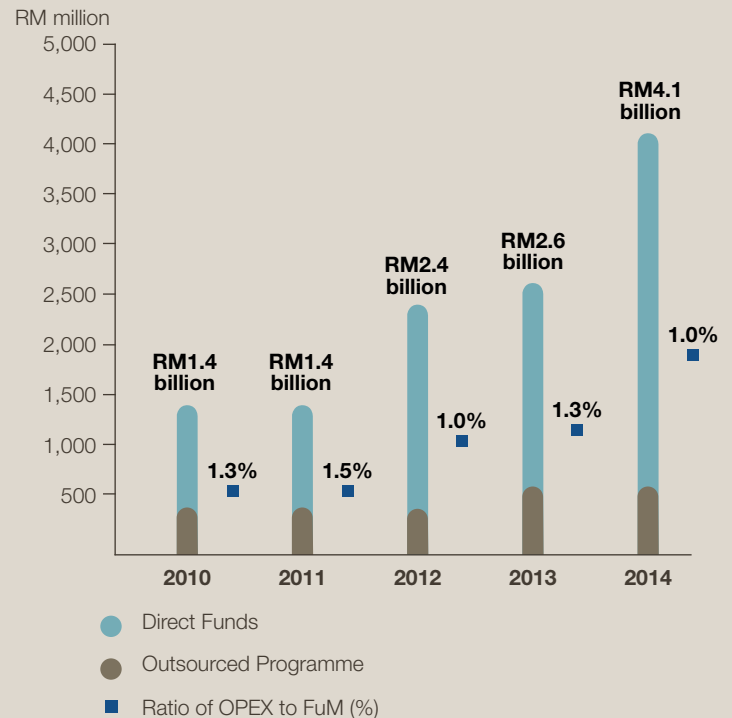
**Fund Performance - Ekuinas Direct (Tranche II) Fund**



**Total Bumiputera Equity and Other Shareholders' Value Created**



**Funds Under Management and FuM OPEX Ratio**



# PORTFOLIO COMPANIES

## DIRECT INVESTMENTS

### Invested



Malaysia/Singapore



### Partially Divested



Icon Offshore was listed on Bursa Malaysia in June 2014

### Fully Divested



Divestment: November 2012



Divestment: October 2013

## OUTSOURCED PROGRAMME

### Invested



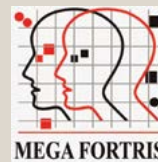
**SEGi**  
University  
Group



**R.E.A.L.**  
EDUCATION GROUP



**CONSOBIZ  
VENTURES  
SDN. BHD.**  
(K11478-A)  
Disposable Diaper Manufacturer



### Fully Divested

**atelier**  
asia sdn. bhd.

Divestment: May 2014

# 2014 EVENTS



## Announcement of FY2013 results:

- Gross Portfolio Return: RM655.9 million.
- Gross Internal Rate of return (IRR): 25.5% p.a., Net IRR: 20.4% p.a.
- Increase in Bumiputera Equity Value of RM2.8 billion or 1.7 times capital invested by Ekuinas.
- Increase in Total Shareholders' Value of RM4.1 billion or 2.5 times Ekuinas' invested capital.

APR



**Icon Offshore** debuted on the Main Market of Bursa Malaysia Securities Berhad which marked Ekuinas' first successful listing of its portfolio company.

Ekuinas generated total gross proceeds of RM545.4 million from this exercise.

JUN



## New direct investments:

Ekuinas announced an investment via its Retail F&B arm, Integrated Food Group Sdn Bhd (IFG) for 60% stake in Coolblog, a homegrown market leader in the franchised desserts and beverages sector.



Ekuinas announced its investment in Orkim Sdn Bhd for a 95.5% stake. Orkim is one of the largest Malaysian Clean Petroleum Product (CPP) tanker companies with industry market leading share of nearly 30%.

AUG



EkuiNAS, together with the Employees Provident Fund (EPF) hosted the Malaysian Private Equity Forum 2014 which was attended by over 300 industry leaders and professionals.

# SEP



Yayasan Ekuiti Nasional, the trust foundation which owns Ekuinas, committed to distribute RM500.0 million from part of the total returns of Ekuinas' first Fund, Ekuinas Direct (Tranche I) Fund to Yayasan Pelaburan Bumiputera (YPB) for the benefit of Bumiputera unit holders of trust funds managed by Permodalan Nasional Berhad (PNB).



### New direct investments:

EkuiNAS committed investments worth RM124.0 million in Tenby Group, a private K-12 education across both international and local syllabuses and Trangolo, a pioneer in cross border mobile money remittance services for 70% and 60% respectively.



# DEC



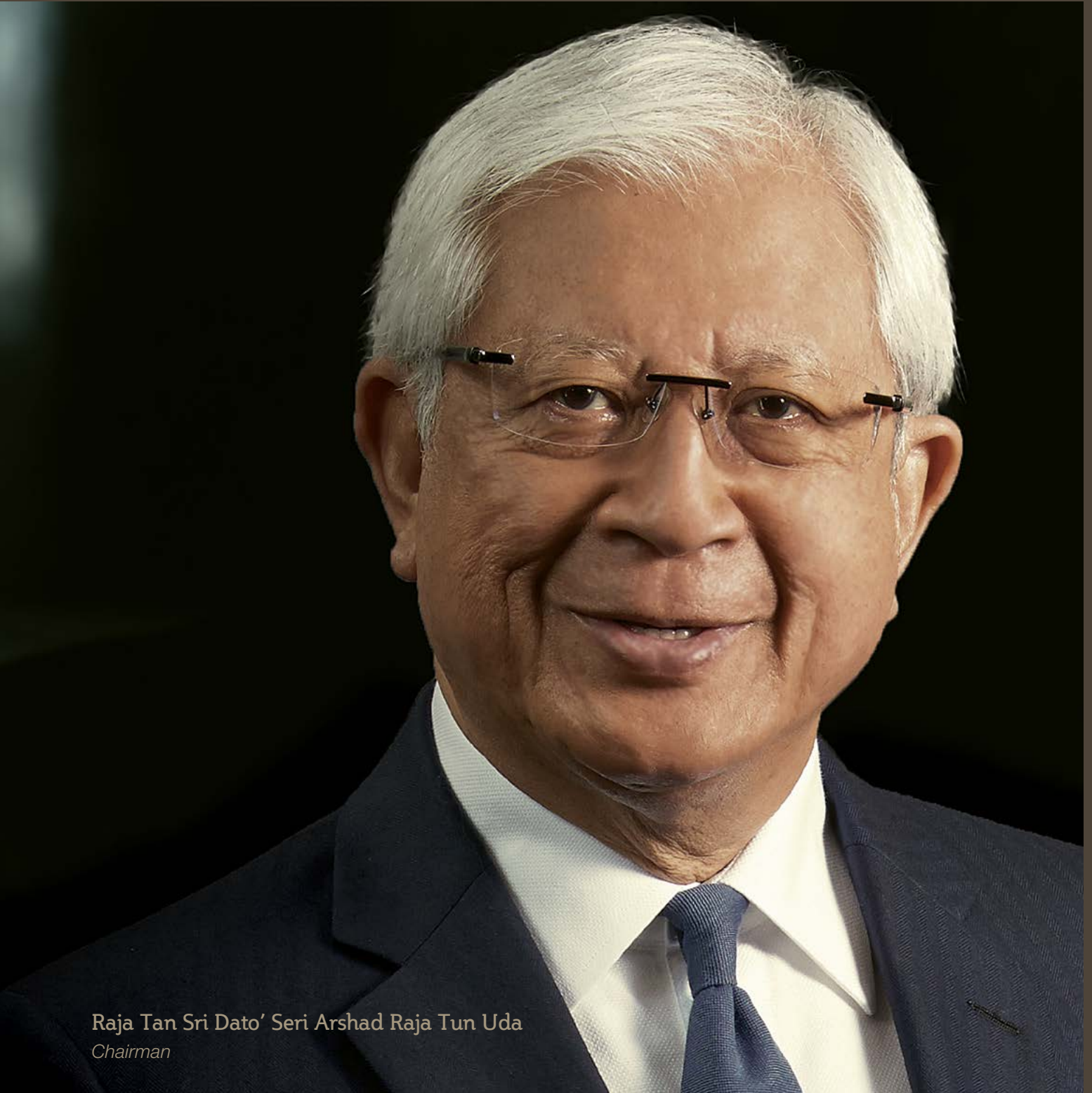
# CHAIRMAN'S STATEMENT

After five years in operations, 2014 was truly the year that demonstrated the effectiveness of Ekuinas' unique private equity model as a means to deliver enhanced Bumiputera economic participation through the creation of new market leading Malaysian companies.

We are proud of what has been achieved over the last five years and may this be an inspiration for Ekuinas to enter the next phase of its corporate journey with renewed vigour to fulfill our stakeholders' expectations.







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

# DEAR STAKEHOLDERS,

## EKUITI NASIONAL BERHAD (EKUINAS) CONCLUDED ITS FIFTH YEAR OF OPERATIONS IN 2014 AND I AM ESPECIALLY PLEASED TO SHARE WITH YOU THE COMPANY'S KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE FINANCIAL YEAR UNDER REVIEW AND THE JOURNEY WE HAVE HAD THROUGHOUT THE LAST FIVE YEARS.

2014 continued to be challenging for most economies around the world as economic recovery remains patchy. This is expected to improve slightly in the coming year with the IMF World Economic Outlook, released in October 2014, projecting an increase in global economic growth from 3.3% in 2014 to 3.8% in 2015, driven by significantly lower oil prices.

Malaysia's economy continued to remain robust with Bank Negara Malaysia reporting 2014 total economic growth at 6% (*Bank Negara Malaysia 2014 Annual Report, 11 March 2015*), buoyed by the strong domestic demand and growth in construction and services sectors. Yet economic outlook for 2015 remains difficult to predict as the Malaysian economy grapples with lower oil prices, weakening currency and the introduction of the Goods and Services Tax (GST).

On the back of this uncertain environment, we are pleased that Ekuinas had another eventful and extremely productive year. After a challenging investment period in FY2013, the financial year ended 31 December 2014 (FY2014) saw our investment rate back up to the targeted RM500.0 to RM600.0 million, significant realisation delivered through the first listing of an Ekuinas portfolio company and sustained fund performance enabling the maiden distribution of Ekuinas' gains to benefit the wider Bumiputera community.

After five years in operations, 2014 was truly the year that demonstrated the effectiveness of Ekuinas' unique private equity model as a means to deliver enhanced Bumiputera economic participation through the creation of new market leading Malaysian companies.

### FULFILLING EXPECTATIONS

The Government of Malaysia continued to support Ekuinas by providing another RM600.0 million in FY2014, bringing total disbursement to the Company to RM3.0 billion or 60% of the RM5.0 billion originally committed at inception.

With Ekuinas Direct (Tranche I) Fund already in realisation mode and Ekuinas Direct (Tranche II) Fund being substantially deployed by end FY2014, another fund, Ekuinas Direct (Tranche III) Fund, was established in November 2014 with a total capital commitment of RM1.5 billion, making it the largest of Ekuinas' five funds to-date.

We are pleased that after a lean FY2013, the investment rate for the year improved significantly driven by a more structured deal sourcing framework, with Ekuinas undertaking a total of six direct and three outsourced investments for a total committed investment of RM605.8 million.

This expanded Ekuinas' investment portfolio to 33 investments with a total committed investment of RM2.4 billion. Together with capital from external private sector partners, this leads to a total economic capital deployment of more than RM3.0 billion, positively impacting the Malaysian economy.

Amidst an unprecedented environment of rapid decline in oil prices that affected the market value of all Oil and Gas (O&G) companies, it is particularly pleasing that Ekuinas' Funds have managed to sustain its performance despite the O&G sector representing more than 43% of the total investment portfolio.

The Ekuinas Direct (Tranche I) Fund recorded a gross portfolio return of RM677.1 million (2013: RM655.9 million), out of which RM371.9 million is already realised. This translates to a gross Internal Rate of Return (IRR) of 19.6% and net IRR of 15.3% per annum respectively (2013: Gross IRR of 25.5% and Net IRR 20.4% per annum respectively). Also hearteningly, the Ekuinas Direct (Tranche II) Fund is shaping well, generating a gross portfolio return of RM148.4 million, translating to a gross IRR of 31.9% and net IRR of 19.3% per annum respectively.

Ekuinas investment portfolio

**33**   
**INVESTMENTS**

WITH A TOTAL COMMITTED  
AMOUNT OF

**RM2.4  
BILLION**

GROSS PORTFOLIO RETURN  
**RM677.1 MILLION**  
 GROSS INTERNAL RATE  
 OF RETURN (IRR)  
**19.6% AND NET IRR OF 15.3%  
 PER ANNUM RESPECTIVELY**

The Board of Directors is indeed delighted that Ekuinas has consistently generated returns exceeding its minimum long term targeted returns of 12% per annum over the past five years and now possesses a strong track record of delivering high performance.

#### SHAPING LEADERS, CRYSTALLISING VALUE

Enhanced by a dedicated Portfolio Management and Monitoring (PMM) unit, Ekuinas continued during the year to rigorously implement value creation initiatives across all its portfolio companies. Whilst organic growth remains challenging, significant progress was made through the "Buy and Build" strategy adopted where similar companies within the same industry are merged to create larger market leading entities.

None demonstrates the success of this strategy better than Icon Offshore Berhad (ICON), which in June 2014, became the first portfolio company under Ekuinas to be listed on Bursa Malaysia. With an offering size of nearly RM1.0 billion, ICON was one of the largest listings for the year and generated total gross proceeds of RM545.4 million and a realised gain of RM336.5 million across two funds, at a gross IRR of 68.0% per annum and 2.6 times the capital invested.

Whilst the post listing share price performance of ICON was affected by the decline in oil price in tandem with all other O&G stocks, we see significant long term value in ICON and are committed to supporting the company to grow the business further and strengthen its position as the largest pure-play Offshore Support Vessel company in Malaysia.

As we enter into our sixth year of operations and our funds mature, it is increasingly important for Ekuinas to expedite its realisation initiatives to maintain superior fund performance. In this context, we are excited with the prospects of Ilmu Education Group Berhad (ILMU), which with the acquisition of Tenby Group of Schools, has become the leading integrated multi brand education group in Malaysia serving all segments within the K-12 and tertiary markets. Our aim is for ILMU to be our next portfolio company to be brought to market and all efforts are now focused to turn this into fruition in FY2015 or early 2016.

**ICON WAS ONE OF THE LARGEST LISTINGS  
 FOR THE YEAR AND GENERATED TOTAL  
 GROSS PROCEEDS OF RM545.4 MILLION  
 AND A REALISED GAIN OF RM336.5 MILLION  
 ACROSS TWO FUNDS.**

We recognise that the risks are inherent in private equity investments. We highlighted upfront that not all investments would generate good value and accordingly, we always emphasise that as a private equity firm, Ekuinas' financial performance must be measured on a total portfolio basis rather than on an individual basis.

Ekuinas' investment in the Quick Service Restaurant (QSR) segment through the BURGER KING® franchise has unfortunately fallen short of expectations and has thereby necessitated the restructuring of our F&B portfolio. Through this exercise, we would exit the QSR segment to fully focus on the fast casual restaurant business.

However, we are confident that the more focused F&B portfolio under Integrated Food Group (IFG) which has more than 500 outlets across seven strong brands will create significant value going forward and replicate the success of the O&G portfolio restructuring previously undertaken in 2012.

We are also optimistic with our maiden entry into the Telecommunications, Media and Technology (TMT) sector through the recent investment in Tranglo Sdn Bhd, one of the leading providers of cross border airtime transfer and hope to provide the necessary support to the company as it aggressively expands in the high potential global mobile remittance business.

### SHARING RETURNS

We are thankful that Ekuinas' consistent strong performance over the past five years has generated sizeable returns exceeding the principal amount provided by the Government. After much thought and deliberation, the Board is pleased to secure Yayasan Ekuiti Nasional's (YEN) kind approval to adopt a gains utilisation and distribution framework under which the Company shall retain the principal amount and also part of the returns, for future re-investment activities to enable Ekuinas to be self-funded and no longer reliant on government disbursement in the future.

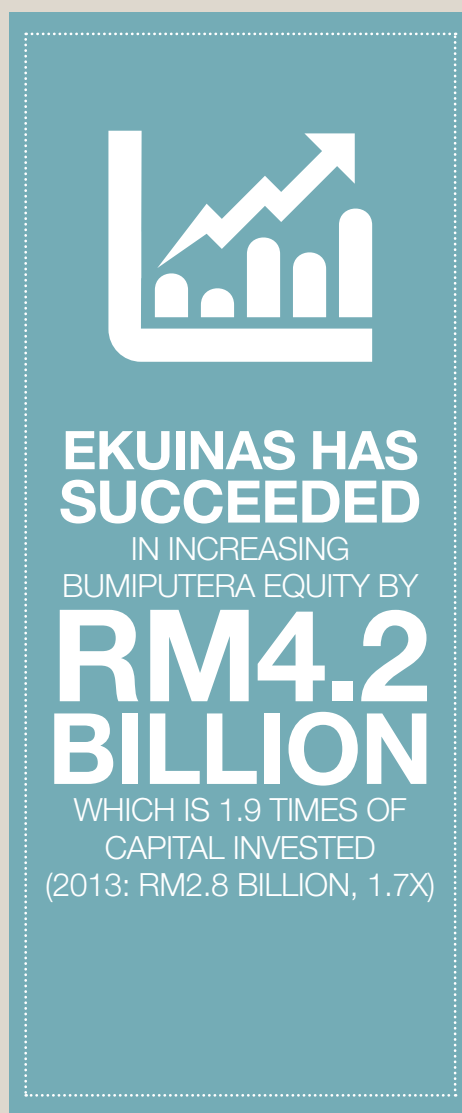
It was also agreed that part of the gains generated shall be distributed to the wider Bumiputera community to ensure that they can directly share in the beneficial impact of Ekuinas' investments. For this purpose, Ekuinas has pledged up to RM500.0 million to be distributed over time via Yayasan Pelaburan Bumiputra (YPB) for the benefit of over 10.0 million Bumiputera unit holders under its subsidiary, Permodalan Nasional Berhad (PNB), out of which RM200.0 million was disbursed at year end.

The remaining balance from the gains shall be allocated for Ekuinas' Corporate Social Responsibility (CSR) programmes focusing on education, entrepreneur capacity building, and the underprivileged. A comprehensive CSR framework will be rolled out in FY2015 and it is our hope that, through these various efforts, Ekuinas would leave a positive long lasting impact on the wider community.

### IMPACT ACROSS SOCIAL DIMENSIONS

As a government-linked private equity firm, we are pleased that our financial objectives have been attained hand in hand with the delivery of social objectives.

**EKUINAS HAS PLEDGED UP TO RM500.0 MILLION TO BE DISTRIBUTED OVER TIME VIA YAYASAN PELABURAN BUMIPUTRA (YPB) FOR THE BENEFIT OF OVER 10.0 MILLION BUMIPUTERA UNIT HOLDERS UNDER ITS SUBSIDIARY, PERMODALAN NASIONAL BERHAD (PNB).**



### Increasing Equity Ownership

By the end of FY2014, through the investments undertaken and value generated, Ekuinas has succeeded in increasing Bumiputera equity by RM4.2 billion, which is 1.9 times of capital invested (2013: RM2.8 billion, 1.7x).

At the same time, the total equity for all shareholders of our portfolio companies also surged by RM5.5 billion, at 2.4 times the invested capital (2013: RM4.1 billion, 2.5x). Together, these represent a significant achievement and clear measurable impact of Ekuinas as one of the innovative instruments introduced under the New Economic Model (NEM) towards achieving a more inclusive economy.

### Growing The Talent Pool

Ekuinas also grew the number of managers and employees across Ekuinas' portfolio companies to 356 and 11,841 respectively at the end of FY2014. Of these, Bumiputeras accounted for 39.3% and 52.2% respectively, representing an increase of 9.4% and 18.3% since Ekuinas' entry. The implementation of our Social Value Creation Plan at the portfolio companies has borne fruit, with increasing participation of qualified and competent Bumiputera vendors in major projects at our portfolio companies, having undergone stringent merit-based vendor selection processes.



## WE HOPE TO EXPEDITE REALISATION INITIATIVES TO CRYSTALLISE THE VALUE OF OUR INVESTMENTS, ESPECIALLY UNDER THE EKUINAS DIRECT (TRANCHE I) FUND AND WE LOOK FORWARD TO SHAPING THE PORTFOLIO OF OUR NEWEST EKUINAS DIRECT (TRANCHE III) FUND AFTER TRANCHE II IS FULLY INVESTED.

### Catalysing Industry Growth

Coming into its own this year, Ekuinas also promoted the domestic private equity industry by organising the Malaysian Private Equity Forum in September 2014 with the Employees Provident Fund (EPF). The highly successful Malaysian-focused event featured global and regional speakers and panellists who shared their perspectives and latest insights with the 300-strong audience. Based on the positive feedback received, it was an event much valued and welcomed by industry professionals.

In this same context of catalysing industry growth, we are pleased to note that the performance of Ekuinas Outsourced (Tranche I) Fund has considerably improved with gross IRR of 10.6% and net IRR of 8.8% per annum respectively driven by value creation undertaken by the Outsourced Fund Managers. Whilst investment rate remains challenging, the Outsourced Programme has now grown to a portfolio of 12 investments across high growth sectors such as Education, Manufacturing, Retail and Leisure.

Ekuinas looks forward to continued progress within the Outsourced Programme and plans to continue educating the Malaysian investment community of private equity's (PE) unique position as an attractive strategic asset investment class with superior returns, in our aim to further promote industry development.

### MANIFESTATION: FOCUSED ON DELIVERING A STRONG PERFORMANCE

The past five years have indeed been a hectic period for Ekuinas and we are happy that the Company has produced the targeted results. There is undoubtedly still plenty to be done, areas to improve, skills to be further developed and strengths to further leverage on, and so our work continues.

Subject to Government's allocation, Ekuinas continues to target a total investment rate of between RM500.0 to RM600.0 million in the coming year. We hope to expedite realisation initiatives to crystallise the value of our investments, especially under the Ekuinas Direct (Tranche I) Fund and we look forward to shaping the portfolio of our newest Ekuinas Direct (Tranche III) Fund after Tranche II is fully invested.

The Ekuinas team remains focused on its mission to create new market leaders for Malaysia and welcomes entrepreneurs who want to take their mid-sized businesses to the next level. The Ekuinas culture of delivering high performance drives the team to always strive to exceed stakeholders' expectations and we constantly remind ourselves that we must maintain strict commercial discipline in order to create value in our portfolio companies. We truly believe that achieving the financial objectives would enable us to accomplish the social objectives and leave meaningful impact on the Bumiputera community.

### ACKNOWLEDGEMENTS

On behalf of Ekuinas' Board of Directors, I wish to express our heartfelt gratitude to our trustees at Yayasan Ekuiti Nasional (YEN) for their continued support, as we traverse this exacting journey of promoting equitable economic participation of Bumiputeras and achieving a more inclusive economy for all Malaysians.

Also, our sincere appreciation to all parties that have contributed and supported Ekuinas to ensure it remains steadfast in its mission - our stakeholders and partners, the management teams and employees of our portfolio companies. We are grateful for your contribution these past years and I hope it continues in the years to come.

I would like to thank all of the Board Members of Ekuinas for their valuable input and wise counsel throughout the year and also to Ekuinas' Chief Executive Officer, Dato' Abdul Rahman Ahmad, his Senior Management team and the whole Ekuinas team, my fellow Directors and I commend all of you for your stewardship and execution in delivering such creditable results.

As a unique private equity firm entrusted to invest public funds, the public has high expectations of Ekuinas. We are proud of what has been achieved over the last five years and may this be an inspiration for Ekuinas to enter the next phase of its corporate journey with renewed vigour to fulfill our stakeholders' expectations.

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

# CHIEF EXECUTIVE OFFICER'S REVIEW

The financial year ended 31 December 2014 (FY2014) was a watershed year for Ekuinas. Not only was our investment rate significantly back up to targeted historical level, but Ekuinas also made substantial progress in developing our portfolio companies into market leading Malaysian entities, culminating in the successful inaugural listing of Ekuinas' portfolio company. This underpinned another strong year of Ekuinas funds' performance, meeting the targeted returns set and enabling the maiden distribution of Ekuinas' gains to benefit the wider Bumiputera community.





**Dato' Abdul Rahman Ahmad**  
*Chief Executive Officer*

## DELIVERING RESULTS OVER FIVE YEARS

Five years ago, the Malaysian Government established Ekuinas as its first and only fully-funded private equity fund management company aimed at providing capital for high potential Malaysian companies. The endeavour would in turn focus on enhancing Bumiputera economic participation while creating the next generation of leading Malaysian companies.

In this context, the financial year ended 31 December 2014 (FY2014) was a watershed year for Ekuinas. Not only was our investment rate significantly back up to targeted historical level, but Ekuinas also made substantial progress in developing our portfolio companies into market leading Malaysian entities, culminating in the successful first inaugural listing of Ekuinas' portfolio company. This underpinned another strong year of Ekuinas funds' performance, meeting the targeted returns set and enabling the maiden distribution of Ekuinas' gains to benefit the wider Bumiputera community.

Continuing its support for Ekuinas, the Government of Malaysia provided RM600.0 million in FY2014, bringing total disbursement to the Company to RM3.0 billion or 60.0% of the RM5.0 billion originally committed at inception.

Out of this amount, after five years in operations, more than RM2.2 billion have been deployed as invested capital for both Ekuinas' Direct Investments and Outsourced Programme. More hearteningly, **nearly RM1.3 billion has already been crystallised as proceeds**, leaving Ekuinas with more than RM1.7 billion in cash after the maiden distribution of gains.

After a challenging FY2013, our investment rate increased significantly where Ekuinas secured nine investments for a total of RM605.8 million through Direct Investments

## EKUINAS HAS FACILITATED TOTAL ECONOMIC CAPITAL DEPLOYMENT OF RM3.0 BILLION, POSITIVELY IMPACTING THE MALAYSIAN ECONOMY.

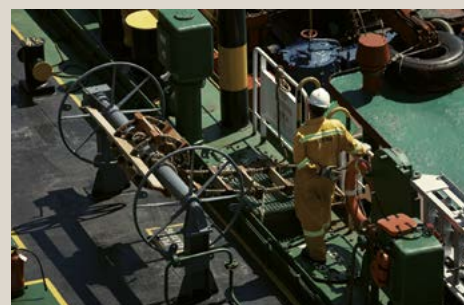
and under the Outsourced Programme (FY2013: RM246.8 million). This brings the aggregate number of investments to 33 with a total committed capital of approximately RM2.4 billion which together with private capital means that Ekuinas has facilitated total economic capital deployment of RM3.0 billion, positively impacting the Malaysian economy.

### DIRECT INVESTMENTS – TRANSFORMING COMPANIES IN AN EXPANDING PORTFOLIO

Ekuinas' Direct Investments portfolio further expanded during FY2014, with total committed investments of RM542.1 million undertaken for two follow-on investments, two bolt-on acquisitions and two new companies.

The new investments are in Orkim Sdn Bhd (Orkim), one of Malaysia's largest Clean Petroleum Product (CPP) tanker companies and Tranglo Sdn Bhd (Tranglo), a leading mobile transaction gateway services company for cross border airtime and money transfer transactions.

The RM346.3 million investment for a 95.5% stake in Orkim represents an opportunity for Ekuinas to replicate the success we had in creating in Icon Offshore Berhad (ICON), the leading pure-play Malaysian Offshore Support Vessel (OSV) company. With a strong track record of growth and 11 tankers under ownership and management, Orkim currently transports Clean Petroleum Products (CPP) from refineries to various oil storage terminals throughout the country and already has market leading local industry share of nearly 30.0%.



The investment facilitates Ekuinas' entry into the downstream petroleum transportation industry which has favourable industry growth dynamics, especially in Liquefied Petroleum Gas (LPG) transportation, an area that is currently dominated by foreign companies. Further, this investment provides Ekuinas with the base to help develop Orkim into a leading regional petroleum transportation and logistics group in the future.

At the same time, the RM54.0 million investment for a 60% stake in Tranglo represents Ekuinas' maiden investment into the technology, media and telecommunications (TMT) industry.

# NINE

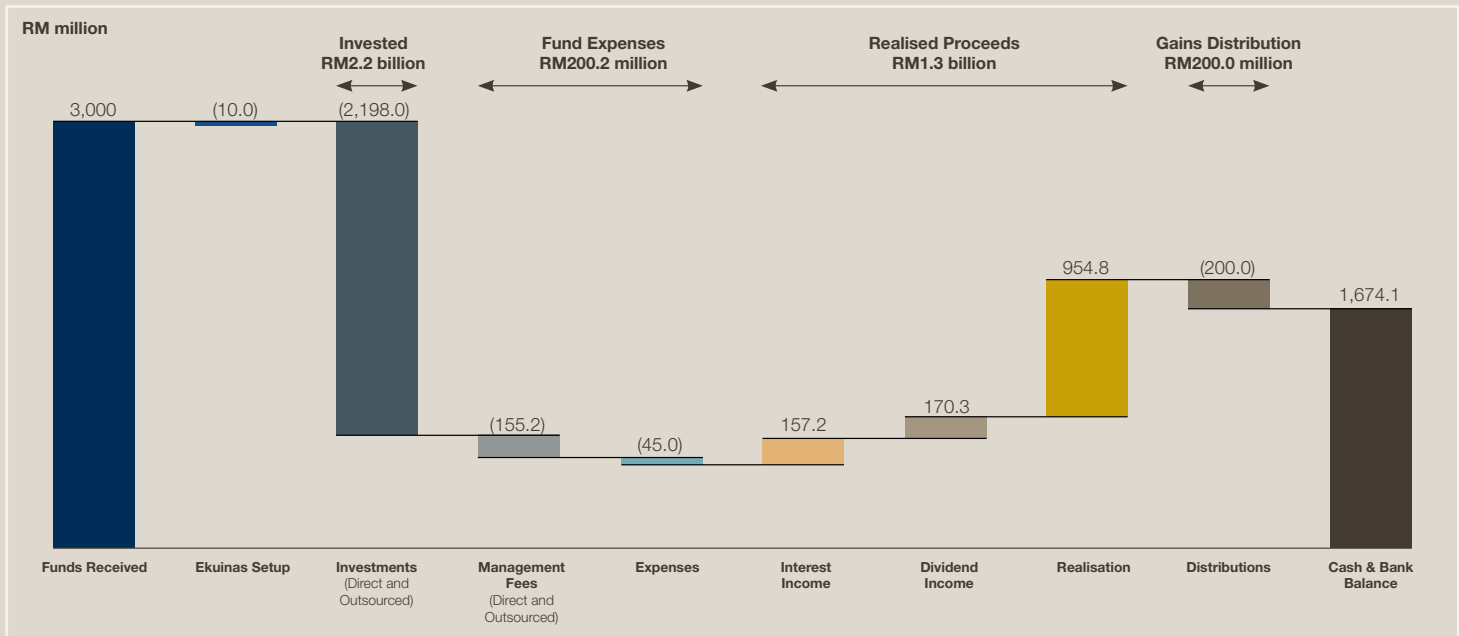
INVESTMENTS FOR A TOTAL OF

# RM605.8 MILLION

THROUGH DIRECT INVESTMENTS  
AND UNDER THE OUTSOURCED  
PROGRAMME



## Funds Utilisation



The investment provides Ekuinas with the platform to participate in the sizeable cross border airtime transfer industry where Trango is an industry pioneer, as well as help to expand its business into cross border mobile money remittance services which offers significant potential for growth.

Whilst the mobile remittance services is still relatively nascent, the potential is enormous for Trango given the huge international remittance market with Asia alone currently estimated at USD200.0 billion. Accordingly, Ekuinas aims to back Trango to potentially become one of the global leaders in international airtime transfer and mobile to cash remittance services.

### CREATING VALUE THROUGH ACTIVE PORTFOLIO MANAGEMENT AND GOVERNANCE

The key differentiating factor for any successful private equity firm is the ability to enhance the value of its portfolio companies. Ekuinas has always recognised this and put enormous amount of emphasis on developing and executing value creation plans at its portfolio companies especially

through active portfolio management and governance.

Through the close collaboration between our investment team and the dedicated Portfolio Monitoring and Management (PMM) unit with the portfolio companies' leadership, Ekuinas drives value creation initiatives which include strategy formulation, growth expansion, operational improvement, enhanced Management Information Systems (MIS), and human capital management. To ensure meaningful impact, critical value creation projects are identified upfront with clear deliverable metrics with the PMM team either directly leading a project by deploying an internal team or supporting an existing portfolio company team by providing on-the-ground assistance in the areas of analytics and process best practices.

At the same time to prepare our portfolio companies for future corporate institutionalisation, we spend considerable effort to push our portfolio companies to enhance their standards of corporate governance. Overseeing these efforts is the Corporate Governance and Risk Management (CGRM) department which

## DIRECT INVESTMENTS

2 FOLLOW-ON INVESTMENTS

2 BOLT-ON ACQUISITIONS

2 NEW COMPANIES

TOTAL COMMITTED INVESTMENTS OF  
**RM542.1 MILLION**

conducts regular business process reviews, aimed at improving controls and compliance within Ekuinas' portfolio companies.

Some of the projects successfully executed that delivered meaningful value during the year included reducing student attrition rate by half in one of our education portfolio companies by addressing student attendance and academic performance issues; recommending improvement in IT solutions and business processes to manage student lifecycle and improve data integrity; and rolling out a structured performance management framework, KPIs and processes for our F&B and food manufacturing companies.

Notwithstanding these substantive efforts, organic growth at our portfolio companies remained a challenge given the limited size of the domestic market and impact of the cyclical downturn within the oil and gas (O&G) industry.

As a group, Ekuinas' portfolio companies recorded a commendable growth of 6.1% in combined revenue from RM1.4 billion in FY2013 to RM1.5 billion this year. However, the portfolio companies' consolidated earnings before tax depreciation and interest (EBITDA) was virtually flat at RM401.9 million, largely affected by the performance of the Retail F&B and OSV companies. This overshadowed the strong performance achieved by the education group, especially at the APIIT Education Group and UNITAR International University which grew despite the highly competitive tertiary education market.

However, we are hopeful that with active portfolio management strategy adopted and the implementation of various value creation plans across all portfolio companies, Ekuinas can deliver improved operational performance for the coming financial year.

### **"BUY AND BUILD" STRATEGY PRODUCING NEW MARKET LEADERS**

With organic growth being challenging, Ekuinas continued to leverage on driving value through our "Buy and Build" strategy of undertaking bolt-on acquisitions to further expand our core existing industry sectors.

This is reflected in our F&B portfolio under Integrated Food Group (IFG) which had a highly active year. First, we undertook two follow-on investments amounting to RM21.0 million to further expand the outlet footprint for Manhattan Fish Market, Tony Roma's and launch a new brand, New York Steak Shack under the Revenue Valley Group as well as strengthen the position of San Francisco Coffee.

At the same time, we committed up to RM50.8 million for a 60.0% stake in Coolblog Sdn Bhd (Coolblog), a home-grown market leader in the franchised desserts and beverages sector with more than 300 outlets nationwide and they just recently expanded into Indonesia.

We hope to support this ambitious Malaysian company to expand its highly successful model of providing affordable Halal desserts and beverages on a kiosks format across smaller cities and towns into the ASEAN region.

We fully recognise that the F&B sector, in particular, the Quick Service Restaurant (QSR) business, is intensely competitive and requires scale, significant capital and strong operational capabilities. After a careful detailed review of the portfolio, we decided to exit the Quick Service Restaurant (QSR) segment through the divestment of our BURGER KING® portfolio enabling IFG to fully focus on the casual dining and dessert franchise segments which has seven brands under it and has a combined revenue of RM271.7 million, operating 424 outlets in Malaysia and across the region.





EKUINAS' PORTFOLIO  
COMPANIES RECORDED  
**6% GROWTH**  
COMBINED REVENUE OF  
**RM1.5  
BILLION**  
AND EBITDA OF  
**RM401.9  
MILLION**







Unfortunately, the sale of the portfolio which was undertaken after a rigorous sale process could not be completed due to factors beyond our control. Whilst we are disappointed with the outcome, we remain committed to turning around the BURGER KING® franchise and continue to explore other value creation opportunities.

On a more positive note, we are pleased to further expand our education portfolio, under Ilmu Education Bhd (ILMU) with the acquisition of 70.0% stake in Tenby Educare Sdn Bhd (Tenby Group) for a total committed investment of RM70.0 million. With a strong franchise of five schools across the country, Tenby Group further strengthens ILMU's

presence in the K-12 private education market, adding to its current ownership in Asia Pacific Smart School and Asia Pacific International School in Subang, Selangor.

The investment also positions Ekuinas closer to its proposed listing and realisation exercise for ILMU, targeted for end 2015/early 2016, with ILMU now possessing a diversified portfolio of tertiary and K-12 education investments and a combined pro forma revenue and EBITDA of more than RM400.4 million and RM107.6 million respectively. This makes ILMU one of the largest integrated education groups in Malaysia with multi institution brands serving cross segments of the market.

### REALISING DIVESTMENTS IN RAPID PROGRESS

Last year in our FY2013 Annual Report, we highlighted the critical importance of expediting our realisation initiatives as Ekuinas entered into its fifth year of operations. We are, therefore, extremely proud to have been able to successfully achieve the first listing of our portfolio company, ICON, on Bursa Malaysia Berhad in June 2014.

The Initial Public Offering (IPO) of ICON was undertaken after Ekuinas successfully merged its two OSV companies, Tanjung Kapal Services Sdn Bhd (TKS) and OMNI Petromaritime Sdn Bhd (OMNI) in November 2012 and helped to grow it to become the largest pure-play OSV in Malaysia with revenue of RM318.9 million and adjusted net profit of RM90.8 million. With an offering of nearly RM1.0 billion and market capitalisation at listing of RM2.2 billion, ICON was one of the largest Malaysian IPOs in 2014. Further, the listing attracted nine strong cornerstone investors with 29.4% of the total institutional offering being allocated to Bumiputera investors.

Through the listing exercise, Ekuinas generated total gross proceeds of RM545.4 million and a realised gain of RM336.5 million across two funds, recording a gross realised IRR of 68.0% per annum and 2.6 times the capital invested in ICON.

More importantly, the founders, management and all employees of ICON were also able to benefit from the significant value generated from the listing through the crystallisation of the discretionary cash settled Management Incentive Equity Plan worth RM76.8 million which demonstrated the powerful social impact of Ekuinas' private equity model.

THROUGH THE LISTING,  
EQUINAS GENERATED TOTAL  
GROSS PROCEEDS OF  
**RM545.4  
MILLION**  
AND A REALISED GAIN OF  
**RM336.5  
MILLION**  
ACROSS TWO FUNDS



Whilst we recognise that ICON share price performance post listing has been adversely affected similar to all other O&G stocks due to the oil price decline, Ekuinas remains a strong believer in the long term value of ICON and continues to hold 42.3% equity in the company. We are committed in supporting ICON to judiciously grow the business further and strengthen its position as the largest pure-play Malaysian OSV company and see the current downturn within the O&G global industry as an opportunity to further invest in the sector given the relatively low asset values prevailing in the market.

#### **PRODUCING OUTCOMES AND FULFILLING EXPECTATIONS**

As mentioned by our Chairman, Raja Tan Sri Arshad, in his statement, Ekuinas continued to post solid fund performance. Our Direct Fund (Tranche) I which is fully invested, generated a gross portfolio return of RM677.1 million, out of which RM371.9 million have been realised (FY2013: Gross portfolio return of RM655.9 million, out of which RM111.7 million have been realised). This translates to a gross IRR per annum of 19.6% and net IRR of 15.3% per annum respectively (2013: Gross IRR of 25.5% and Net IRR of 20.4% per annum respectively).

Further, Direct Fund (Tranche) II which is now virtually fully deployed, is shaping well and generated a gross portfolio return of RM148.4 million, which translates to a gross IRR of 31.9% and net IRR of 19.3% per annum.

Whilst the returns are slightly lower than the preceding year's due to the significantly lower asset values especially in the O&G sector, we are pleased that the returns recorded are still above the minimum target of 12.0% IRR per annum and close to the aspirational target of 20.0% per annum. The results also maintained Ekuinas' strong financial track record over the last five years and positions Ekuinas at the top quartile fund performance if benchmarked against emerging market private equity funds with similar vintage year (*Preqin Performance Analyst, September 2014*).

And with the strategies in place, we hope to continue, if not further improve on this strong financial performance going forward.

#### **EXTENDING CAPITAL TO MORE BUSINESSES VIA OUTSOURCED FUND MANAGERS (OFMs)**

Complementing its Direct Investments portfolio, Ekuinas concurrently manages an Outsourced Programme with seven appointed Outsourced Fund Managers (OFMs). A total of RM640.0 million is allocated for this Programme across two tranches, which together with the RM287.0 million raised collectively by the OFMs from other investors, brings the total available for investments to RM927.0 million.

The Outsourced Programme continued to gain good momentum in FY2014. More than RM80.0 million of committed investments were undertaken by the OFMs with Ekuinas contributed capital of RM63.7 million. This brought the total investments under the Outsourced Programme to RM372.3 million in 12 investments, out of which Ekuinas contributed RM263.5 million.



We are also pleased that after a relatively slow start, the fund performance for the Outsourced Programme continued to improve. Driven by strong returns from the Navis MGO Fund I, which is now fully invested, the Ekuinas Outsourced (Tranche I) Fund recorded a gross portfolio return of RM55.0 million in FY2014 (FY2013: RM12.5 million). This translates to a gross IRR of 10.6% and net IRR of 8.8% per annum respectively, representing a significant improvement to the preceding year's performance (FY2013: Gross IRR of 5.0% and Net IRR of 2.4% per annum respectively).

Ekuinas Outsourced (Tranche II) Fund, which was established in 2013 remains at an early stage of gestation and we hope that the OFMs will start to accelerate their investment in the coming year.

In line with our mandate to further strengthen the domestic private equity (PE) players, during the year, we appointed Towers Watson to establish an OFM Development Framework covering the best investment practices of global PE firms and how these can be best implemented by our OFMs within their own operations. We hope this initiative was useful and helps them to become successful and sustainable Malaysian PE firms beyond our programme.

### DELIVERING SOCIAL IMPACT ACROSS DIMENSIONS

In fulfilling the Government's mandate, Ekuinas pursues not only the financial returns but also the social objectives of enhancing Bumiputera economic participation across various dimensions such as equity, management and employment, and value chain.

Through our investments, Ekuinas has successfully further increased Bumiputera equity value to **RM4.2 billion** as at year end, which represents 1.9 times of capital invested (FY2013: RM2.8 billion, 1.7 times of capital invested). This has concurrently led to the creation of RM5.5 billion in total economic value for all the shareholders of Ekuinas' portfolio companies, representing 2.4 times the capital invested to date.

The human talent pool of our portfolio companies grew alongside our Direct Investments and Outsourced Programme portfolio expansion and by end of FY2014, Ekuinas portfolio companies collectively employed 356 managers and 11,841 employees, out of which more than 39.3% and 52.2% respectively, are Bumiputeras. This represents an increase since Ekuinas' entry, for professional managers and employees of 9.4% and 18.3% respectively.

We are proud of these results which represent a clear and measurable impact of Ekuinas' private equity approach in helping to shape a more inclusive economic model for all Malaysians.

### Supply Chain and Other Stakeholders

One of the key initiatives to help drive the achievement of social objectives has been the development of a clear social value creation plan for all our portfolio companies. Among the highlights for FY2014 were the franchise programmes at our F&B companies under IFG and the increasing number of Bumiputera students at Asia Pacific University (APU).

With the platform provided by the F&B brands under IFG, the franchise programme is recognised as one the most effective ways of enhancing Bumiputera entrepreneurship. During the year, BURGER KING® introduced franchising which saw the opening of two Bumiputera franchisees' outlets whilst Manhattan Fish Market expansion into the East Coast and Coolblog newly introduced Bumiputera entrepreneur programme with Perbadanan Nasional Bhd (PNS), provided further opportunities to significantly expand the number of Bumiputera franchisees. To date, IFG currently has more than 280 outlets under franchise, out of which 191 are owned by Bumiputeras.

Meanwhile, our efforts to increase the number of Bumiputera students at APU which traditionally focuses on foreign and urban students have borne considerable results. Through efforts such as focused marketing towards Bumiputera community and engagement with Bumiputera institutional sponsorship providers, the percentage of Bumiputera students at the university has increased from 2.0% at Ekuinas' entry to 9.0% with more than 900 Bumiputera students currently benefiting from the high quality education provided.

## OUTSOURCED PROGRAMME

# 12

## INVESTMENTS

## CAPITAL CONTRIBUTED BY EKUINAS

# RM263.5 MILLION



### Reaching out to the wider community

Whilst our investment activities have delivered impact on the companies we invest in, one challenging issue that we had constantly debated was how Ekuinas can directly impact the wider Bumiputera community.

In this context, the gains distribution framework that was developed and approved by Ekuinas' holding foundation, Yayasan Ekuiti Nasional (YEN), represents a significant milestone where a substantial part of the gains generated by Ekuinas which was distributed directly to the Bumiputera community, has now resolved this conundrum.

We are pleased to secure the collaboration of Yayasan Pelaburan Bumiputera (YPB) as the ideal pioneer partner to help Ekuinas directly channel some of its returns to Bumiputera unit holders of funds under Permodalan Nasional Berhad (PNB). As the guardian investment institution for Bumiputeras with more than 10.0 million Bumiputera depositors, PNB provides the best platform for Ekuinas to share its investment success directly with the wider Bumiputera community in the most effective and impactful manner. Further, the distribution through unit trusts would help inculcate an investing culture amongst the Bumiputera community, besides enabling Bumiputera wealth to be retained and further enhanced.

The onward distribution of the committed RM500.0 million to PNB's unit trust holders will be done over a period of time, as it requires full realisation of Ekuinas' investments under the Ekuinas Direct Funds. However, RM200.0 million was already distributed at year end.

As Ekuinas continues to realise the value of our investments, we strive to continue generating returns for our stakeholders and to make similar distributions to other Bumiputera investment institutions in future, in the hope that many more Bumiputeras would benefit from Ekuinas' returns.

Other than the gains to be directly distributed to the wider Bumiputera community, Ekuinas' distribution framework has also earmarked part of the gains to enhance further Ekuinas Corporate Social Responsibility (CSR) programmes. Themed Realising Potential, Ekuinas' CSR efforts are focused on uplifting Bumiputera education, graduate employment and entrepreneur capacity building for smaller Bumiputera businesses, besides alleviating poverty. More information on the CSR activities is provided in the CSR section of this report.

### Revamping Skim Jejak Jaya Bumiputera (SJJB) with TERAJU

As mentioned in last year's report, the Skim Jejak Jaya Bumiputera programme (SJJB) has been revamped and strengthened to develop more market leading Bumiputera-controlled public listed companies (PLCs).

The new framework, jointly undertaken by Unit Peneraju Agenda Bumiputera (TERAJU) and Ekuinas, moves away from merely providing government contract assistance to a more holistic advisory support. SJJB has also expanded to provide assistance to existing listed small and mid-cap Bumiputera companies to further develop into larger market leading companies.

The new SJJB framework was announced by the Minister in the Prime Minister's Department, Yang Berhormat Senator Dato' Sri Abdul Wahid Omar at the prospectus launch of Carimin Petroleum Berhad (Carimin), the first SJJB company listed on Bursa Malaysia under the revamped programme. This was followed by the listing of another Bumiputera O&G company, EA Technique Bhd in December 2014.

SJJB is also moving towards increasing the market capitalisation value of Bumiputera-controlled PLCs rather than merely increasing its number, to be in line with the Government's emphasis on quality and value, rather than quantity. For meaningful impact, the revamped SJJB has an ambitious target of increasing the market capitalisation of Bumiputera controlled PLCs (excluding the three largest groups) by between RM7.0 billion to RM10.0 billion by 2017.

The two new listed SJJB companies together with the listing of two other Bumiputera controlled companies, namely ICON and Tanah Makmur Berhad, meant that more than RM3.1 billion in market capitalisation was created during the year, bringing the market capitalisation of Bumiputera-controlled PLCs at the end of FY2014 to RM29.2 billion.

This represents a good start for the new SJJB scheme and together with TERAJU, we hope to drive the increase in Bumiputera controlled companies market capitalisation further over the next three years.

### RAISING THE MALAYSIAN PRIVATE EQUITY INDUSTRY PROFILE

After five years in operations, it was the right time for Ekuinas to play a more active role towards promoting the Malaysian private equity industry to the regional and international investing community.

Themed **'Private Equity as a Growth Catalyst in Malaysia'**, Ekuinas jointly organised the Malaysian Private Equity Forum with the Employees Provident Fund (EPF) in September 2014, following the latter's success in organising the Global Private Equity Summit the previous year. The Forum was aimed at positioning private equity as an attractive asset investment class amongst the local investment community as well as raising the awareness on the potential transformational value of private equity investments and simultaneously, highlighting the existing PE players with diverse portfolios in Malaysia and the region.

Senior investors, experienced fund managers, and private equity professionals from around the region converged in Kuala Lumpur to listen to eminent keynote speakers such as Howard Marks, the Chairman of Oaktree Capital Management, a leading global alternative investment management firm and D. Brooks Zug, the Founder and Senior Managing Director of HarbourVest Partners, a leading global private equity specialist in fund of funds, secondary investing and direct co-investments. Panellists included senior professionals from Kuala Lumpur-based Navis Capital Partners and Creador, and regional firms such as KKR, CVC Capital Partners and Southern Capital Group.



The Forum received extremely positive feedback, an achievement that would not have been possible without the support of our event partners BNP Paribas and Maybank Investment Bank, together with The Boston Consulting Group (BCG), KPMG, PricewaterhouseCoopers (PwC) and Wong & Partners as Knowledge Sponsors.

Ekuinas also continued to support the industry association, the Malaysian Venture Capital and Private Equity Association (MVCA), towards increasing awareness of how local entrepreneurs would benefit from leveraging on the services and strengths of PE firms and venture capital companies (VCs) for business expansion.

### BENCHMARKING AGAINST INDUSTRY'S BEST

In FY2014, Ekuinas, the fund management company continued to report consistent profit after tax of RM14.4 million (FY2013: RM14.6 million). In keeping with our tradition of maintaining optimum efficiency and cost-effectiveness across all areas of operations, Ekuinas' operations remained cost effective at only 1.0% of total FuM of RM4.1 billion (FY2013: rate of 1.3% of RM2.6 billion FuM).

We continue to invest in Ekuinas' operations to achieve standards at par with the best of global private equity firms. Internal capacity building within Ekuinas continued to be a critical area in the year under review. Focused training and development programmes were strengthened across the Company whilst talent management plans were developed for those identified as high potentials and future leaders of the Company.

Both in-house training and off-site sessions provided the necessary technology transfer led by industry experts and also facilitated knowledge sharing amongst all staff towards achieving the mutual goal of improving Ekuinas' internal processes as a whole. To further strengthen the team's capabilities, our senior personnel attended numerous investment and leadership development courses at globally renowned institutions throughout the year.

And by year end, we developed a new revamped organisation structure focused on strengthening the areas of Human Capital, Finance, MIS, PMM and Corporate Affairs aimed at driving Ekuinas to continue to deliver on its next five years.

OPERATIONS  
REMAINED  
COST EFFECTIVE  
AT ONLY  
**1.0%**  
OF TOTAL FuM  
**RM4.1  
BILLION**

#### TRANSPARENCY IN OUR DISCLOSURES TO STAKEHOLDERS

In remaining transparent to our stakeholders, Ekuinas maintains a regular schedule of investment and operational updates for the trustees of YEN, the Minister in the Prime Minister's Department responsible for Ekuinas, as well as the Distribution Section of the Economic Planning Unit (EPU). Through feedback received in meetings and written reports, Ekuinas is able to improve on our strengths whilst addressing the weaknesses towards becoming more effective in accomplishing our mandate.

During FY2014, Ekuinas continued to maintain close relations with other government agencies and fund agencies which share similar goals to empower Malaysian entrepreneurs and enterprises. Ekuinas collaborated with TERAJU on the SJB programme and Perbadanan Nasional Berhad (PNS) on several programmes. Ekuinas also participated in various awareness programmes organised by media groups and NGO-led events.

#### TRACK RECORD OF DELIVERING STRONG PERFORMANCE

The financial year ended 31 December 2014 marked the culmination of all our efforts throughout the five years since the establishment of Ekuinas, announced by the YAB Prime Minister, Dato' Sri Mohd Najib Tun Abdul Razak in September 2009. FY2014 was a hectic year for Ekuinas on all fronts. On the investment side, we revived the deal pipeline and delivered the targeted investment rate and continued working with the leadership of our portfolio companies on their value creation plans. On corporate areas, we enhanced capacity building for Bumiputera PLCs while reaching out to the wider community through our CSR initiatives. It has been a rewarding period and we believe by upholding our company values in our operations, Ekuinas can deliver even greater results for the benefit of all stakeholders.

For FY2015, we hope to continue to receive similar funding as last year, amounting to RM600.0 million and we target to expand our portfolio across the sectors namely Oil & Gas, Education, Retail – F&B, Fast Moving Consumer Goods, Services and in particular, Healthcare which we have yet to invest in. At the same time, we intend to accelerate the transformation of many more from amongst our existing portfolio companies into new market leaders.

On behalf of Ekuinas, we wish to record our gratitude to the Government, especially the Board of Trustees of YEN and EPU. We are also grateful to our Board of Directors led by the Chairman, Yang Mulia Raja Tan Sri Arshad, for sharing with us their expertise and guiding us in fulfilling the mandate given to Ekuinas over the last five years. Without the Trustee, EPU and Board's support we would not have achieved what we have delivered.

We also thank our business partners, media organisations and stakeholder groups, for providing support and feedback to Ekuinas over the years. But most importantly, my sincere thanks to my team at Ekuinas and all of the Portfolio Companies' leaders for their dedication, commitment, focus and passion. You have all worked tirelessly with passion and unwavering perseverance and I am indebted to each and every one of you. I look forward to working together with you in the coming year to continue to deliver on our mandate.

**ABDUL RAHMAN AHMAD**  
*Chief Executive Officer*

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# IMPACTING LIVES

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## HIGH PERFORMANCE

### GROWING KNOWLEDGE · ENRICHING LIVES

We seek to continually calibrate our investment strategies and improve our portfolio management capabilities, whilst enhancing our monitoring mechanisms throughout our investment portfolio to ensure we exceed expectations.







**GROWING  
KNOWLEDGE.  
ENRICHING  
LIVES.**







*ILMU Education Group (ILMU) is one of the leading education groups in the country with diversified portfolio of tertiary and K-12 education such as Unitar International University, APIIT Education Group, Cosmopoint Group and Tenby Schools.*





# REFLECTIONS

In conjunction with Ekuinas' fifth year anniversary, our valued Stakeholders, Portfolio Companies and Outsourced Fund Managers shared their views and insights on the impact of Ekuinas since inception.



These QR code links will take you to information that is suitable to view on your smartphone.



“  
COMMERCIAL  
VIABILITY, GOOD  
CORPORATE  
GOVERNANCE AND  
A PROFESSIONAL  
TEAM ARE THE  
FOUNDATION OF  
EKUINAS' SUCCESS  
”

Dato' Sri Abdul Wahid Omar  
*Minister in the Prime Minister's Department*

WAHID

# WITH EKUINAS, THERE IS NOW A GREATER ACCEPTANCE OF PRIVATE EQUITY AND THE VALUE THAT IT CAN BRING TO A BUSINESS.

Ekuinas has certainly surpassed my expectations. Their financial performance has far exceeded the long term minimum targeted Internal Rate of Return of 12%, a rate that is benchmarked against returns made by global private equity funds. The net annualised Internal Rate of Return for the first four years of operations of 20.4% surpasses their aspirational target of 20%. This enabled them to promote Bumiputera ownership of corporate equity and capital in a profitable manner. By distributing RM500.0 million of its profits to the man on the street, Ekuinas has extended their reach to the wider Bumiputera community.


Commercial viability, good corporate governance and a professional team are the foundation of Ekuinas' success. Their business model is fundamentally sound as commercial aspects are prioritised before working towards social objectives.

This makes them financially viable. The next critical success factor was the use of appropriate corporate governance practices. The importance of good governance cannot be underestimated. It can protect an organisation and transform operations from top to bottom.

Prior to the inception of Ekuinas, there were many complaints about the lack of access to private equity. At that time, venture capital was prevalent but this type of funding does not address the needs of a mid-sized fast-growing company. With Ekuinas, there is now a greater acceptance of private equity and the value that it can bring to a business.

Dato' Sri Abdul Wahid Omar is the current Minister in the Prime Minister's Department overseeing the country's Economic Planning. He is responsible for monitoring Ekuinas' progress and performance to ensure the objectives are delivered.



A portrait of Tan Sri Nor Mohamed Yakcop, a middle-aged man with dark hair, wearing a dark suit, white shirt, and a patterned tie. He is smiling slightly and looking towards the camera. His hands are clasped in front of him on a desk. The background is a dark, textured wall with a geometric, honeycomb-like pattern.

“  
THEY CREATE JOB  
OPPORTUNITIES  
IN THE  
COMPANIES  
THAT THEY HAVE  
INVESTED IN,  
THUS BUILDING  
THE CAPABILITIES  
AND SKILLS OF  
THE NATION”

Tan Sri Nor Mohamed Yakcop  
*Former Minister in the Prime Minister's Department*

# EKUINAS HAS ALSO PROVEN BEYOND DOUBT THAT A GOVERNMENT-OWNED PRIVATE EQUITY FUND BASED ON MARKET-FRIENDLY PRINCIPLES SUCH AS TRANSPARENCY AND MERITOCRACY IS A WORKABLE MODEL.

In 2009, a gap in the country's economy was identified: there was no government support for fast-growing mid-sized Bumiputera companies. Prime Minister YAB Dato' Sri Mohd Najib Tun Haji Razak decided to introduce a national private equity institution to assist in the growth of these companies. Ekuinas was his brainchild.

I was tasked to appoint the Chief Executive Officer and Board of Directors for this new initiative. I have always been very particular with the people that I want in key positions and I never take no for an answer. But once appointed I do not interfere with what they do. This is exactly how it was with the top two of Ekuinas' leaders, Raja Tan Sri Arshad and Dato' Abdul Rahman.

Raja Tan Sri Arshad, Dato' Abdul Rahman and the Ekuinas team have worked extremely hard in the past five years. Their results have exceeded my expectations. I am very proud that Ekuinas has surpassed their targeted financial returns, achieved their social objectives and committed to channel RM500.0 million of their profits to the wider Bumiputera community through Permodalan Nasional Berhad (PNB).

There are many other intangible benefits attributable to Ekuinas. They create job opportunities in the companies that they have invested in, thus building the capabilities and skills of the nation. Ekuinas has also proven beyond doubt that a government-owned private equity fund based on market-friendly principles such as transparency and meritocracy is a workable model. This alone is a worthy achievement.

As the Minister in the Prime Minister's Department from 2009 to 2013, Tan Sri Nor Mohamed Yakcop was instrumental in the establishment of Ekuinas. He played an important role in formulating Ekuinas' structure, objectives and mandates.





**Datuk Seri Dr Rahamat Bivi Yusoff**

*Director-General of the Economic Planning Unit, Prime Minister's Department*

*Non-Executive Director of Ekuinas*

A government private equity institution is part of the roadmap envisaged by the Prime Minister YAB Dato' Sri Mohd Najib Tun Haji Razak. The goal is to achieve a liberalised, highly efficient and competitive market with companies that can compete without Government's support or protection. In working towards this outcome, Ekuinas focuses on value creation to develop leading companies, as this is an effective business strategy for sustainable growth.

Ekuinas has surpassed their financial targets and my expectations of their financial performance. Yet, we should not forget that investments do not always make a positive return or a profit all the time. This is true of private equity and other investments.

As a private equity fund manager, Ekuinas takes calculated risks. At times, an investment can make a loss. So do not conclude that Ekuinas is no longer a good fund manager or a good company if it does not make a yearly return in the future. It is the nature of investments to make a profit or a loss. What Ekuinas strives to do is to manage their investment portfolio in such a way that a positive return is made in the long term.

Ekuinas shines the spotlight on the Malaysian private equity industry. The next step is to surpass their track record. Through their efforts, more Malaysians will be able to learn how to manage and grow companies and businesses competitively.

“  
**EKUINAS SHINES THE SPOTLIGHT ON THE MALAYSIAN PRIVATE EQUITY INDUSTRY**”

**Datuk Noriyah Ahmad**

*Independent Non-Executive Director of Ekuinas*

*Former Director-General of the Economic Planning Unit, Prime Minister's Department (2009-2011)*

I believe that it is the people behind Ekuinas that makes it a success story. Tan Sri Mohamed Nor Yacop has an amazing ability to pick the most appropriate people. His choice of Raja Tan Sri Arshad as the Chairman and Dato' Abdul Rahman as the Chief Executive Officer hits the mark. They are smart, extremely hard-working men and full of integrity. The team of skilled professionals that Dato' Abdul Rahman assembled from scratch is really impressive. I am always amazed by their professionalism, skills and their commitment to Ekuinas' objectives.

A constant challenge faced by Ekuinas is to find good companies where they can add value and take to the next level. Their investment team has strict investment criteria and they do not compromise on the standards that have been established. After all, their investments represent genuine partnerships and it is not Ekuinas' approach to take over top management of companies that they invest in. As far as possible, they retain and work with existing talent.

I am also very proud to say that every Ringgit spent by Ekuinas can be accounted for and that its investment capital is growing. This is worth acknowledging. It is truly a government entity that is market-friendly, transparent and merit-based.



“  
**I BELIEVE THAT IT IS THE PEOPLE BEHIND EKUINAS THAT MAKES IT A SUCCESS STORY**”





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

Decision making requires a judgement call after taking into consideration all the facts and figures. When it comes to investing decisions, no one gets it right all the time. This is true for any investment, as well as all investment institutions. I told the team at Ekuinas that we will invest by making an informed decision based on everything that is known at that time. Everything is to be documented so that our rationale behind each decision can be explained at any time. This allows us to demonstrate that we have done the necessary due diligence and are able to justify our decisions made at that point in time.

After the initial year of operation, we realised the importance of selecting the right companies and in paying the right price to invest in them. We also found it critical to apply strict due diligence and to adhere to our selection criteria.

I am very happy that Ekuinas has met its social and financial targets. Particularly rewarding was the listing of Icon Offshore Berhad last year. Moving forward, we hope to do something similar with the other portfolio companies.

**“ I AM VERY HAPPY THAT EKUINAS HAS MET ITS SOCIAL AND FINANCIAL TARGETS ”**



**Dato' Abdul Rahman Ahmad**  
*Chief Executive Officer of Ekuinas*

I am passionate about growing companies by executing impactful strategic value creation initiatives to the business. I believe private equity can assist in developing companies this way. I also believe that the social objective of increasing equitable Bumiputera economic participation can be achieved in a market and merit-based manner.

Setting up Ekuinas and delivering on stakeholders' expectations took a lot of hardwork over the past five years. It was a steep learning curve for everyone. There were many late nights, long discussions and healthy debates. The team is empowered to question decisions. This is deliberate as I believe questioning and different points of view lead to better understanding and ultimately, a more informed investment decision.

The journey has been a roller coaster ride, full of challenges, introspection when things do not work out as planned but pride and relief when successes are achieved. Most meaningful was when people's lives were positively impacted. Case in point was the listing of Icon Offshore Berhad where through the equity incentive scheme, all employees across the organisation shared the rewards. It was a very emotional experience, seeing the joy in the employees' eyes and I am very happy and very proud to be part of this success.

At the end of last year, we committed to distribute RM500.0 million of our profits to the wider Bumiputera community. We debated on the best way to do this and finally decided to channel the funds through Permodalan Nasional Berhad (PNB) as it has established the necessary infrastructure and distribution channels. Before this, I would be asked if the work done by Ekuinas would ever reach the Bumiputeras on the street. Now I know that we can and have delivered that impact.

**“ I WOULD BE ASKED IF THE WORK DONE BY EKUINAS WOULD EVER REACH THE BUMIPUTERAS ON THE STREET. NOW I KNOW THAT WE CAN AND HAVE DELIVERED THAT IMPACT ”**

**Dr Jamal Yusof**

*Chief Executive Officer of Icon Offshore Berhad (ICON)*

Ekuinas' involvement in Icon Offshore Berhad grew our business tremendously in terms of size and value, and furthered the development of our people. Ekuinas had high expectations of us, believing that we could achieve certain targets. This pushed us to do better. Along the way, they gained a better understanding of the oil and gas industry and I believe it has been a mutually beneficial partnership.

I feel that respect and understanding is important in any partnership. A private equity firm needs to understand the business that they have invested in and they have to learn this quickly so that they can assist their portfolio company in realising its goals and in facing challenges. Ekuinas toiled with us to achieve our objective of becoming a listed company. I am grateful for all their assistance in this process.

I would advise companies to grab the opportunity to work with a private equity firm. They have the skills, expertise and knowledge to take your business to the next level. Don't just focus on who gains control of the company but on building a legacy for future generations to inherit and grow into world leaders.



“  
**IT HAS BEEN A MUTUALLY  
BENEFICIAL PARTNERSHIP**”

**Wan Ahmad Saifuddin**

*Chief Executive Officer of UNITAR International University (UNITAR)*

Private equity is an essential component in the investment value chain, particularly for rapidly growing companies. There is a general perception that private equity companies are short-term investors but Ekuinas is different. It is a government organisation with an additional goal of catalysing national development.

Companies should definitely consider partnering with Ekuinas given the opportunity. Ekuinas operates like a professional private equity firm and this means business owners must be prepared for a heightened level of monitoring. This is something that they are probably not used to but treat Ekuinas as genuine business partners. This way, the partnership is beneficial to both parties.

As the major shareholder of UNITAR, Ekuinas is very thorough and keeps a close eye on operations especially during the first eighteen months of their involvement. I had expected this as I have an added advantage of working at Ekuinas for nine months before assuming my role at UNITAR.

This high level of monitoring was necessary because many business activities, especially those specified in the 100-day plan had to be implemented. Once the business had stabilised, reporting became more efficient and we could focus on more strategic issues.



“  
**PRIVATE EQUITY IS AN  
ESSENTIAL COMPONENT IN  
THE INVESTMENT VALUE  
CHAIN, PARTICULARLY  
FOR RAPIDLY GROWING  
COMPANIES**”



**Mohamad Kamal Nawawi**

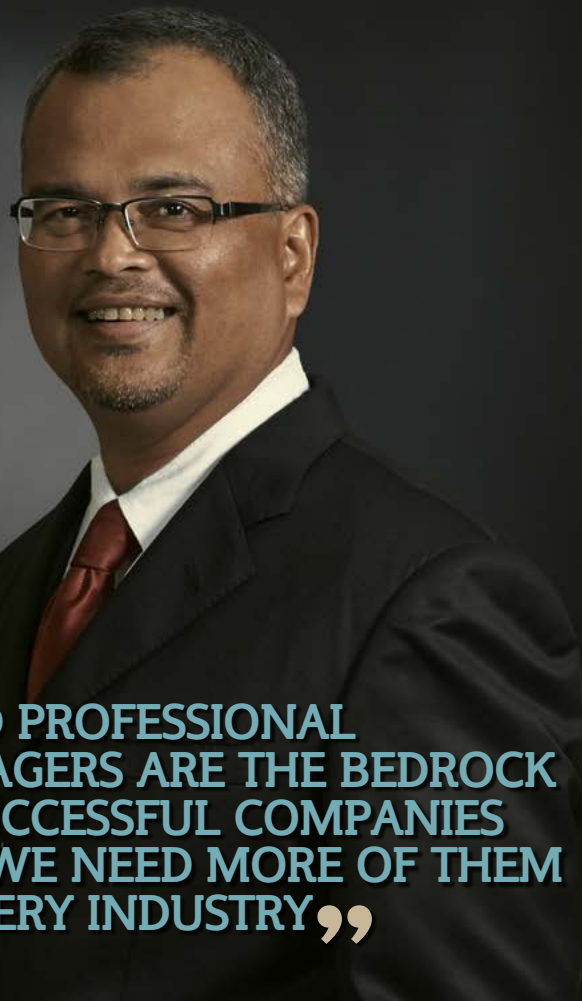
*Chief Executive Officer of Cosmopoint Group of Companies  
(Cosmopoint Group)*

Holding an education portfolio consisting of private higher education companies such as the Cosmopoint Group attests to Ekuinas' unusual private equity business model. Most conventional private equity companies avoid the challenge of investing in the private higher education sector. This is because it is a tightly regulated service industry with unique nuances.

That said, Ekuinas would not have invested in this industry if they did not see an opportunity to achieve their financial and social objectives. Ekuinas understands the intricacies of the higher private education sector. This is the same for all the other industries that it has invested in and speaks volumes about their capabilities as each industry is different.

The team at Ekuinas never strays from their objectives and this keeps me focused on the top and bottom line. This is beneficial as it is very easy to overlook these numbers when submersed in operations. We discuss issues and track progress at monthly meetings while a project management and monitoring team looks at strategic business initiatives.

In the larger scheme of things, the other good work that Ekuinas does is building the pool of Bumiputera talent. Good professional managers are the bedrock of successful companies and we need more of them in every industry.



“**GOOD PROFESSIONAL MANAGERS ARE THE BEDROCK OF SUCCESSFUL COMPANIES AND WE NEED MORE OF THEM IN EVERY INDUSTRY**”

**Azam Azman**

*Managing Director of CMS Opus Private Equity (CMS Opus)*

While Ekuinas' tangible achievements are well documented, the indirect benefits of their activities are immense and difficult to quantify. For example, they deserve recognition for demonstrating the benefits of, and expanding the role of the nascent private equity industry. Now, private equity is recognised as a viable source of capital for deserving entrepreneurs. As its activities have a ripple effect on the private equity industry's eco-system, Ekuinas has positively impacted the country's economy and consequently, benefited all Malaysians.

In working towards their social objectives, Ekuinas expanded Bumiputera corporate participation whilst increasing Bumiputera equity ownership and business capabilities. This helps to elevate the Bumiputera community's propensity for success. In the long run, this should address gaps in the distribution of the country's economic pie.

Ekuinas also assists in the development of local private equity firms. Besides providing funds, they are willing to share their knowledge, expertise and findings. They organised talks and workshops for their Outsource Fund Managers, which are beneficial to firms like CMS Opus. Their faith and participation as a Limited Partner in our funds is a testament to our abilities. This demonstration of their confidence in us has been invaluable.



“**PRIVATE EQUITY IS RECOGNISED AS A VIABLE SOURCE OF CAPITAL**”

“

## EKUINAS HAS MADE SIGNIFICANT IMPACT THROUGH THEIR OUTSOURCED PROGRAMME”

**Raj Ayadurai** (Right)  
Partner and Investment Committee  
Member of Navis Capital Partners (Navis)

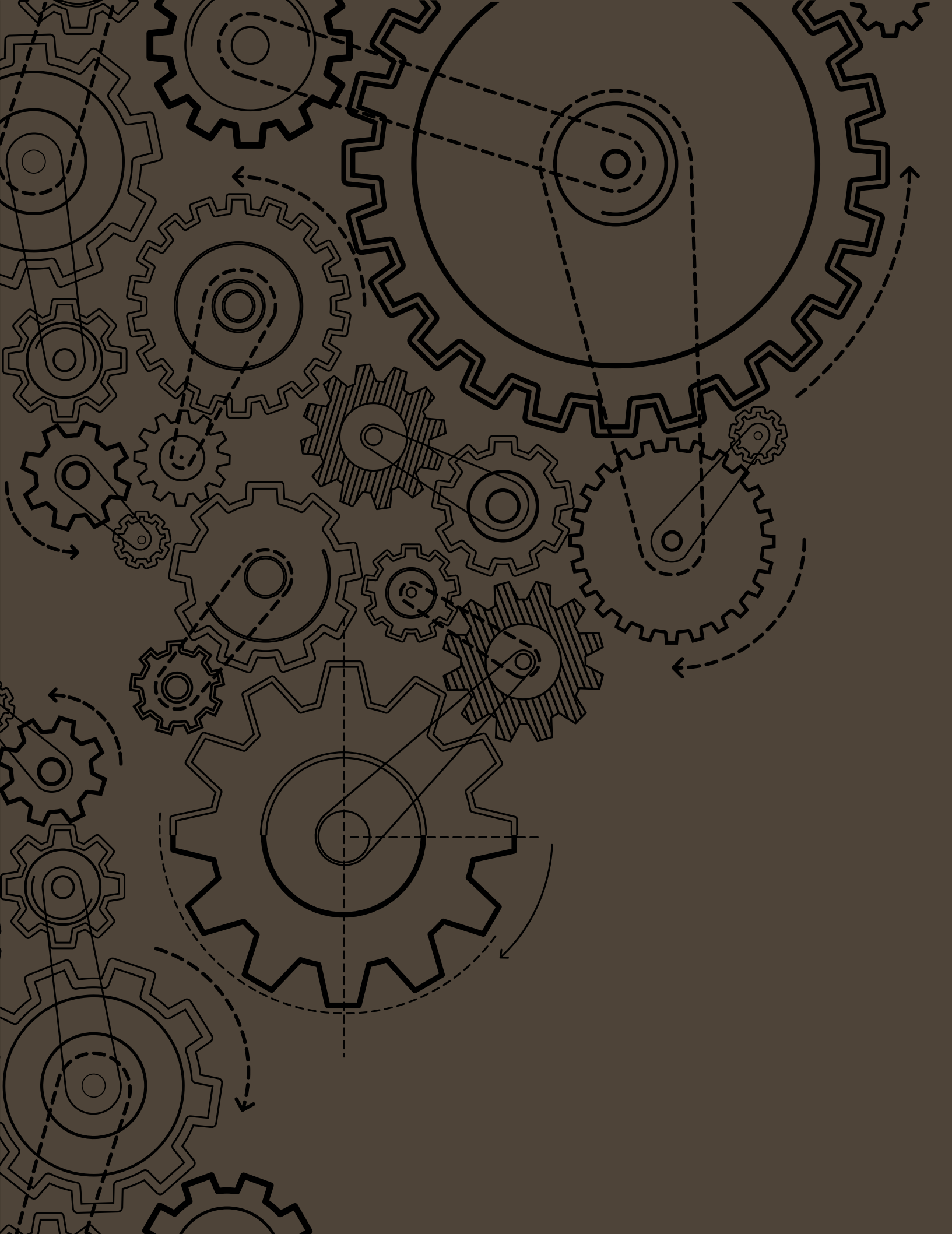
**Reza Mohd Zin** (Left)  
Investment Director of Navis Capital Partners (Navis)

A private equity firm will work collaboratively with owners and/or managers of the business to drive growth and profitability by strengthening management expertise, delivering operational improvements, and opening access to new markets. Unlike mature economies where debt is often used to juice (enhance) returns, it is still possible to generate high returns in developing economies through growth and operational efficiency. This makes private equity very applicable in such countries.

Ekuinas has made significant impact on two fronts: through their own investments and through local private equity firms in their Outsourced Programme, which includes Navis. This way, they broaden the reach of private equity and made it accessible to more promising entrepreneurs and companies in Malaysia.

Partnering with Ekuinas has given us the opportunity to invest in smaller companies, something our main flagship fund typically does not invest in. Investing in smaller companies presents a different set of challenges but there is a greater sense of achievement and contribution towards the development of these companies. We have found this to be an enriching experience.

Personally, working with Ekuinas has been very satisfying. They are professional, pragmatic, responsive, easy to work with, and very supportive of their outsourced fund managers.





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# LEADERSHIP

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## MERIT-BASED

### RECOGNISING TALENT · REWARDING PERFORMANCE

We invest in our employees. Selecting and developing potential according to high standards. We are transparent in the way we create career opportunities based on personal achievements and capabilities.





**RECOGNISING  
TALENT.  
REWARDING  
PERFORMANCE.**



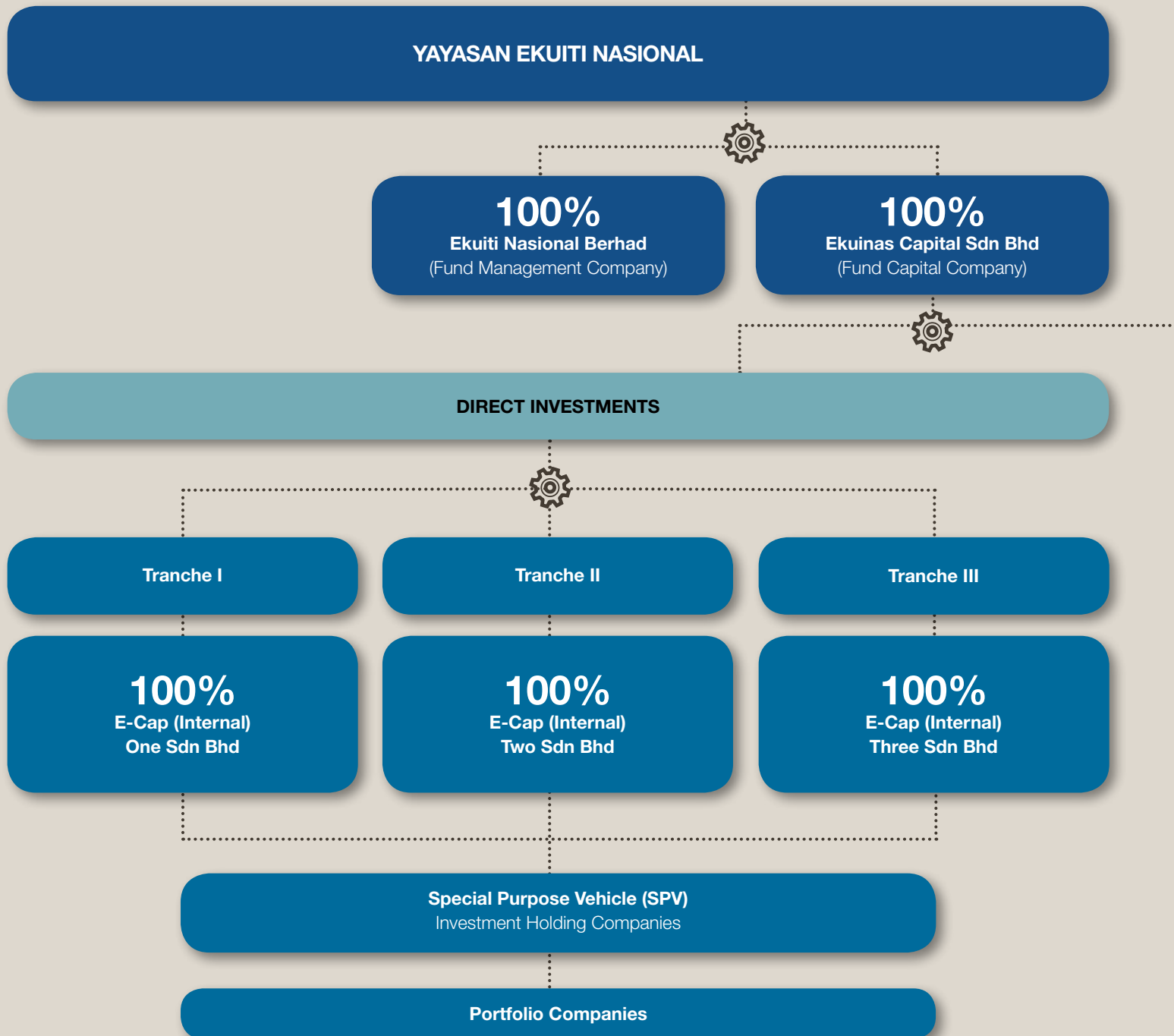
**ekuinas**

EKUITI NASIONAL BERHAD

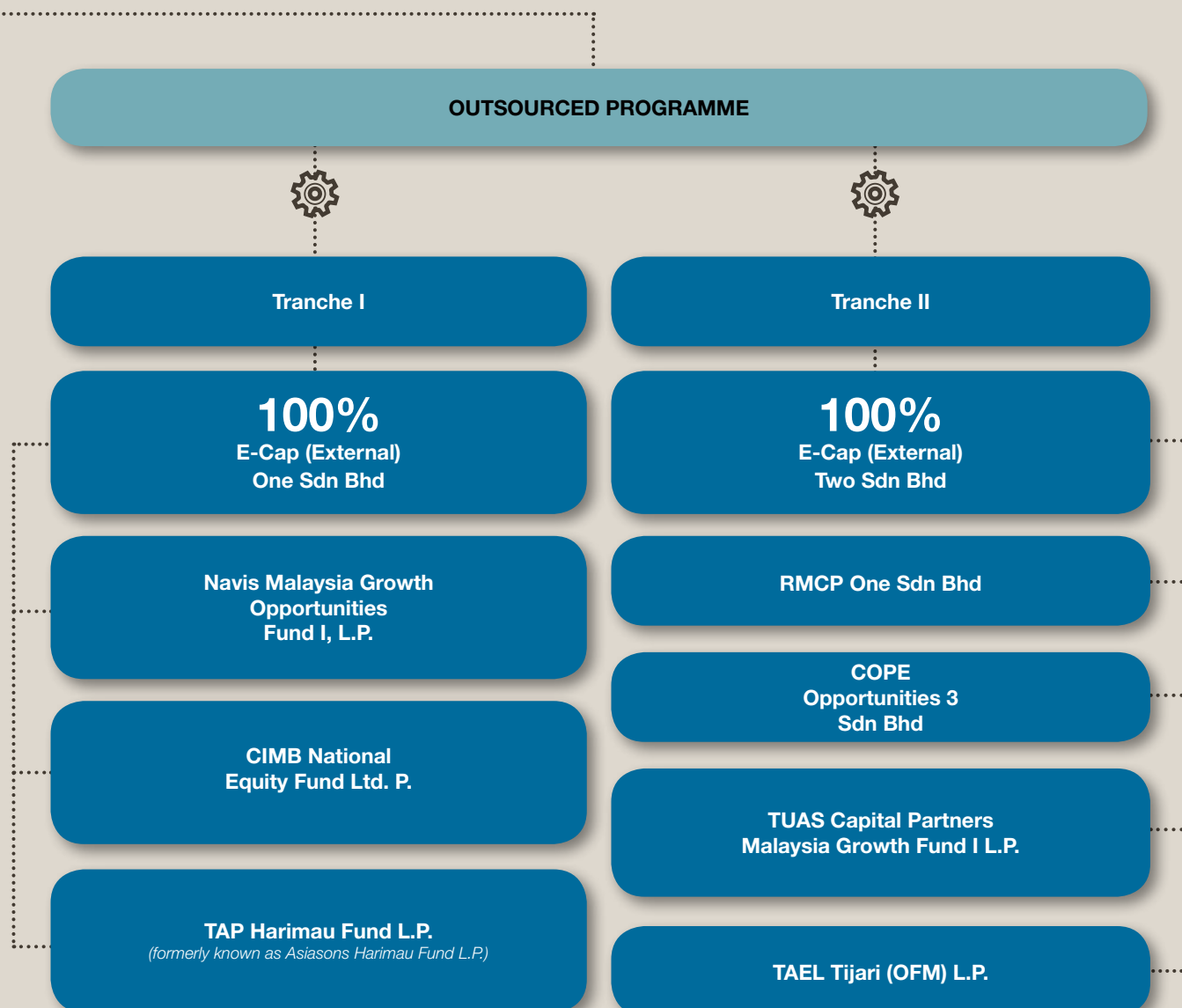




# CORPORATE STRUCTURE







# 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**

**Datuk Seri Dr. Rahamat Bivi Yusoff**

**Datuk Noriyah Ahmad**

**Dato' Abdul Rahman Ahmad**  
*(Chief Executive Officer)*

## BOARD COMMITTEES

### Audit Committee

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

Tan Sri Dato' Seri Mohamed Jawhar Hassan  
Datuk Noriyah Ahmad

### 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)*  
Dato' Abdul Rahman Ahmad  
Syed Yasir Arafat Syed Abd Kadir  
Mazhairul Jamaludin  
Nik Johaan Nik Hashim  
Amil Izham Hamzah

### CSR Investment Committee (CIC)

Datuk Noriyah Ahmad *(Chairman)*  
Dato' Abdul Rahman Ahmad  
*(alternately Syed Yasir Arafat Syed Abd Kadir  
or Mazhairul Jamaludin)*  
Suridah Jalaluddin  
Nik Johaan Nik Hashim

## COMPANY SECRETARY

Shamsiah A Rahman (MAICSA 7008380)  
Norsham Abdul Ghani (LS 01203)

## AUDITOR

PricewaterhouseCoopers  
Chartered Accountants

## PRINCIPAL BANKERS

Malayan Banking Berhad  
CIMB 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 13, Surian Tower  
No. 1, Jalan PJU 7/3  
Mutiar Damansara  
47810 Petaling Jaya, Selangor

## MANAGEMENT COMMITTEE

Abdul Rahman Ahmad  
*Chief Executive Officer*

Syed Yasir Arafat Syed Abd Kadir  
*Managing Partner, Investment*

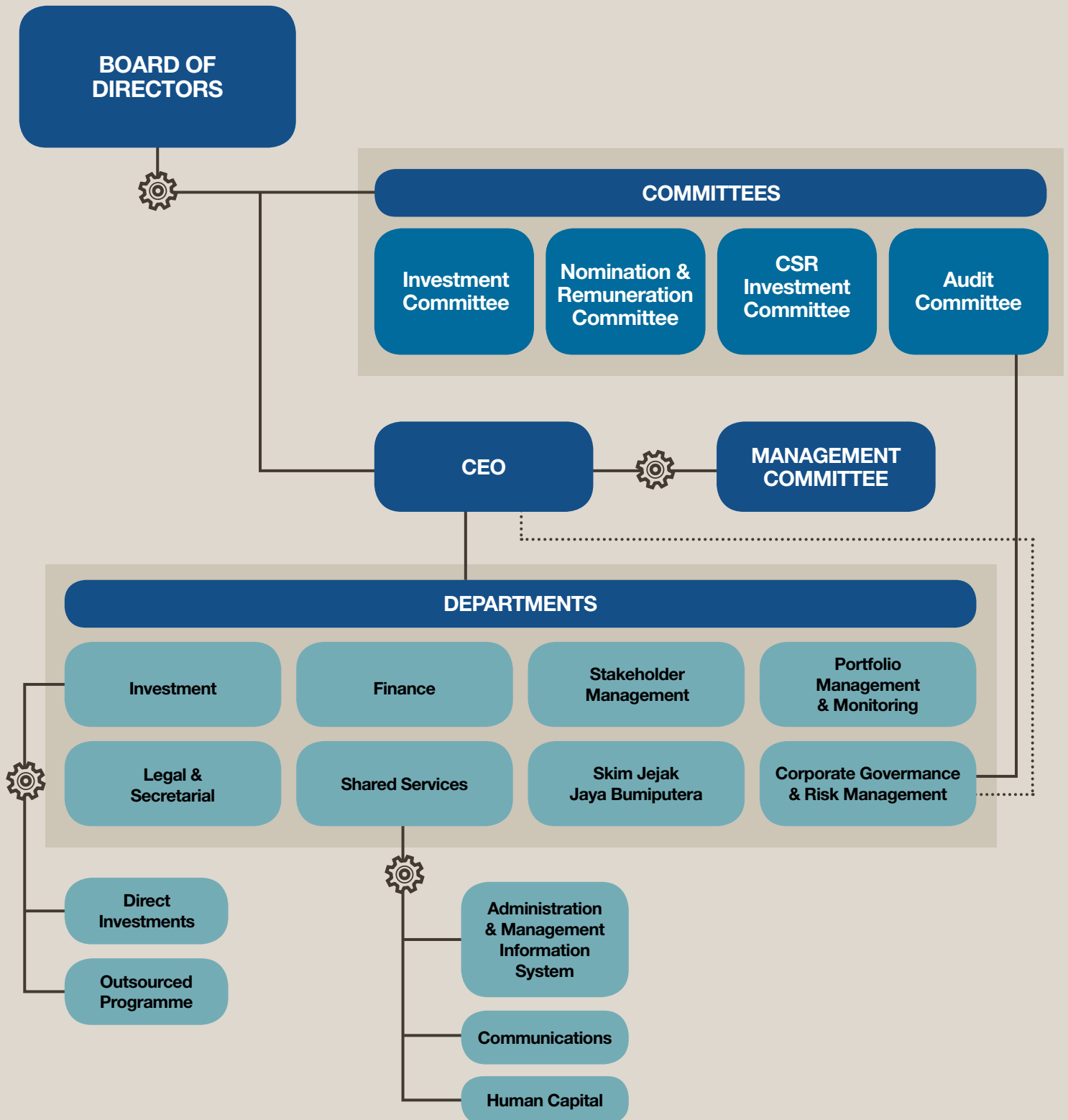
Mazhairul Jamaludin  
*Chief Financial Officer/  
Senior Director, Investment/Outsourcing*

Nik Johaan Nik Hashim  
*Senior Director, Investment/Stakeholder  
Management*


Amil Izham Hamzah  
*Senior Director, Investment*

Suridah Jalaluddin  
*Senior Director, Investment/Shared Services*

# ORGANISATION STRUCTURE



# BOARD OF DIRECTORS

A professional portrait of Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, an elderly man with white hair and glasses, wearing a dark blue suit, white shirt, and blue tie. He is smiling slightly and looking towards the camera. The background is dark and out of focus.

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 Tan Sri Arshad also holds the following positions; Chairman of Maxis Berhad and Icon Offshore Berhad, and Director of Khazanah Nasional Berhad and ACR Capital Holdings. 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 Tan Sri Arshad is also the Chancellor of Universiti Selangor.

Raja Tan Sri 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 at the Institute of Chartered Accountants in England and Wales (ICAEW), Raja Tan Sri 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.

## DATO' ABDUL RAHMAN AHMAD IS A DIRECTOR AND THE CHIEF EXECUTIVE OFFICER OF EKUITI NASIONAL BERHAD (EKUINAS). HE LEADS THE MANAGEMENT COMMITTEE AND IS A MEMBER OF THE INVESTMENT COMMITTEE.

Prior to joining Ekuinas, Dato' Abdul Rahman was the Group Managing Director/Chief Executive Officer of Media Prima Berhad (MPB), the leading integrated media investment group in Malaysia. He also held the post of Group Managing Director/Chief Executive Officer of Malaysian Resources Corporation Berhad (MRCB), a leading Malaysian conglomerate involved in property, construction and infrastructure.

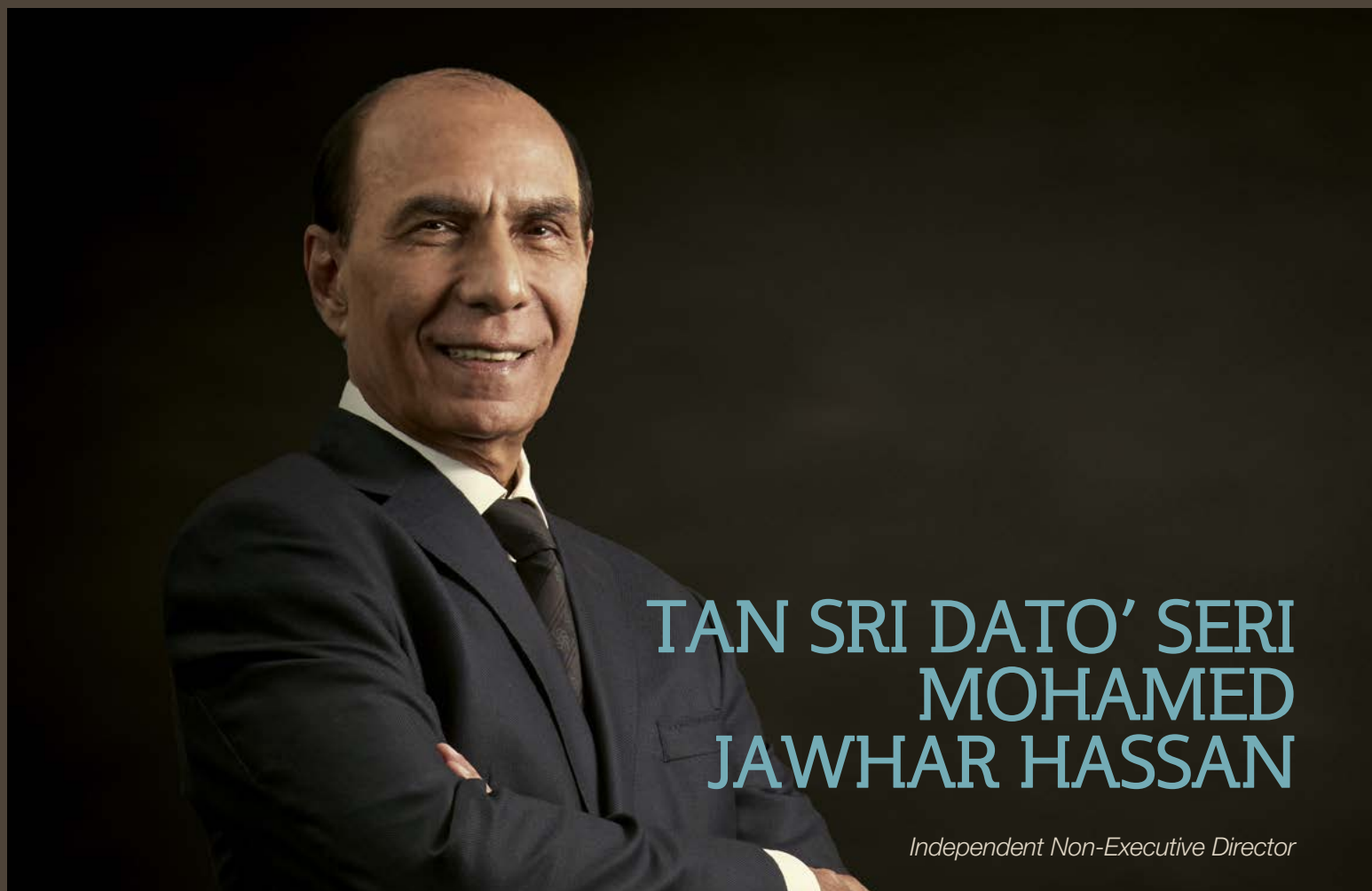
Dato' Abdul Rahman began his career at Arthur Andersen, London, and later served as Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc Sdn Bhd. He later served Pengurusan Danaharta Nasional Berhad, the country's national asset management company as Unit Head and went on to become Executive Director of SSR Associates Sdn Bhd, a boutique corporate finance consulting firm.

Dato' Abdul Rahman holds an MA in Economics from Cambridge University, United Kingdom and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW). He is currently also a Non-Executive Director of Icon Offshore Berhad, an Independent Director of Malaysian Resources Corporation Berhad (MRCB), Axiata Group Berhad (Axiata) and M+S Pte Ltd, a joint venture property company of Khazanah Nasional Berhad and Temasek Holdings (Private) Limited.



DATO' ABDUL  
RAHMAN AHMAD

*Director and Chief Executive Officer*



## TAN SRI DATO' SERI MOHAMED JAWHAR HASSAN

*Independent Non-Executive Director*

TAN SRI DATO' SERI 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 COMMITTEE.

Presently, he is the Non-Executive Chairman of New Straits Times Press Berhad and also an Independent Non-Executive Director of Media Prima Berhad. He also sits on the Board of Affin Bank Berhad and is a Commission member of the Securities Commission Malaysia.

Tan Sri Dato' Seri Mohamed Jawhar is the Chairman 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; thereafter he assumed the posts of Director General, and Chief Executive Officer.

Tan Sri Dato' Seri Mohamed Jawhar is also 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 and is an Expert and Eminent Person of the ASEAN Regional Forum (ARF).





## 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 founder and Chairman of Symphony House Berhad, a listed outsourcing group and the Executive Chairman of Symphony Life Berhad, a listed property group. He also sits on the board of Khazanah Nasional Berhad and AIA Group Limited. Tan Sri Azman serves as member of The Capital Market Advisory Group of the Securities Commission and as a council member of Malaysian Financial Reporting Foundation (FRF). He is a director 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.



## DATUK SERI DR RAHAMAT BIVI YUSOFF

*Non-Executive Director*

DATUK SERI DR RAHAMAT BIVI YUSOFF JOINED AS A NON-EXECUTIVE DIRECTOR OF EKUITI NASIONAL BERHAD (EKUINAS) ON 19 OCTOBER 2011, WHEN SHE WAS APPOINTED THE DIRECTOR-GENERAL OF THE ECONOMIC PLANNING UNIT, PRIME MINISTER'S DEPARTMENT OF MALAYSIA (EPU).

Datuk Seri Dr Rahamat has been in the Malaysian Civil Service for over 30 years, starting out as the Assistant Secretary (Tax Division) in the Ministry of Finance (MOF), and later served in various positions including Director for Budget at MOF, Deputy Director of Macro Economy Section at EPU, the Project Officer at Institut Tadbiran Awam Negara (INTAN) and Director at Energy Commission. Before assuming her current post, she was the Deputy Secretary-General of Treasury, MOF in charge of System and Control Division.

Datuk Seri Dr Rahamat is also a member of the Board of Directors in other agencies such as Malaysia Thailand Joint Authority (MTJA), Federal Land Development Authority

(FELDA), Malaysia Deposit Insurance Corporation (PIDM) and MRT Corporation Sdn. Bhd. She is also a council member of Iskandar Regional Development Authority (IRDA), Sabah Economic Development & Investment Authority (SEDIA), Sarawak Corridor of Renewable Energy (RECODA) and East Coast Economic Region Development Council (ECERDC).

Datuk Seri 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 NORIYAH AHMAD

*Independent Non-Executive Director*

DATUK NORIYAH AHMAD IS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF EKUITI NASIONAL BERHAD (EKUINAS), A MEMBER OF THE AUDIT COMMITTEE AND THE CHAIRPERSON OF CSR INVESTMENT COMMITTEE.

Datuk Noriyah was formerly the Director-General of the Economic Planning Unit, Prime Minister's Department of Malaysia (EPU), the last position she held after more than thirty years working in the Malaysian Civil Service.

She started her career in Government as Assistant Director, Social Services Section, EPU before holding various positions in the Ministry of Federal Territory, Klang Valley Planning Unit, INTAN, Ministry of Domestic Trade and Consumer Affairs and Ministry of Energy, Communications and Multimedia. In 2003, she served in EPU as Director, Distribution Section and was promoted to Deputy Director General I in 2005. Datuk Noriyah was appointed as the Director General in 2009 and retired in October 2011.

She is also currently the Co-Chairperson of the Malaysia-Thailand Joint Authority and also a Board member of Malaysian Investment Development Authority (MIDA), Zecon Medicare Sdn Bhd and Prokhas Sdn. Bhd.

Datuk Noriyah holds a Bachelor's degree in Applied Economics (Honours) from University Malaya and obtained her Master's degree in Development Economics from the University of Kent, United Kingdom.

# SENIOR MANAGEMENT



**ABDUL RAHMAN  
AHMAD**

*Chief Executive Officer*

**SYED YASIR ARAFAT  
SYED ABD KADIR**

*Managing Partner,  
Investment*

**MAZHAIKUL  
JAMALUDIN**

*Chief Financial Officer and  
Senior Director, Investment/Outsourcing*

Abdul Rahman's profile is presented on page 70.

Syed Yasir Arafat is the Managing Partner, Investment at Ekuinas and a member of the Investment Committee and Management Committee. Yasir currently oversees the Investment Team at Ekuinas and leads the Company's portfolio investments in the oil & gas (O&G) and services sectors.

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

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

Mazhairul Jamaludin is the Chief Financial Officer (CFO) and Senior Director, Investment/Outsourcing of Ekuinas as well as a member of the Investment Committee and Management Committee. Mazhairul heads Ekuinas' Outsourced Programme and is one of the Senior Directors in charge of Ekuinas' education portfolio. As CFO, Mazhairul is also primarily responsible for financial management, portfolio reporting and treasury. 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, Multi Channel 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 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 a member of the Malaysian Institute of Accountants (MIA).





**NIK JOHAAN  
NIK HASHIM**

*Senior Director,  
Investment/Stakeholder Management*

**AMIL IZHAM  
HAMZAH**

*Senior Director,  
Investment*

**SURIDAH  
JALALUDDIN**

*Senior Director,  
Investment/Shared Services*

Nik Johaan Nik Hashim is Senior Director, Investment/Stakeholder Management at Ekuinas and a member of the Investment Committee and Management Committee. Nik Johaan is one of the Senior Directors in charge of Ekuinas' food & beverage (F&B) and services investments. He also leads the Stakeholder Management function in Ekuinas.

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.

Amil Izham Hamzah is Senior Director, Investment at Ekuinas and a member of the Investment Committee and Management Committee. Amil is one of the Senior Directors jointly in charge of Ekuinas' education and food & beverage (F&B) portfolios.

Amil was formerly the Group Chief Financial Officer of Media Prima Berhad (MPB) responsible for financial reporting, treasury, debt restructuring, mergers and acquisitions, and investor relations. Prior to that, Amil was previously attached to PricewaterhouseCoopers, Kuala Lumpur; Petronas and Deloitte Touche Tohmatsu in Perth, Australia.

Amil is a member of the Institute of Chartered Accountants in Australia (ICAA) and holds a Bachelor of Commerce (Accounting) degree from the University of New South Wales, Sydney, Australia, and an MBA in International Marketing from Berne University of Applied Sciences, Switzerland.

Suridah Jalaluddin is Senior Director, Investment/Shared Services at Ekuinas and is currently the alternate director to Dato' Abdul Rahman Ahmad on the board of portfolio company Alliance Cosmetics Group. Suridah oversees all shared services functions covering the areas of human capital, administration, management of information system (MIS), communications and corporate social responsibility (CSR).

Suridah was formerly the CEO of ntv7, a popular urban television station of Media Prima Berhad (MPB), following the sale of her own media company Big Tree Outdoor Sdn Bhd to MPB. She established Big Tree in 1994 to focus on expressway, transit and retail outdoor advertising and nurtured the company until it became the country's largest outdoor advertising outfit.

Her earlier work experience spans various positions in the world of media, advertising and communications, both in Malaysia and the United Kingdom.

# OTHER MANAGEMENT





**HENG KHIM HUI**

*Director, Portfolio Management and Monitoring,  
Value Creation and Operations*



**SHARIFAH  
NORALINA  
SYED YASSIN**

*Director, Portfolio Management and Monitoring, Human Resource*



**NORAMLY  
BACHOK**

*Head, Corporate Governance & Risk Management*



**WAN MOHD AZRAN**

*Associate Director, Legal*

# INVESTMENT TEAM



*Left to Right:*

1. RIZAL MOHD ZIN
2. MOHD IRWAN AHMAD MUSTAFA
3. HOWARD SOH SOON HU'ANG

*Left to Right:*

4. LIM FU YEN
5. TENGKU MOHAMED HAFIZ SAFIYUDDEEN
6. MOHAMED OMAR FATEH MOHAMED



*Left to Right:*

7. HASLINA ALI
8. WONG PAI SENT
9. TENGKU ADRINNA SHAHAZ TENGKU AZMAN





*Left to Right:*

- 10. TEO WEI MIN
- 11. WAFIY ABDUL AZIZ
- 12. SALAHUDDIN KHAIRUDDIN

*Left to Right:*

- 13. ADDENO ABDUL RASYID
- 14. MOHAMMAD BAZIL RAZIF
- 15. MOHD AFIQ MOHD FOZI



*Left to Right:*

- 16. AHMAD FAEEZ MOHD SOFFI
- 17. NADHRA IMAN AHMAD FAUZI

# SENIOR MANAGEMENT OF PORTFOLIO COMPANIES



1.



2.

## ICON OFFSHORE BERHAD

1. Dr. Jamal Yusof  
*Chief Executive Officer*
2. Zaleha Abdul Hamid  
*Chief Financial Officer*

## APIIT EDUCATION GROUP

1. Datuk Dr. Parmjit Singh  
*Chief Executive Officer*
2. Mohd Helmy Norman  
*Chief Financial Officer*
3. Dr. Athula Pitigala Arachchi  
*Chief Executive Officer, APIIT Lanka*



1.



2.



3.



1.



2.

## UNITAR INTERNATIONAL UNIVERSITY

1. Wan Ahmad Saifuddin Wan Ahmad Radzi  
*Chief Executive Officer*
2. Muhammad Lukman Musa  
*Chief Operating Officer and Chief Financial Officer*

## COSMOPPOINT GROUP

1. Mohamad Kamal Nawawi  
*Chief Executive Officer, Cosmopoint Group of Companies*
2. Muhamad Firdaus Jamal  
*Vice President of Finance, Cosmopoint Group of Companies*
3. Izz Al-Din Maslan  
*Chief Executive, Cosmopoint Group of Colleges*



1.



2.



3.

## ALLIANCE COSMETICS GROUP

1. Ng Chee Eng  
*Chief Executive Officer*



1.



1.

## REVENUE VALLEY GROUP

1. George Ang  
*Chief Executive Officer*

 <p>1.</p>	 <p>2.</p>	<p><b>COOLBLOG</b></p> <p>1. Eng Ser Chin <i>Managing Director</i></p> <p>2. Jerrene Pang <i>Executive Director</i></p>
<p><b>SAN FRANCISCO COFFEE</b></p> <p>1. Koo Sue San <i>General Manager</i></p> <p>2. Rashdan Othman <i>Director of Operations</i></p>	 <p>1.</p>	 <p>2.</p>
 <p>1.</p>	 <p>2.</p>	<p><b>ORKIM SDN BHD</b></p> <p>1. Wan Izani Wan Mahmood <i>Executive Director</i></p> <p>2. Captain Khoo Chin Yew <i>Executive Director</i></p>
<p><b>PRIMABAGUZ</b></p> <p>1. Wong Kok Heng <i>Chief Executive Director</i></p> <p>2. Yusmaleni Idrus <i>Financial Controller</i></p>	 <p>1.</p>	 <p>2.</p>
<p><b>ILMU EDUCATION GROUP</b></p> <p>1. Liza Karim <i>Director, Shared Services</i></p> <p>2. Nuraini Hamid <i>Financial Controller</i></p>	 <p>1.</p>	 <p>2.</p>

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# PERFORMANCE

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## PASSION

### LEADING PERFORMANCE · CREATING VALUE

We continue to make strategic and steady progress towards our vision of growth and to fulfill our mandate by delivering beyond the ordinary.











**LEADING  
PERFORMANCE.  
CREATING  
VALUE.**

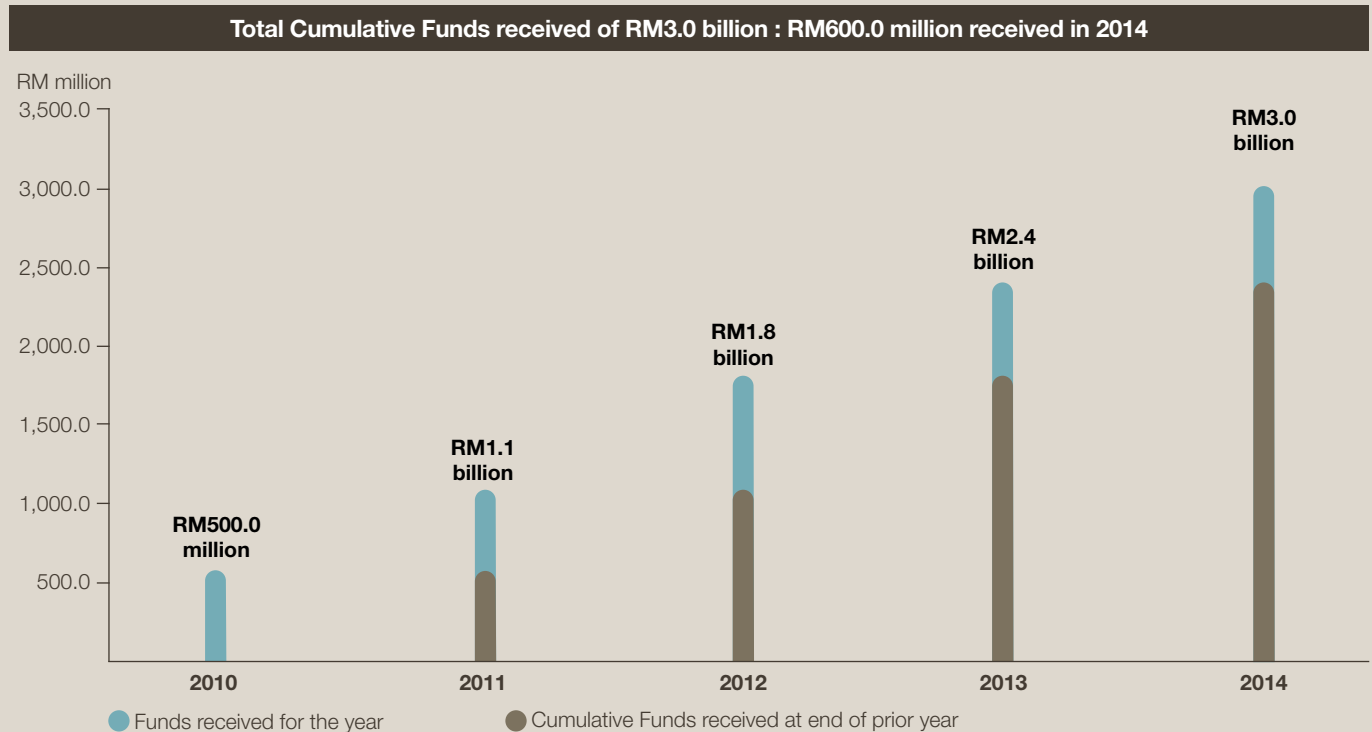


*Ekuias Food Group is one of the largest food groups in Malaysia with strong F&B brands such as Tony Roma's, Manhattan Fish Market, San Francisco Coffee, Coolblog and food manufacturing, PrimaBaguz.*

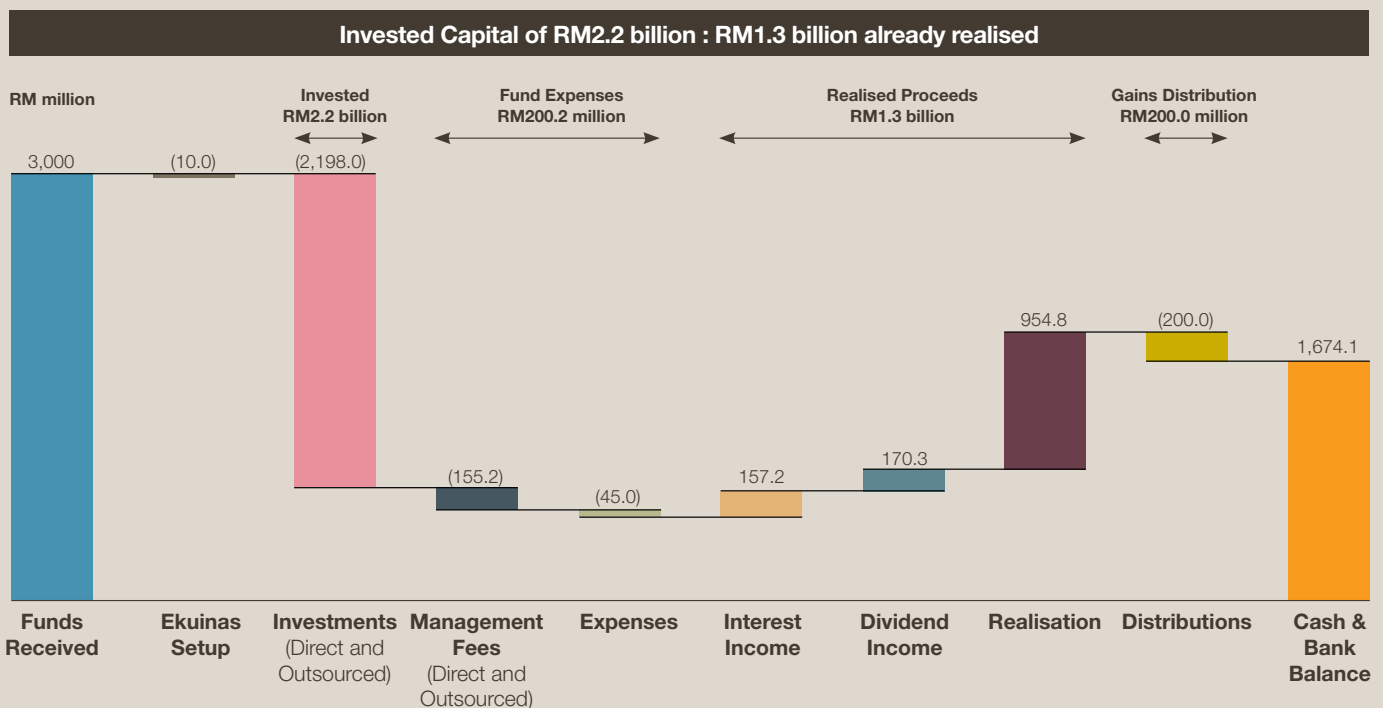
# INVESTMENT PERFORMANCE REPORT

## A. OVERALL

### 1. Funds Received



### 2. Funds Utilisation





## 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	Fully deployed	Status	Fully committed	Status	Investing
Capital Committed RM1.0 billion		Capital Committed RM1.0 billion		Capital Committed RM1.5 billion	
Term 5 years + 2 years			Investment Period 3 years to 5 years		
Legal Form & Structure One Fund Manager and One Investor			Geographical Focus Malaysia		
Investment Focus Buy-Out and Growth Capital Fund			Industry Focus Education, Oil & Gas, FMCG, Retail & Leisure, Healthcare and Services		

### 2. Investment Activities

#### a) Direct Investment Activities for 2014

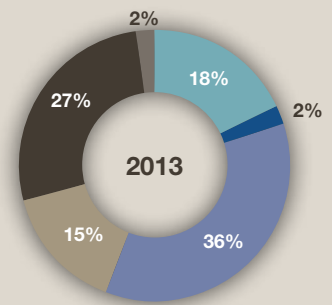
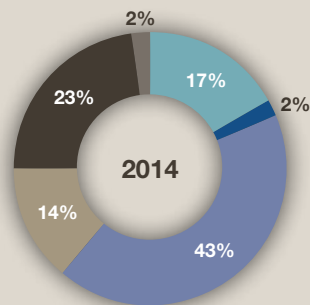
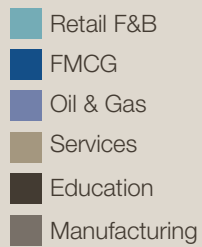
RM million Portfolio Company	Sector	Stake	Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
<b>Follow-on investments:</b>					
1. Lyndarahim Ventures Sdn Bhd (SF)	Retail - F&B		3.0	-	3.0
2. Revenue Valley Group (RV)	Retail - F&B		18.0	-	18.0
<b>New investments:</b>					
1. Coolblog Sdn Bhd (Coolblog)	Retail - F&B	60.0%	50.8	-	50.8
2. Orkim Sdn Bhd (Orkim)	Oil & Gas	95.5%	346.3	-	346.3
3. Tenby Educare Sdn Bhd (Tenby)	Education	70.0%	70.0	-	70.0
4. Tranglo Sdn Bhd (Tranglo)	Services	60.0%	54.0	-	54.0
<b>Total for the year</b>			<b>542.1</b>	<b>-</b>	<b>542.1</b>

**b) Cumulative Direct Investment activities as at 31 December 2014**

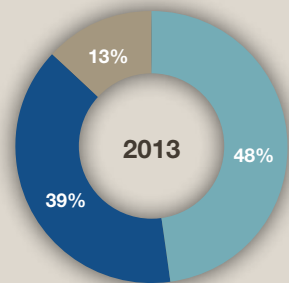
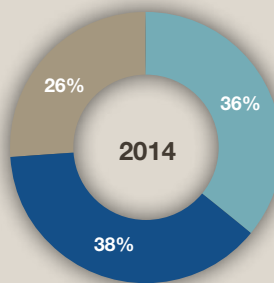
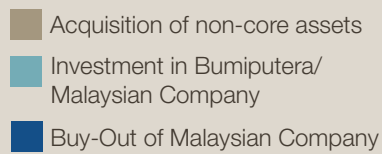
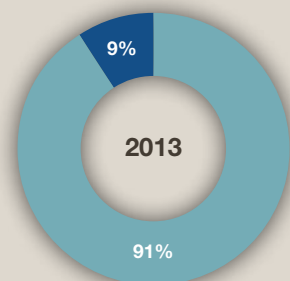
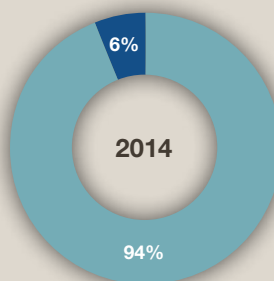
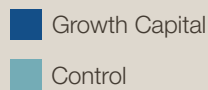
RM million Portfolio Company	Sector	Stake	Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
<b>Ekuias Direct (Tranche I) Fund</b>					
1. Alliance Cosmetics Group (ACG)	FMCG	20.0%	39.9	119.6	159.5
2. Tanjung Offshore Berhad (TOB)	Oil & Gas	24.0%	99.8	-	99.8
3. Konsortium Logistik Berhad (KLB)	Services	61.6%	241.0	-	241.0
4. Asia Pacific Education Group (APIIT)	Education	51.0%	102.0	-	102.0
5. Cosmo Restaurants Sdn Bhd (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 Singapore Pte Ltd (BKS)	Retail - F&B	100.0%	78.2	-	78.2
2. Icon Offshore Berhad (Icon)	Oil & Gas	17.4%	175.9	-	175.9
3. PrimaBaguz Sdn Bhd (PrimaBaguz)	Food Manufacturing	100.0%	40.0	-	40.0
4. Cosmo Restaurants Sdn Bhd (BKM)	Retail - F&B	20.9%	48.8	-	48.8
5. Asia Pacific Institute of Information Technology Lanka Pvt Ltd (APIIT Lanka)	Education	76.5%	32.3	-	32.3
6. Lyndarahim Ventures Sdn Bhd (SF)	Retail - F&B	-	3.0	-	3.0
7. Revenue Valley Group (RV)	Retail - F&B	-	18.0	-	18.0
8. Coolblog Sdn Bhd (Coolblog)	Retail - F&B	60.0%	50.8	-	50.8
9. Orkim Sdn Bhd (Orkim)	Oil & Gas	95.5%	346.3	-	346.3
10. Tenby Educare Sdn Bhd (Tenby)	Education	70.0%	70.0	-	70.0
11. Trangolo Sdn Bhd (Trangolo)	Services	60.0%	54.0	-	54.0
<b>Total Investment Undertaken Tranche II</b>			<b>917.3</b>	<b>-</b>	<b>917.3</b>
<b>Cumulative Total Investment Undertaken</b>			<b>2,175.5</b>	<b>122.1</b>	<b>2,297.6</b>

## c) Investment Composition Analysis

## BY SECTOR





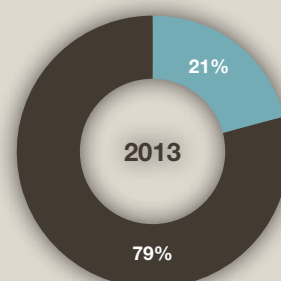
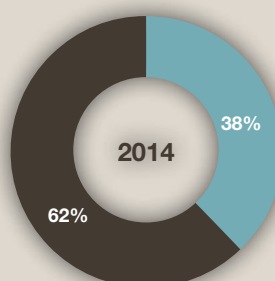
## BY CATEGORY



CONTROL VS GROWTH  
CAPITAL DEALS

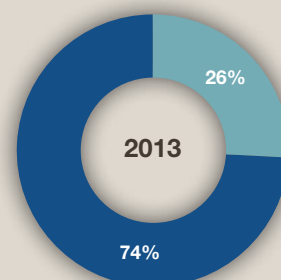
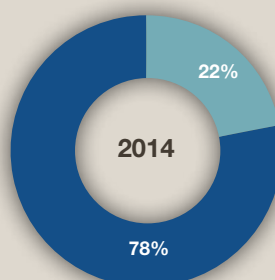
## c) Investment Composition Analysis (Continued)

LISTED COMPANIES VS  
PRIVATE COMPANIES

 Listed Companies  
 Private Companies

STANDALONE VS  
BUY & BUILD

 Standalone  
 Buy & Build



## 3. Realisation Activities

## a) Realisation Activity for 2014

Company RM million	Year of Realisation	% of the Fund's Holding Realised	Cost of Realised Investment	Total Realised Amount	Gross IRR% p.a.	Money Multiple
<b>Partial realisation</b>						
Icon Offshore Berhad <sup>#</sup>	2014	52.0	208.9	545.4	68.0%	2.6

## b) Cumulative Realisation Activities as at 31 December 2014

Company RM million	Year of Realisation	% of the Fund's Holding Realised	Cost of Realised Investment	Total Realised Amount	Gross IRR% p.a.	Money Multiple
<b>Full realisation</b>						
Tanjung Offshore Berhad*	2012	100.0	99.8	62.0	-19.2%	0.6
Konsortium Logistik Berhad	2013	100.0	241.0	347.4	19.4%	1.5
<b>Partial realisation</b>						
Icon Offshore Berhad <sup>#</sup>	2014	52.0	208.9	545.4	68.0%	2.6
<b>Total proceeds from realisation</b>				<b>954.8</b>	<b>27.0%</b>	<b>1.7</b>

\* The realisation of Tanjung Offshore Berhad forms part of Ekuinas' restructuring of its Oil & Gas portfolio as it reinvested the proceeds into additional investment in Icon Offshore Berhad.

<sup>#</sup> Realisation across two funds; Ekuinas Direct (Tranche I) Fund and Ekuinas Direct (Tranche II) Fund.



#### 4. Portfolio Companies' Performance

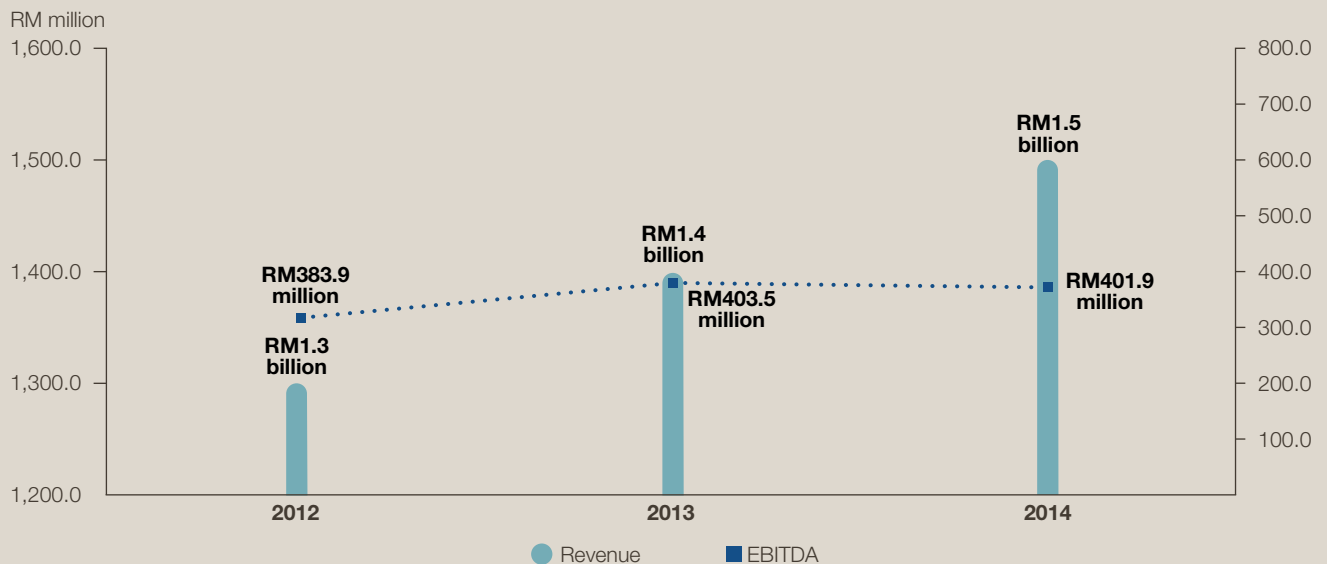
##### a) Portfolio Companies' Performance - Combined Revenue and EBITDA

	Revenue (RM million)			EBITDA (RM million) *		
	2014 A	2013 B	% Growth A - B	2014 A	2013 B	% Growth A - B
Education	317.4	296.7	7.0%	88.7	85.5	3.7%
BK Group	256.7	226.5	13.4%	(10.2)	(10.1)	(0.9%)
Food Group	271.8	231.9	17.2%	25.7	26.5	(3.1%)
PrimaBaguz	66.3	63.8	3.9%	10.8	10.4	4.3%
Food Group	338.0	295.7	14.3%	36.5	36.9	(1.0%)
Icon Offshore	318.9	334.9	(4.8%)	184.7	190.9	(3.2%)
Orkim	143.5	136.4	5.2%	70.1	67.8	3.5%
ACG	102.2 <sup>#</sup>	100.0 <sup>#</sup>	2.2%	98.5 <sup>#</sup>	100.0 <sup>#</sup>	(1.5%)
<b>Combined Portfolio Companies</b>	<b>1,518.4</b>	<b>1,430.9</b>	<b>6.1%</b>	<b>401.9</b>	<b>403.5</b>	<b>(0.4%)</b>

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

<sup>#</sup> ACG results are quoted in indexed form.

##### b) Portfolio Companies' Performance - Combined Revenue and EBITDA Growth



This represents proforma consolidated figures for all existing portfolio companies as if they were under Ekuinas' ownership throughout the years.

## 5. Fund Performance

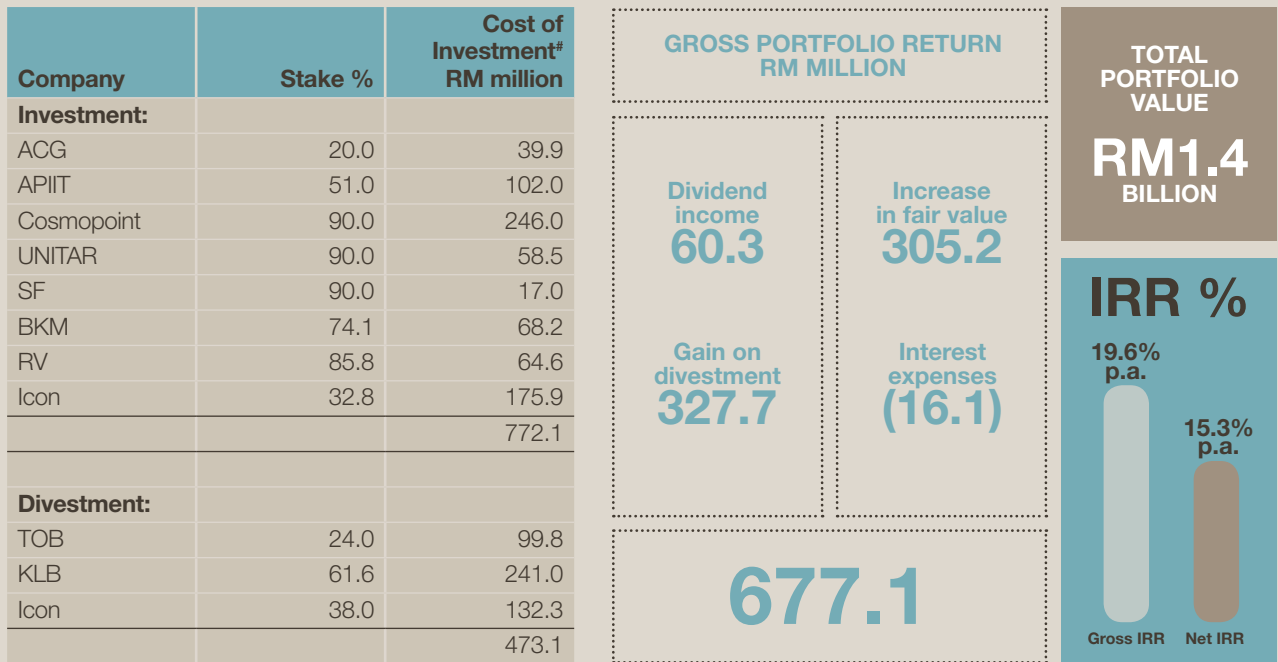
## 5.1 Ekuinas Direct (Tranche I) Fund

## a) Fund Net Assets Value (NAV) as at 31 December 2014

	2013 RM million	Movement RM million	2014 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>1,080.0</b>	<b>15.7</b>	<b>1,095.7</b>
<b>C. Capital Reinvested</b>	<b>166.0</b>	<b>2.0</b>	<b>168.0</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>1,246.0</b>	<b>17.7</b>	<b>1,263.7</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>40.0</b>	<b>-</b>	<b>40.0</b>
<b>F. Total Capital Invested (D+E)</b>	<b>1,286.0</b>	<b>17.7</b>	<b>1,303.7</b>
<b>Plus increases to Net Assets Value:</b>			
Dividend Income	43.1	17.2	60.3
Net Unrealised Gain/(Loss) on Fair Value of Investments	558.8	(253.6)	305.2
Realised Gain from Divestment	68.6	259.1	327.7
Interest Expenses	(14.6)	(1.5)	(16.1)
<b>Total Gross Portfolio Return</b>	<b>655.9</b>	<b>21.2</b>	<b>677.1</b>
Organisational Expenses	(214.6)	22.3	(192.3)
Capital Distributions to Limited Partners (C+H)*	(463.3)	(411.2)	(874.5)
<b>Net Decrease in Net Assets Value</b>	<b>(22.0)</b>	<b>(367.7)</b>	<b>(389.7)</b>
<b>G. Net Assets Value</b>	<b>1,264.0</b>	<b>(350.0)</b>	<b>914.0</b>
<b>Net Assets Value made up of:</b>			
Investment - at cost	902.4	(130.3)	772.1
Net Unrealised Gain/(Loss) on Fair Value of Investments	558.8	(253.6)	305.2
<b>Investment carried at Fair Value</b>	<b>1,461.2</b>	<b>(383.9)</b>	<b>1,077.3</b>
Plus: Cash Balance	36.4	(30.4)	6.0
Plus: Working Capital	(233.6)	64.3	(169.3)
Plus: Uncalled Capital	-	-	-
<b>Equals Net Assets Value</b>	<b>1,264.0</b>	<b>(350.0)</b>	<b>914.0</b>
<b>Net Assets Value</b>	<b>1,264.0</b>	<b>(350.0)</b>	<b>914.0</b>
<b>H. Capital Distributed</b>	<b>297.3</b>	<b>413.2</b>	<b>710.5</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>1,561.3</b>	<b>63.2</b>	<b>1,624.5</b>
<b>Gross IRR p.a.</b>	<b>25.5%</b>		<b>19.6%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>20.4%</b>		<b>15.3%</b>

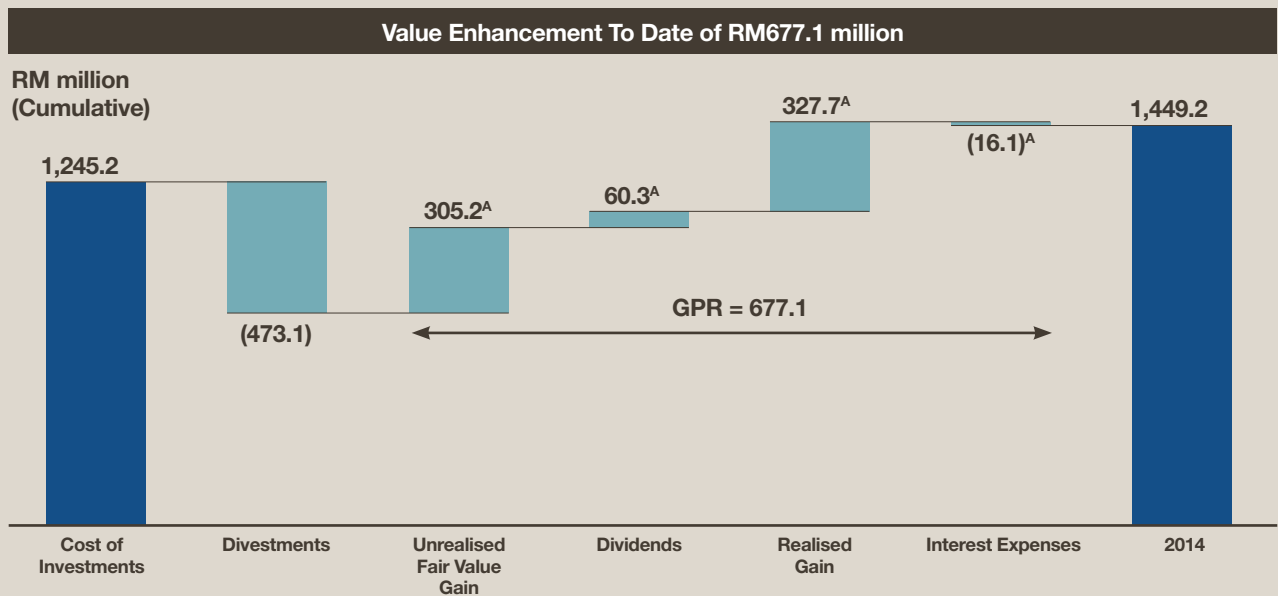
\* includes deemed distribution for invested capital.

## b) Ekuinas Direct (Tranche I) Fund Portfolio Performance as at 31 December 2014



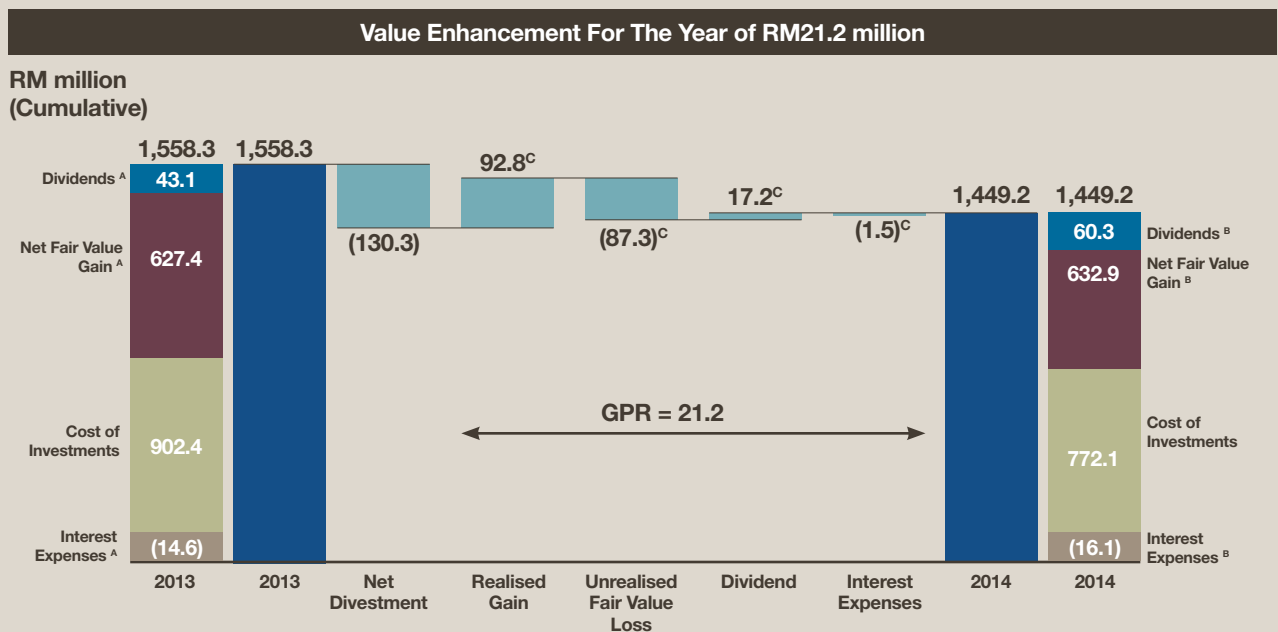
<sup>#</sup> Cost of investment represents amount of committed investment utilised.

c) Ekuinas Direct (Tranche I) Fund Accumulated Portfolio Value Enhancement



<sup>A</sup> These numbers combined make up to cumulative Gross Portfolio Return for 2014 of RM677.1 million.

d) Ekuinas Direct (Tranche I) Fund Portfolio Value Movement as at 31 December 2014



<sup>A</sup> These numbers combined make up to cumulative Gross Portfolio Return for 2013 of RM655.9 million.

<sup>B</sup> These numbers combined make up to cumulative Gross Portfolio Return for 2014 of RM677.1 million.

<sup>C</sup> These numbers combined make up to value enhancement for the year of RM21.2 million.



## 5.2 Ekuinas Direct (Tranche II) Fund

## a) Fund Net Assets Value (NAV) as at 31 December 2014

	2013 RM million	Movement RM million	2014 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>214.3</b>	<b>98.7</b>	<b>313.0</b>
<b>C. Capital Reinvested</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>214.3</b>	<b>98.7</b>	<b>313.0</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F. Total Capital Invested (D+E)</b>	<b>214.3</b>	<b>98.7</b>	<b>313.0</b>
<b>Plus increases to Net Assets Value:</b>			
Dividend Income	-	0.1	0.1
Net Unrealised Gain/(Loss) on Fair Value of Investments	130.1	(59.2)	70.9
Realised Gain from Divestment	-	77.4	77.4
Interest Income	2.9	(2.9)	-
<b>Total Gross Portfolio Return</b>	<b>133.0</b>	<b>15.4</b>	<b>148.4</b>
Organisational Expenses	(45.3)	(18.1)	(63.4)
Capital Distributions to Limited Partners (C+H)*	-	(97.8)	(97.8)
<b>Net Increase/(Decrease) in Net Assets Value</b>	<b>87.7</b>	<b>(100.5)</b>	<b>(12.8)</b>
<b>G. Net Assets Value</b>	<b>302.0</b>	<b>(1.8)</b>	<b>300.2</b>
<b>Net Assets Value made up of:</b>			
Investment - at cost	240.0	331.6	571.6
Net Unrealised Gain/(Loss) on Fair Value of Investments	130.1	(59.2)	70.9
<b>Investment carried at Fair Value</b>	<b>370.1</b>	<b>272.4</b>	<b>642.5</b>
Plus: Cash Balance	1.5	(0.4)	1.9
Plus: Working Capital	(69.6)	(274.6)	(344.2)
Plus: Uncalled Capital	-	-	-
<b>Equals Net Assets Value</b>	<b>302.0</b>	<b>(1.8)</b>	<b>300.2</b>
<b>Net Assets Value</b>	<b>302.0</b>	<b>(1.8)</b>	<b>300.2</b>
<b>H. Capital Distributed</b>	<b>-</b>	<b>97.8</b>	<b>97.8</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>302.0</b>	<b>96.0</b>	<b>398.0</b>
<b>Gross IRR p.a.</b>	<b>68.9%</b>		<b>31.9%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>50.4%</b>		<b>19.3%</b>

\* includes deemed distribution for invested capital.

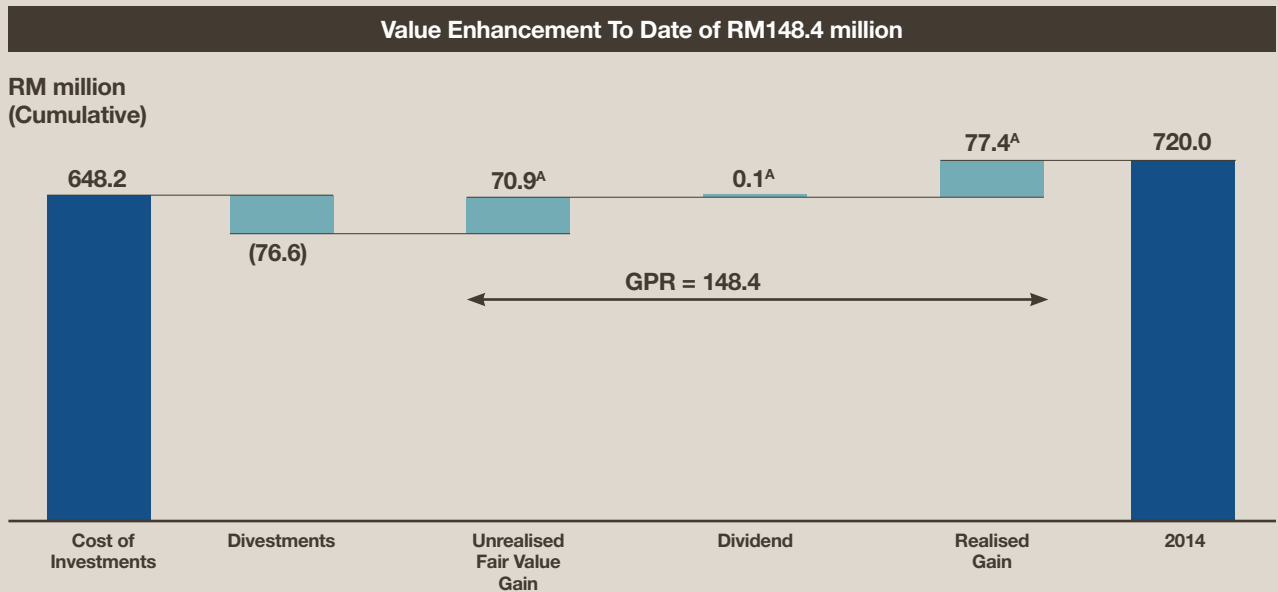
## b) Ekuinas Direct (Tranche II) Fund Portfolio Performance as at 31 December 2014

Company	Stake %	Cost of Investment# RM million	GROSS PORTFOLIO RETURN RM MILLION		TOTAL PORTFOLIO VALUE  RM720.0 MILLION	
Investment :						
BKS	100.0	42.1	Dividend income 0.1	Increase in fair value 70.9	<div>IRR %</div> <div>31.9% p.a.</div> <div>19.3% p.a.</div> <div>Gross IRR   Net IRR</div>	
Icon	19.8	51.1				
PrimaBaguz	100.0	40.0	Gain on divstment 77.4	Interest Income 4.3		
APIIT Lanka	76.5	20.3				
BKM	20.9	35.4				
SF	60.0	3.0				
RV	-	8.0				
Coolblog	-	40.7				
Orkim	95.5	331.0				
Tenby	70.0	-*				
Tranglo	60.0	-*				
		571.6*				
			148.4			
Divstment :						
ICON	7.9	76.6				
		76.6				

<sup>#</sup> Cost of investment represents amount of committed investment utilised.

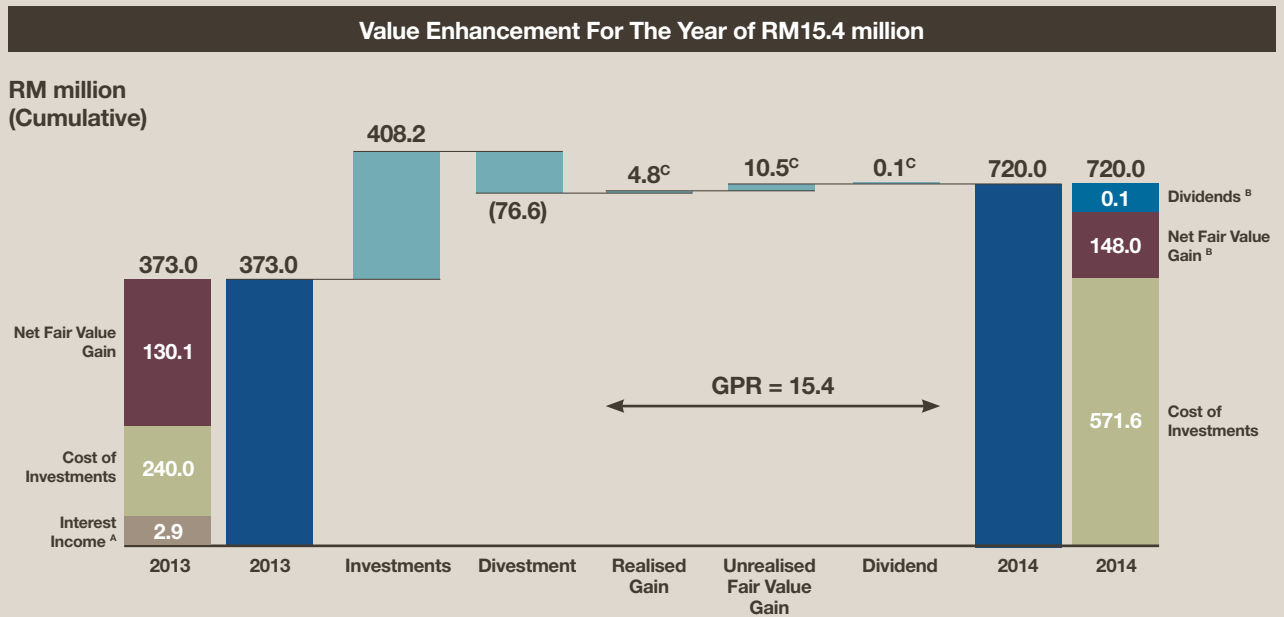
<sup>\*</sup> Investments totalling RM124.0 million in Tenby and Tranglo were committed in 2014 and completed in Q1 2015.

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



<sup>A</sup> These numbers combined make up to cumulative Gross Portfolio Return for 2014 of RM148.4 million.

## d) Ekuinas Direct (Tranche II) Fund Portfolio Value Movement as at 31 December 2014



<sup>A</sup> These numbers combined make up to cumulative Gross Portfolio Return for 2013 of RM133.0 million.

<sup>B</sup> These numbers combined make up to cumulative Gross Portfolio Return for 2014 of RM148.4 million.

<sup>C</sup> These numbers combined make up to value enhancement for the year of RM15.4 million.

# PORTFOLIO COMPANIES

## Ilmu Education Group



Total Capital Invested

**RM426.8  
MILLION**

**ONE OF  
THE LEADING  
EDUCATION  
GROUPS IN  
MALAYSIA**

**REVENUE  
RM317.4  
MILLION  
GROWTH  
7.0%**

**EBITDA before EI  
RM88.7  
MILLION  
GROWTH  
3.7%**



NUMBER OF STUDENTS

**30,514  
GROWTH  
6.1%**



## PROFILES

### APIIT Education Group

- Established: 1993
- Location: Technology Park, Bukit Jalil and Subang, Selangor
- Type of education: K-12 and tertiary education
- Specialises in: High quality tertiary-level education for Technology, Engineering and Business courses and private K-12 education across both international and local syllabus
- Student population: More than 12,000

### APIIT Lanka

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

### Cosmopoint Group

- Established: 1991
- Locations: Kuala Lumpur + 11 colleges nationwide
- Type of education: Tertiary
- Specialises in: Industry-related programme courses that include IT, Business Management, Culinary Arts, Broadcasting, Multimedia as well as other marketable industry courses.
- Student population: More than 8,000

### UNITAR International University

- Established: 1997
- Locations: Kelana Jaya, Selangor + 10 independent regional centres
- Type of education: Tertiary
- Specialises in: Educational programmes at the Foundation, Diploma, Bachelor's, Master's and Doctorate levels to expand the reach of high-quality learning through our conventional and distance learning programmes.
- Student population: More than 8,000

### Tenby Group of Schools

- Established: 1960
- Locations: Ipoh, Miri, Setia Eco Park, Johor and Penang
- Type of education: K-12
- Specialises in: Private K-12 education across both international and local syllabus
- Student population: More than 4,000



**INVESTMENT RATIONALE**

Sizeable industry with strong growth potential.

Education groups that have solid performance track record.

Consolidation play to build one of Malaysia's largest education groups.

**TRANSACTION DETAILS****APIIT EDUCATION GROUP****INVESTMENT TYPE**

Buy-out of a non-core asset from PLC

**ACQUISITION DATE**

Feb 2011

**CAPITAL INVESTED**

RM102.0 Million

**OWNERSHIP**

51.0%

**COSMOPOINT GROUP****INVESTMENT TYPE**

Majority investment in a strong Malaysian Company

**ACQUISITION DATE**

Mar 2012

**CAPITAL INVESTED**

RM246.0 Million

**OWNERSHIP**

90.0%

**UNITAR INTERNATIONAL UNIVERSITY****INVESTMENT TYPE**

Majority investment in a strong Malaysian Company

**ACQUISITION DATE**

May 2012

**CAPITAL INVESTED**

RM58.5 Million

**OWNERSHIP**

90.0%

**APIIT LANKA****INVESTMENT TYPE**

Follow-on investment to expand regionally

**ACQUISITION DATE**

Dec 2013

**CAPITAL INVESTED**

RM20.3 Million

**OWNERSHIP**

76.5%

**TENBY SCHOOLS****INVESTMENT TYPE**

Majority investment in a strong Malaysia company

**ACQUISITION DATE**

Completed in Q1 2015

**CAPITAL COMMITTED**

RM70.0 Million

**OWNERSHIP**


70.0%

	2014 Unaudited RM million	2013 Audited RM million	Growth %
Revenue	317.4	296.7	7.0
EBITDA before EI	88.7	85.5	3.7
Number of students	30,514	28,767	6.1

These figures exclude Tenby Schools.

EI: Exceptional items.

## Food Group



Total Capital Invested

**RM173.3  
MILLION**

ONE OF THE LARGEST  
BUMIPUTERA  
F&B GROUPS IN  
MALAYSIA

REVENUE


**RM338.0  
MILLION**

GROWTH  
**14.3%**

EBITDA before EI

**RM36.5  
MILLION**

GROWTH  
**(1.0)%**

  
NUMBER OF OUTLETS

**424**

GROWTH  
**16.2%**



### PROFILES

#### San Francisco Coffee

- Established: 1997
- Total outlets: 32
- Type: Café

#### Revenue Valley Group

(Tony Roma's, Popeyes, Manhattan Fish Markets, New York Steak Shack)

- Established: 2002
- Total outlets: 87
- Type: Casual dining

#### PrimaBaguz

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

#### Coolblog

- Established: 2007
- Total outlets: More than 300
- Type: Desserts and beverages in a takeaway kiosk concept

### INVESTMENT RATIONALE

Investment in strong global brands and established locally developed brands.

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


Platform in building one of the largest Bumiputera F&B Groups.

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

Experienced management team and opportunity to develop young professional managers.



## TRANSACTION DETAILS

<b>SAN FRANCISCO COFFEE</b>  <b>INVESTMENT TYPE</b> Growth capital investment in a Bumiputera company  <b>ACQUISITION DATE</b> Sept 2011  <b>CAPITAL INVESTED</b> RM20.0 million  <b>OWNERSHIP</b> 90.0%	<b>REVENUE VALLEY GROUP</b>  <b>INVESTMENT TYPE</b> Majority investment in a strong Malaysian company  <b>ACQUISITION DATE</b> Jan 2012  <b>CAPITAL INVESTED</b> RM72.6 million  <b>OWNERSHIP</b> 85.8%	<b>COOLBLOG</b>  <b>INVESTMENT TYPE</b> Majority investment in a strong Malaysian company  <b>ACQUISITION DATE</b> July 2014  <b>CAPITAL INVESTED</b> RM40.7 million  <b>OWNERSHIP</b> 60.0%	<b>PRIMABAGUZ</b>  <b>INVESTMENT TYPE</b> Majority investment in a strong Malaysian company  <b>ACQUISITION DATE</b> November 2013  <b>CAPITAL INVESTED</b> RM40.0 million  <b>OWNERSHIP</b> 100.0%
---	--	--	--

	2014 Unaudited RM million	2013 Audited RM million	Growth %
Revenue	338.0	295.7	14.3
EBITDA before EI	36.5	36.9	(1.0)
Number of outlets	424	365	16.2

EI: Exceptional items.



## BK Group



Total Capital Invested

**RM145.7  
MILLION**
**STRONG  
GLOBAL  
BRAND**
EQUITY WITH  
SIGNIFICANT  
REGIONAL FOOTPRINT
**REVENUE  
RM256.7  
MILLION  
GROWTH  
13.4%**


NUMBER OF OUTLETS

**89  
GROWTH  
10.0%**


## PROFILES

**BURGER KING® Malaysia**

- Established: 1997
- Total outlets: 47
- Type: Quick Service Restaurant (QSR)

**BURGER KING® Singapore**

- Established: 1982
- Total outlets: 42
- Type: Quick Service Restaurant (QSR)

**INVESTMENT RATIONALE**

Investment in strong global brands and established locally developed brands.

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

Platform in building one of the largest Bumiputera fast-food chain groups.

Immediate regional presence with outlet operations in Malaysia and Singapore.

Experienced management team and opportunity to develop young professional managers.



## TRANSACTION DETAILS

**BURGER KING® MALAYSIA**

**INVESTMENT TYPE**

Growth capital investment in a Malaysian company

**ACQUISITION DATE**

September 2011

**CAPITAL INVESTED**

RM103.6 million

**OWNERSHIP**

95.0%

**BURGER KING® SINGAPORE**

**INVESTMENT TYPE**

Follow-on investment to expand regionally

**ACQUISITION DATE**

September 2012

**CAPITAL INVESTED**

RM42.1 million

**OWNERSHIP**

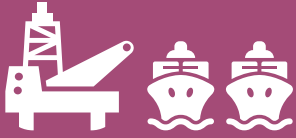
100.0%

	2014 Unaudited RM million	2013 Audited RM million	Growth %
Revenue	256.7	226.5	13.4
EBITDA before EI	(10.2)	(10.1)	(0.9)
Number of outlets	89	81	10.0

EI: Exceptional items.



# Icon Offshore



Icon Offshore Berhad is a merger of  
**TANJUNG KAPAL SERVICES SDN BHD (TKS) & OMNI PETROMARITIME SDN BHD (OMNI)**  
 which was completed in November 2012

Total Capital Invested

**RM435.9 MILLION**

**LARGEST PURE-PLAY OFFSHORE SUPPORT VESSEL PROVIDER IN MALAYSIA**

**REVENUE RM318.9 MILLION**

**GROWTH (4.8)%**

PAT before EI

**RM90.8 MILLION**

**GROWTH 1.3%**



## PROFILE

- Icon Offshore Berhad (Icon) is a merger of Tanjung Kapal Services Sdn Bhd (TKS) and Omni Petromaritime Sdn Bhd (Omni) which was completed on 20 November 2012.
- Icon is the largest pure-play Offshore Supply Vessel (OSV) provider in Malaysia and one of the largest in Southeast Asia in terms of number of OSVs, according to the Infield Report.
- The company boasts 33 vessels operating in waters off Malaysia, Thailand and Qatar. The vessels have had a history of international operations in more than 10 countries in the Southeast Asia and Middle East regions.

### INVESTMENT RATIONALE

Strong track record of delivering growth.

Platform for building one of the largest local OSV players.



## TRANSACTION DETAILS

### INVESTMENT TYPE

Majority investment in a strong Malaysian company

### SECTOR

Oil & Gas

### ACQUISITION DATE

November 2012, merger of TKS and Omni

### CAPITAL INVESTED

RM435.9 million

### OWNERSHIP

42.3%

### PARTIAL DIVESTMENT

June 2014 + 45.8%

	2014 Unaudited RM million	2013 Audited RM million	Growth %
Revenue	318.9	334.9	(4.8)
EBITDA before EI	184.7	190.9	(3.2)
PAT before EI	90.8	89.6	1.3

EI: Exceptional items.

## Alliance Cosmetics Group



Co-Investment Amount

**RM119.6  
MILLION**

with Total Capital Invested

**RM39.9  
MILLION**

LEADING MASS MARKET,  
COLOUR COSMETICS &  
FRAGRANCE PLAYER IN  
**MALAYSIA,  
SINGAPORE  
AND BRUNEI**

REVENUE  
**RM102.2  
MILLION**  
GROWTH  
**2.2%**

EBITDA before EI  
**RM98.5  
MILLION**  
GROWTH  
**(1.5)%**



### PROFILES

- Leading mass market, colour cosmetics and fragrance player in Malaysia, Singapore and Brunei.
- Markets, distributes and sells multiple brands of cosmetics and beauty products including Silkygirl, Silky White and SG Men, Revlon, Pierre Fabre and Elancyl.
- In-house Silkygirl brand has the largest market share in Malaysia for mass-market retail colour cosmetics.

#### INVESTMENT RATIONALE

High-growth company with operations in Malaysia, Singapore and Brunei

Well-organised and proven management team

Well-established home-grown brand

Strong opportunity to expand regionally especially to Indonesia



### TRANSACTION DETAILS

#### INVESTMENT TYPE

Majority investment in a strong Malaysian company

#### SECTOR

Fast Moving Consumer Goods (FMCG)

#### ACQUISITION DATE

January 2010

#### CAPITAL INVESTED

RM39.9 million

#### OWNERSHIP

Effective 20.0%

#### CO-INVESTOR

Navis Capital Partners

#### CO-INVESTMENT AMOUNT

RM119.6 million

	2014 Unaudited (Index)	2013 Audited (Index)	Growth %
Revenue	102.2	100.0	2.2
EBITDA before EI	98.5	100.0	(1.5)

EI: Exceptional items.

\* due to commercial sensitivity and confidentiality requirements by co-investors, ACG results are quoted in indexed form.

# Orkim



Total Capital Invested

## RM331.0 MILLION

CLEAN PETROLEUM PRODUCT  
TANKER COMPANY WITH  
NEARLY

## 30%

LEADING MARKET SHARE

REVENUE

## RM143.5 MILLION

GROWTH

## 5.2%

EBITDA before EI

## RM70.1 MILLION

GROWTH

## 3.5%

Strong track record of  
growth with

## 11 TANKERS

under ownership  
and management

## PROFILE

- One of Malaysia's leading Clean Petroleum Product (CPP) tanker companies.
- Founded in 2004 initially as a ship broker business.
- Strong track record of growth and with 11 tankers under ownership and management.
- Transports CPP from refineries to various oil storage terminals throughout the country and currently has nearly 30% market leading share.

### INVESTMENT RATIONALE

Strong operational track record with a young fleet of 11 tankers under management at an average age of 4 years.

Strong management and has favourable growth dynamics, especially into the Liquefied Petroleum Gas (LPG) transportation, which is currently dominated by foreign companies.

## TRANSACTION DETAILS

### INVESTMENT TYPE

Buy-out of non-core  
assets of GLC

### SECTOR

Oil & Gas

### ACQUISITION DATE

December 2014

### CAPITAL INVESTED

RM331.0 million

### OWNERSHIP

95.5%

	2014 Unaudited RM million	2013 Audited RM million	Growth %
Revenue	143.5	136.4	5.2
EBITDA before EI	70.1	67.8	3.5
PAT before EI	30.0	33.5	(10.0)

EI: Exceptional items.



# Tranglo



Total Capital Committed

## RM54.0 MILLION

PIONEER IN CROSS BORDER  
MOBILE MONEY  
REMITTANCE SERVICES

ONE OF THE LEADING  
OPERATORS FOR  
GLOBAL CROSS  
BORDER AIRTIME  
TRANSFER

INTERNATIONAL OFFICES IN  
INDONESIA,  
MIDDLE EAST  
AND THE UK

**Tranglo™**

### INTERNATIONAL TOP-UP

You can now send topup to your loved one in more than 70 countries!

"Send a topup now and get up to **20%** extra bonus airtime credit to your recipient number!"

\* Terms and Conditions [www.facebook.com/telus.IAT](http://www.facebook.com/telus.IAT)

**Text SMS <Recipient Number> to 5332**  
For e.g. to send to Philippines, just send 639123456789 to 5332 and follow the instruction

## PROFILE

- Incorporated in 2009 with headquarters in Kuala Lumpur and international offices in Indonesia, Middle East, and the United Kingdom.
- Provides 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.

### INVESTMENT RATIONALE

An industry pioneer with a strong track record and longstanding relationships with Malaysian and global Telcos.

A growing business in cross border mobile money remittance services which offers significant potential.

## TRANSACTION DETAILS

### INVESTMENT TYPE

Majority investment in a strong Malaysian company

### SECTOR

Technology, Media and Telecommunications (TMT)

### ACQUISITION DATE

Completed in Q1 2015

### CAPITAL COMMITTED

RM54.0 million

### OWNERSHIP

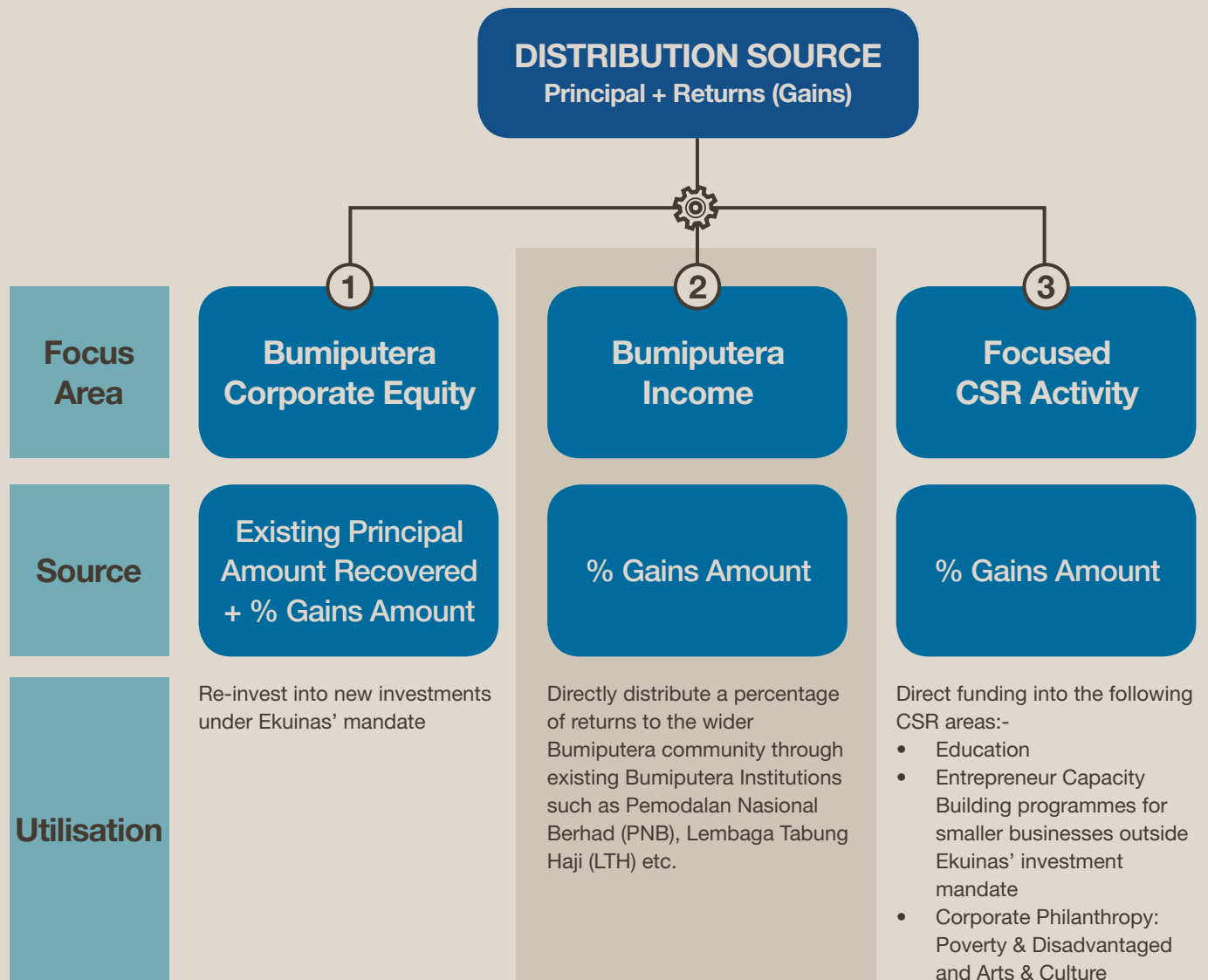
60.0%



## 6. Distribution

Committed Amount	RM 500.0 million
Distributed Amount as at 31 December 2014	RM 200.0 million

### DISTRIBUTION FRAMEWORK



## C. OUTSOURCED PROGRAMME

## 1. Fund Overview

OUTSOURCED FUNDS			
EKUINAS OUTSOURCED (TRANCHE I) FUND		EKUINAS OUTSOURCED (TRANCHE II) FUND	
Vintage Year 2010		Vintage Year 2013	
Status	Investing	Status	Commenced in September 2013
Capital Committed			
Ekuinas RM400.0 million		Ekuinas RM240.0 million	
Other LPs RM151.9 million		Other LPs RM135.1 million	
Total RM551.9 million		Total RM375.1 million	
Term	Investment Period	Term	Investment Period
6 years + 1 year	3 years to 6 year	7 years + 1 year	3 years to 7 year
Investment Focus Malaysia Growth Capital			
Sector Priorities Oil & Gas, Education, FMCG, Retail & Leisure, Healthcare, Services			

## 2. Profiles of Appointed OFMs



### NAVIS CAPITAL PARTNERS

#### Fund Name

Navis Malaysia Growth Opportunities Fund I, L.P.

#### Fund Size

RM301.9 million

**Navis was founded in 1998 in order to make private equity investments in growth-oriented buyouts in South and Southeast Asia.**

The firm contributes both capital and management expertise to a limited number of well-positioned companies with the objective of directing strategic, operational and financial improvements. The firm focuses exclusively on enterprises based in Asia, particularly South and Southeast Asia, where the principals of Navis have lived and worked for many years. The firm manages approximately USD5 billion in capital commitments.

Navis was also selected as the Mid-Market Firm of the Year in Asia and Firm of the Year in Southeast Asia at the Private Equity International (PEI) Awards 2014.



### CIMB PRIVATE EQUITY

#### Fund Name

CIMB National Equity Fund Ltd. P.

#### Fund Size

RM125.0 million

**CIMB Group is Malaysia's second largest financial services provider and one of ASEAN's leading universal banking groups.**

Headquartered in Kuala Lumpur, the Group is now present in nine out of 10 ASEAN nations where it offers consumer banking, investment banking, Islamic banking, asset management and insurance products and services. CIMB Private Equity, a wholly-owned subsidiary of CIMB Group, is a business within the CIMB Group Strategy and Strategic Investments (GSSI) Division set up to bring the Group's financial expertise, experience and network into the sphere of alternative investments, including private equity, real estate, infrastructure and special situations. CIMB PE manages over RM6.0 billion in committed and invested capital as at 31 December 2013.



TREMENDOUS ASIA PARTNERS

### TREMENDOUS ASIA PARTNERS

#### Fund Name

TAP Harimau Fund L.P.  
(formerly known as  
Asiasons Harimau Fund L.P.)

#### Fund Size

RM125.0 million

**Tremendous Asia Partners (TAP) is an Alternative Asset Investment and Management Group focused on opportunities in Southeast Asia region.**

Formerly known as Asiasons Private Equity, it was rebranded to TAP arising from the recently completed management buy-out. TAP's management team combines investment and operational experiences across 4 countries with proven success in identifying and managing growth-oriented investment opportunities and engineering cross-border transactions in the region. The investment strategy of TAP is geographically focused in Southeast Asia predominantly, Malaysia, Thailand, Singapore and Indonesia while the sector focus is primarily in the Consumer sector encompassing food and beverage, education, healthcare, lifestyle, media and entertainment.

## 2. Profiles of Appointed OFMs



### TAE L PARTNERS

Fund Name  
TAE L Tijari (OFM) L.P.

Fund Size  
RM101.0 million

**A leading Southeast Asian investment management firm that succeeds in being a value and growth partner to the region's businesses and corporations.**

Through various conventional and Islamic funds, the firm currently has approximately US\$1 billion of assets under management, with its investor base made up of institutional investors from the Asian (in particular ASEAN), North American, European and the Middle East regions. TAE L Partners has a strong regional presence and focuses on a diverse range of sectors including consumer related sectors such as food production, healthcare products and real estate as well as the O&G support services and products, and utilities & infrastructure sectors.



### RM CAPITAL PARTNERS

Fund Name  
RMCP One Sdn Bhd

Fund Size  
RM109.0 million

**RMCP was founded in July 2011 by a team of investment professionals from Ethos Capital Sdn Bhd, where it managed a RM215.0 million private equity fund.**

The firm's fund, RMCP one Sdn Bhd will invest in Malaysian companies in several focus sectors namely FMCG, O&G, retail, education and healthcare. RMCP's value creation strategies include strategic redirection, governance engineering, operational excellence and business network among others.



### TUAS CAPITAL PARTNERS

Fund Name  
Tuas Capital Partners  
Malaysia Growth Fund I L.P.

Fund Size  
RM85.0 million

**A private equity group established in 2012 by a proven team with deep roots in Southeast Asian markets and diversified pedigrees in asset management, private equity and investment banking.**

The Group supports and accelerates businesses' growth by tapping into opportunities and linkages within greater Asia through its principals and institutional partners, KAF Group and Singapore-based EVIA Capital Partners.



CAHYA MATA SARAWAK

### CMS OPUS PRIVATE EQUITY

Fund Name  
COPE Opportunities 3 Sdn Bhd

Fund Size  
RM80.0 million

**COPE was established in 2005 by experienced Private Equity (PE) professionals who have been in the regional private equity space since 1997.**

Given COPE's unique expertise, the company is being entrusted to manage several PE funds invested by prominent institutional investors. It is one of few Principal run PE firms that adopt Shariah-compliant investment principles. COPE seeks to value-add and grow with its high growth investee companies that have local and international presence. COPE together with its related company, Opus Asset Management Sdn Bhd, currently has RM3.2 billion in total AUM.



### 3. Investment activities

#### a) Outsourced Programme Investment Activities for 2014

RM million Portfolio Company	Fund	Sector	Committed Investment by OFMs			Other Co-Investors	Total Economic Capital Deployed
			Ekuinas' Committed Capital	Other LPs	Total OFMs		
1. R.E.A.L Education Group	CNEF	Education	28.1	5.3	33.4	-	33.4
2. Mega Fortris (Malaysia) Sdn Bhd	TAP	Manufacturing	18.0	7.0	25.0	-	25.0
3. Big Sdn Bhd (BIG Group)	Navis MGO	F&B and Retail	17.6	4.5	22.1	-	22.1
<b>Total for the year</b>			<b>63.7</b>	<b>16.8</b>	<b>80.5</b>	<b>-</b>	<b>80.5</b>

#### b) Cumulative Outsourced Programme Investment Activities as at 31 December 2014

RM million Portfolio Company	Fund	Sector	Committed Investment by OFMs			Other Co-Investors	Total Economic Capital Deployed
			Ekuinas' Committed Capital	Other LPs	Total OFMs		
1. Atelier Asia Sdn Bhd	Navis MGO	FMCG	11.8	5.2	17.0	-	17.0
2. MCAT Box Office Sdn Bhd (MBO)	Navis MGO	Retail & Leisure	17.4	3.6	21.0	119.7	140.7
3. SEG International (SEGi)	Navis MGO	Education	44.9	17.6	62.5	214.5	277.0
4. Strateq Sdn Bhd	Navis MGO	Services	22.6	14.4	37.0	-	37.0
5. HG Power Transmission Sdn Bhd	Navis MGO	Services	27.0	11.9	38.9	-	38.9
6. Brickfields Asia College (BAC)	Navis MGO	Education	34.7	15.3	50.0	-	50.0
7. Macroiosk Sdn Bhd	CNEF	Services	21.1	13.3	34.4	-	34.4
8. R.E.A.L Education Group	CNEF	Education	28.1	5.3	33.4	-	33.4
9. Mega Fortris (Malaysia) Sdn Bhd	TAP	Manufacturing	18.0	7.0	25.0	-	25.0
10. Big Sdn Bhd (BIG Group)	Navis MGO	F&B and Retail	17.6	4.5	22.1	-	22.1
<b>Total investment undertaken Tranche I</b>			<b>243.2</b>	<b>98.1</b>	<b>341.3</b>	<b>334.2</b>	<b>675.5</b>

## b) Cumulative Outsourced Programme Investment Activities as at 31 December 2014 (Cont'd)

RM million Portfolio Company	Fund	Sector	Committed Investment by OFMs			Other Co-Investors	Total Economic Capital Deployed
			Ekuinas' Committed Capital	Other LPs	Total OFMs		
1. STX Precision Corporation Sdn Bhd	COPE	Services	12.0	4.0	16.0	19.0	35.0
2. Consobiz Ventures Sdn Bhd	RMCP	FMGC	8.3	6.7	15.0	-	15.0
<b>Total investment undertaken Tranche II</b>			<b>20.3</b>	<b>10.7</b>	<b>31.0</b>	<b>19.0</b>	<b>50.0</b>
<b>Cumulative Total</b>			<b>263.5</b>	<b>108.8</b>	<b>372.3</b>	<b>353.2</b>	<b>725.5</b>

#### 4. Fund Performance

##### 4.1 Ekuinas Outsourced (Tranche I) Fund

###### a) Fund Net Assets Value (NAV) as at 31 December 2014

	2013 RM million	Movement RM million	2014 RM million
<b>A. Capital Commitment</b>	400.0	-	400.0
<b>B. Capital Called</b>	209.9	74.4	284.3
<b>C. Capital Reinvested</b>	-	-	-
<b>D. Total Capital Contributed (B+C)</b>	209.9	74.4	284.3
<b>E. Debt Drawdown (Amortised Cost)</b>	-	-	-
<b>F. Total Capital Invested (D+E)</b>	209.9	74.4	284.3
<b>Plus increases to Net Assets Value:</b>			
Dividend Income	-	-	-
Net Unrealised Gain on Fair Value of Investments	14.6	42.2	56.8
Realised (Loss)/Gain on Fair Value of Investment	(2.1)	0.3	(1.8)
Interest Expenses	-	-	-
<b>Total Gross Portfolio Return</b>	<b>12.5</b>	<b>42.5</b>	<b>55.0</b>
Organisational Expenses	(6.2)	(2.0)	(8.2)
Capital Distributions to Limited Partners (C+H)	-	-	-
<b>Net Increase in Net Assets Value</b>	<b>6.3</b>	<b>40.5</b>	<b>46.8</b>
<b>G. Net Assets Value</b>	<b>216.2</b>	<b>114.9</b>	<b>331.1</b>
<b>Net Assets Value made up of:</b>			
Investment - at cost	201.6	72.7	274.3
Net Unrealised Gain on Fair Value of Investments	14.6	42.2	56.8
<b>Investment carried at Fair Value</b>	<b>216.2</b>	<b>114.9</b>	<b>331.1</b>
Plus: Cash Balance	-	-	-
Plus: Working Capital	-	-	-
Plus: Uncalled Capital	-	-	-
<b>Equals Net Assets Value</b>	<b>216.2</b>	<b>114.9</b>	<b>331.1</b>
<b>Net Assets Value</b>	<b>216.2</b>	<b>114.9</b>	<b>331.1</b>
<b>H. Capital Distributed</b>	-	-	-
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>216.2</b>	<b>114.9</b>	<b>331.1</b>
<b>Gross IRR p.a.</b>	<b>5.0%</b>		<b>10.6%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>2.4%</b>		<b>8.8%</b>

## 4.2 Ekuinas Outsourced (Tranche II) Fund

## a) Fund Net Assets Value (NAV) as at 31 December 2014

	2013 RM million	Movement RM million	2014 RM million
<b>A. Capital Commitment</b>	<b>240.0</b>	<b>-</b>	<b>240.0</b>
<b>B. Capital Called</b>	<b>18.3</b>	<b>14.3</b>	<b>32.6</b>
<b>C. Capital Reinvested</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>18.3</b>	<b>14.3</b>	<b>32.6</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F. Total Capital Invested (D+E)</b>	<b>18.3</b>	<b>14.3</b>	<b>32.6</b>
<b>Plus increases to Net Assets Value:</b>			
Dividend Income	-	-	-
Net Unrealised Loss on Fair Value of Investments	-	(15.4)	(15.4)
Realised Gain/(Loss) from Divestment	-	-	-
Interest Expenses	-	-	-
<b>Total Gross Portfolio Return</b>	<b>-</b>	<b>(15.4)</b>	<b>(15.4)</b>
Organisational Expenses	(1.2)	(1.2)	(2.4)
Capital Distributions to Limited Partners (C+H)	-	-	-
<b>Net Decrease in Net Assets Value</b>	<b>(1.2)</b>	<b>(16.6)</b>	<b>(17.8)</b>
<b>G. Net Assets Value</b>	<b>17.1</b>	<b>(2.3)</b>	<b>14.8</b>
<b>Net Assets Value made up of:</b>			
Investment - at cost	17.1	13.1	30.2
Net Unrealised Loss on Fair Value of Investments	-	(15.4)	(15.4)
<b>Investment carried at Fair Value</b>	<b>17.1</b>	<b>(2.3)</b>	<b>14.8</b>
Plus: Cash Balance	-	-	-
Plus: Working Capital	-	-	-
Plus: Uncalled Capital	-	-	-
<b>Equals Net Assets Value</b>	<b>17.1</b>	<b>(2.3)</b>	<b>14.8</b>
<b>Net Assets Value</b>	<b>17.1</b>	<b>(2.3)</b>	<b>14.8</b>
<b>H. Capital Distributed</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>17.1</b>	<b>(2.3)</b>	<b>14.8</b>
<b>Gross IRR p.a.*</b>	<b>N/M</b>		<b>N/M</b>
<b>Net IRR p.a. (before carried interest)*</b>	<b>N/M</b>		<b>N/M</b>

\* 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.



# PORTFOLIO COMPANIES



## MCAT BOX OFFICE SDN BHD (MBO)

### Transaction Details

OFM: Navis Capital Partners  
Sector: Retail and Leisure  
Acquisition Date: March 2012

Committed Capital  
Contribution by Ekuinas: RM17.4 million



**SEGi**  
University  
Group

## SEG INTERNATIONAL BERHAD (SEGi)

### Transaction Details

OFM: Navis Capital Partners  
Sector: Education  
Acquisition Date: March 2012

Committed Capital  
Contribution by Ekuinas: RM44.9 million



## STRATEQ SDN BHD

### Transaction Details

OFM: Navis Capital Partners  
Sector: Services  
Acquisition Date: March 2013

Committed Capital  
Contribution by Ekuinas: RM22.6 million



## HG POWER TRANSMISSION SDN BHD

### Transaction Details

OFM: Navis Capital Partners  
Sector: Services  
Acquisition Date: May 2013

Committed Capital  
Contribution by Ekuinas: RM27.0 million



## BRICKFIELDS ASIA COLLEGE

### Transaction Details

OFM: Navis Capital Partners  
Sector: Education  
Acquisition Date: November 2013

Committed Capital  
Contribution by Ekuinas: RM34.7 million



## BIG SDN BHD

### Transaction Details

OFM: Navis Capital Partners  
Sector: FMCG & Retail  
Acquisition Date: December 2014

Committed Capital  
Contribution by Ekuinas: RM17.6 million



## MACROKIOSK SDN BHD

### Transaction Details

OFM: CIMB Private Equity  
Sector: Services  
Acquisition Date: July 2013

Committed Capital  
Contribution by Ekuinas: RM21.1 million



## R.E.A.L. EDUCATION GROUP

### Transaction Details

OFM: CIMB Private Equity  
Sector: Education  
Acquisition Date: May 2014

Committed Capital  
Contribution by Ekuinas: RM28.1 million



## STX PRECISION CORPORATION SDN BHD

### Transaction Details

OFM: CMS Opus Private Equity  
Sector: Services  
Acquisition Date: December 2013

Committed Capital  
Contribution by Ekuinas: RM12.0 million

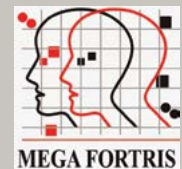


## CONSOBIZ VENTURES SDN BHD

### Transaction Details

OFM: RM Capital Partners  
Sector: Fast Moving Consumer Good (FMCG)  
Acquisition Date: February 2014

Committed Capital  
Contribution by Ekuinas: RM8.3million



## MEGA FORTRIS (MALAYSIA) SDN BHD

### Transaction Details

OFM: Tremendous Asia Partners  
Sector: Manufacturing  
Acquisition Date: June 2014

Committed Capital  
Contribution by Ekuinas: RM18.0 million

## D. SOCIAL OBJECTIVE PERFORMANCE

## a) Bumiputera Equity Value and Total Economic Value

Total for Portfolio Company	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
2014	2,096.5	4,460.9	4,246.2	1.9x	3,790.5	6,470.5	5,517.6	2.4x
2013	1,367.2	3,010.6	2,838.2	1.7x	2,893.3	4,874.5	4,087.5	2.5x

## b) Portfolio Companies - Management and Employees

	Bumiputera Headcount	Total Headcount	% Bumiputera to Total Headcount	% Increase in Bumiputera Headcount from Ex Ante
<b>2014</b>				
Management	140	356	39.3%	9.4%
Employees	6,185	11,841	52.2%	18.3%
<b>2013</b>				
Management	82	201	40.8%	12.3%
Employees	5,265	9,336	56.4%	17.1%

**E. EKUITI NASIONAL BERHAD - FUND MANAGEMENT COMPANY**

Ekuinas was established as a fund management company to manage the funds allocated by Yayasan Ekuiti Nasional (YEN) to Ekuinas Capital Sdn Bhd (E-Cap), which is the fund capital company.

This fund management arrangement is governed by a Global Fund Management Agreement (GFMA) entered into by Ekuinas, YEN and E-Cap. Under the GFMA, Ekuinas earns a management fee as a share of the investment gain upon realisation. The management fee earned is used by Ekuinas to generally cover its operating expenditure (OPEX). As such, Ekuinas itself is not expected to earn a significant level of profits in its operations.

For the financial year ended 31 December 2014, Ekuinas recorded the following results:

<b>Ekuiti Nasional Berhad (Fund Management Company)</b>	<b>2014 RM million</b>	<b>2013 RM million</b>
Total Funds under Management (FuM)	<b>4,140.0</b>	2,640.0
Operating Expenditure (OPEX)	<b>40.3</b>	33.8
Profit After Tax (PAT)	<b>14.5</b>	14.6
Ratio of OPEX to FuM	<b>1.0%</b>	1.3%

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# GOVERNANCE

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## FOCUSED

### **DELIVERING STRATEGY · BRINGING BENEFITS**

We are focused on achieving our objectives. We pursue our strategies by setting clear priorities, adhering to the highest standards of corporate governance practices and employing distinctive capabilities.







**DELIVERING  
STRATEGY.  
BRINGING  
BENEFITS.**







*Ekuias Oil & Gas portfolio: Icon Offshore Berhad, one of the largest pure-play offshore support vessel and Orkim Sdn Bhd, one of the leading Clean Petroleum Product (CPP) tankers companies.*

# STATEMENT ON CORPORATE GOVERNANCE

## INTRODUCTION

Ekuinas is not a listed entity and therefore, there is no requirement to adhere to 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. Accordingly, the disclosures under this section have been prepared based on the best practice requirements set out under Bursa Malaysia, the Malaysian Code on Corporate Governance (Revised 2012) as well as Ekuinas' Disclosure Policy and include the Statement on Corporate Governance, Statement on Risk Management and Internal Control, and Audit Committee Report.

These statements, where applicable, have all been prepared in adherence to the Bursa Malaysia Main Market Listing Requirements (MMLR) and the Malaysian Code on Corporate Governance (Revised 2012) and 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 members of the Board of Directors of Ekuinas have been appointed 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 of the other directors outside this definition are accordingly deemed as Non-Independent Directors.

## EKUINAS CORPORATE GOVERNANCE FRAMEWORK

The Board of Directors of Ekuinas recognises that good corporate governance is the foundation of a successful organisation. It ensures key stakeholders' interests are preserved while enhancing corporate performance and accountability.

As a government-linked private equity fund management company, 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; and
- iii. To encourage innovation and entrepreneurship within the Company through efficient oversight and risk management framework.



EKUINAS CORPORATE GOVERNANCE FRAMEWORK			
Statement on Good Governance		Statement on Risk Management & Internal Control	
Board and Board Committees (✓)	Directors' Roles and Responsibilities (✓)	Internal Systems & Control (✓)	Internal Audit Framework (✓)
Stakeholder Management (✓)	Accountability and Audit (✓)	Risk Management Framework (✓)	External Audit Framework (✓)
CODE OF ETHICS			
Directors' Code of Ethics (✓)	Employees' Code of Ethics (✓)	Service Provider Code of Conduct (✓)	
Fraud & Whistle Blowing Policy (✓)			
Disclosure & Dealing in Securities (✓)			

Note: (✓) Completed and approved by the Board

Ekuinas acknowledges the critical roles played by the Board members and the Management to formulate and determine Ekuinas' direction and operations. Ekuinas is led and managed by experienced and skilful Board members with varied backgrounds ranging from the Government and private sectors and 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' values.

As part of best practice in good corporate governance, the Board has approved a Board/Governance Charter that delineates the key governance principles to be adopted by the Board. As set out in the charter, the members of the Board are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law in serving the interest of its stakeholders. The charter addresses, among others, the following matters:

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

## STATEMENT ON CORPORATE GOVERNANCE

This statement provides a description on how Ekuinas has applied the key principles and recommendations of good practices in line with the Malaysian Code on Corporate Governance (Revised 2012) (the Code) and other requirements such as:

- i. Bursa Malaysia's Main Market Listing Requirements (MMLR);
- ii. Corporate Governance Guide: Towards Boardroom Excellence (CG Guide) issued by Bursa Malaysia Berhad; and
- iii. Corporate Governance Blueprint by Securities Commission.

### 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:

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

The Limits of Authority also stipulate the delegated authorities and approval limits for key decisions, operating and capital expenditures and the procurement of goods and services. Apart from matters which specifically require the Board's approval, the Board mainly approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Management so as to optimise operational efficiency.

The adopted Board/Governance Charter sets out the key values, principles and ethos of Ekuinas. In this regard, the Board/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. It also serves as a source of reference, providing insights to prospective board members as well as the Senior Management.

### BOARD COMMITTEES

To assist the Board in the 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 Committee;
- Nomination and Remuneration Committee;
- Investment Committee; and
- CSR Investment 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 and terms of reference are reviewed periodically to ensure that they are relevant and updated.

Diversity of experience and appropriate skills are considered along with the need to maintain appropriate checks and balances between the Board Committees. 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. A brief description of each Board Committee and their salient TOR are provided below:

#### a. Audit Committee

The Audit Committee comprises three Independent Non-Executive Directors namely:-

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

Members : Tan Sri Dato' Seri Mohamed Jawhar Hassan  
Datuk Noriyah Ahmad

Further details on the TOR and summary of activities of the Audit Committee during the financial year are set out on pages 149 to 155 of this Annual Report.

b. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (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 was one (1) meeting held during the financial year and the attendance record of each member is set out in the table on page 150.

***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 and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board;
- to assess the size and composition of the Board to facilitate nomination of Board candidates; 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 design the remuneration package for CEO and other designated Management with the aim of attracting and retaining high-calibre Management who will deliver success for shareholders and high standards of services for stakeholders, while taking into consideration the business environment in which the Company operates. Once formulated, to recommend to the Board for approval;
- 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
- the NRC is authorised by the Board 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 the remuneration in other companies.

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

### *c. Composition of Members*

The NRC shall comprise at least three (3) 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. One of the independent directors shall be the Chairman of the NRC.

### *d. Secretary*

The Secretary of the Company and/or Secretaries shall be appointed as the Secretary of the NRC.

### *e. 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.
- The Secretary is responsible for co-ordination of administrative details including calling for meetings, voting and keeping of minutes.
- 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 2014**

During the financial year ended 31 December 2014, the NRC undertook a number of key activities as listed below:

- Assessment of the Independent Directors;
- Review and approval of the Market Benchmarking, Proposed Salary Structure and Benefit Recommendations;
- Evaluated the size and composition of the Board and made the appropriate recommendation to the Board;
- Considered and made recommendation to the Board on the achievement of Ekuinas Key Performance Indicators (KPI) for FYE2013, Bonus Payout and Merit Increment for FY2014; and
- Review of Proposed KPI Framework for the FY2014.

### *c. Investment Committee*

The Investment Committee is made up of members of the Senior Management of the Company and one Independent Non-Executive Director. 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
- review of the quality and reliability of all financial information in respect of all investments.



d. CSR Investment Committee

The CSR Investment Committee (CIC), which is chaired by an Independent Non-Executive Director and consists of the Senior Management, was established in 2013 to ensure independent assessment and good governance during disbursement of funds for the Bumiputera Entrepreneur Capacity Building programme, which is an investment oriented CSR programme under the overall CSR framework. Details of the CSR framework and activities are set out on pages 162 to 171 of the Annual Report.

The key responsibilities and functions of the CIC include:

- appointing the Process Owner(s) for the programme;
- approving budgetary proposal for any project under the programme, overall implementation as well as reviewing the effectiveness of the programme; and
- reviewing and approving the programme's annual plan which must be within the overall budget approved by the Board.

e. Risk Management Committee

The Risk Management Committee (RMC), which is chaired by the CEO and consists of the Senior Management, was established in 2011 to assist the Board in discharging its functions with regard to risk management issues of Ekuinas. While the risks reported do not purport 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.

**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;
- appointment and removal of the CEO;
- ratifying the appointment and, where appropriate, approving the removal of the Senior Management (based on the recommendation of the CEO);
- ascertaining the development and succession planning for both the Board and Senior Management;
- providing input into and approving the Company's corporate strategy and annual budget;
- approving and monitoring the progress of major capital expenditure, capital management and investment acquisitions / 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.

### Employees' Code of Ethics and Service Provider Code of Conduct

The Employees' Code of Ethics and Service Provider Code of Conduct have been formalised and adopted for the employees and Ekuinas' service providers to encourage high standards of conduct that are associated with ethical business practices. These policies provide guidance on the standards of behaviour expected of all employees and business partners and expressly state the consequences for violations which may include termination of employment/service and dismissal.

### Anti-Fraud and Whistleblowing Policy

To reinforce the culture of good business ethics and governance across the Company, a whistleblowing policy was introduced which provides employees with an accessible avenue to report in good faith any suspected wrongdoing. This includes suspected fraud, misappropriation of assets, sexual harassment, criminal breach of trust, corruption, questionable or improper accounting, misuse of confidential information and acts or omissions which are deemed to be against the interest of the Company, breaches of laws, regulations or public policies, breaches of any Company policies and the Employees' Code of Conduct or deliberate concealment of any of the said matters. 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.

## 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 information relevant to the matters deliberated at the Board meeting 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:

- i. Minutes of meetings of the previous Board;
- ii. Minutes of meetings of all previous Committee meetings of the Board;
- iii. Report on Matters Arising;
- iv. Report on matters requiring the Board's deliberation and approval;
- v. Quarterly financial report and report on investment performance of the Company; and
- vi. Other key developments for discussion and approval.

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

The Board is constantly advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities. As and when the need arises, Directors are provided with ad hoc reports, information papers and relevant training where necessary to ensure they are appraised on key business, operational, corporate, legal and industry matters.

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.

## BOARD COMPOSITION AND BALANCE

The Board currently consists of six (6) members, comprising 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. None of the independent directors has exceeded the cumulative term of nine (9) years of service.

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-third 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. The Board is of the view that the above size would be the optimum size for the Board to function effectively, taking into consideration the scale of the Company's operations.

## 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 Committee also seeks to maintain an effective balance of expertise, skills and attributes among the Directors including 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 Nomination and Remuneration Committee will review the range of expertise, skills and attributes on the Board and the composition of the Board. The Committee will then identify Ekuinas' needs and prepare a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the Committee may seek advice from external search consultants.

The NRC's membership is purely Non-Executive and Independent Directors. Details on the scope and functions of the NRC can be found on pages 127 to 128 in the Statement on Corporate Governance.

## STATEMENT ON CORPORATE GOVERNANCE

### 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 2014, with categorisation into appropriate components are as follows:

Executive Director	Salary and Other Emoluments	Variable Bonus	EPF Contribution	Total
Dato' Abdul Rahman Ahmad	RM1,092,000	RM425,000	RM258,480	RM1,775,480

Non-Executive Directors	Directors' Fees	Allowances and Other Benefits	Total
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	RM100,000	RM29,500	RM129,500
Tan Sri Dato' Seri Mohamed Jawhar Hassan	RM80,000	RM27,000	RM107,000
Tan Sri Mohamed Azman Yahya	RM80,000	RM20,500	RM100,500
Datuk Seri Dr. Rahamat Bivi Yusoff	RM80,000	RM7,500	RM87,500
Datuk Noriyah Ahmad	RM80,000	RM27,500	RM107,500

### MAINTAINING AN INDEPENDENT, STRONG AND EFFECTIVE BOARD

Performance evaluation of the Board provides an effective avenue to assess not only the independent directors but also the Board's overall performance. It also brings to light improvement areas and remedial actions on the Board's administration and process.

The Company has adopted the **Board Effectiveness Evaluation (BEE)** methodology which focuses on, among others:

- Board performance evaluation – responsibilities, composition, administration and process, conduct, interaction and communication, Chairman and CEO effectiveness;
- Individual Board Committee performance evaluation – structure and processes, accountabilities and responsibilities, Committee Chairmen effectiveness; and
- Benchmarking of the Board's evaluation results against peers for additional insights on Board strengths and issues.

The BEE involved completion of questionnaires by all Board members on the effectiveness of the Board of Directors as a whole, as well as that of the Board Committees, namely the Audit Committee, the Nomination and Remuneration Committee and the Investment Committee. The last formal and full evaluation on the Board's performance was conducted and presented to the Board in March 2013.



To ensure integrity and independence of the appraisal process, PwC Advisory Services was engaged as an Independent Adviser to facilitate the evaluation process, tabulate and report the results of the evaluation to the Chairman. A summarised report was also presented to the Board.

In addition, the Board, through the NRC, conducted a review of the Board's composition and 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 the MMLR. Moreover, all Directors also submit an annual declaration of compliance to the Directors' Code of Ethics.

### **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 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.

They not only bring quality on impartiality and inquisitive minds on decisions made by the Board but also provide sound and valuable input in reaching such decisions.

Profiles of the Board members are highlighted on pages 68 to 75 of this Annual Report.

### **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.

Further board meetings may also be held to specifically deliberate and approve investment considerations and other issues arising. Typically, at least once a year, the Board also meets the senior management of portfolio companies for discussion on strategic matters, performance or any issues relating to specific business areas.

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.

## STATEMENT ON CORPORATE GOVERNANCE

### 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	AC	NRC	IC	CIC
	No. of Meetings Attended				
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	7 out of 7	5 out of 5	1 out of 1	-	-
Tan Sri Dato' Seri Mohamed Jawhar Hassan	6 out of 7	5 out of 5	1 out of 1	-	-
Tan Sri Mohamed Azman Yahya	5 out of 7	-	1 out of 1	3 out of 3	-
Datuk Seri Dr. Rahamat Bivi Yusoff	3 out of 7	-	-	-	-
Datuk Noriyah Ahmad	7 out of 7	5 out of 5	-	-	1 out of 1
Dato' Abdul Rahman Ahmad	7 out of 7	-	-	3 out of 3	1 out of 1

#### Notes

1. AC – Audit Committee
2. NRC – Nomination and Remuneration Committee
3. IC – Investment Committee
4. CIC – CSR Investment Committee

The Audit Committee shall meet at least four (4) times in a year in accordance with its terms of reference.

### DIRECTORS' TRAINING

A dedicated budget for Directors' training is provided annually to encourage Directors to attend relevant and useful training which contribute to the effective discharge of their duties. Directors are 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. The Directors also attend training to keep abreast with current developments as well as the new statutory and regulatory requirements.

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 2014 are set out on pages 135 to 136 of the Annual Report.

Training Programmes Attended by Directors for the Financial Year Ended 31 December 2014.

Director	Title of Seminar/Workshop/Course	Presenter/ Organiser	Date
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	Form vs Function in Corporate Governance - Compliance and Lessons Learned	Sanjay Sidhu, Executive Director - BDO Malaysia / Maxis Berhad	10 February 2014
	KL Business Club - Changing Landscape of Asean	Professor Dr. Farish Noor, S Rajaratnam School of International Studies, Nanyang Technological University	23 April 2014
	Invest Malaysia Conference 2014	Various Presenters / CIMB Berhad	9 & 10 June 2014
	The Malaysian Private Equity Forum	Various presenters / Ekuiti Nasional Berhad	9 September 2014
	Khazanah Megatrends Forum 2014	Various presenters / Khazanah Nasional Berhad	29 & 30 September 2014
	Great Companies Deserve Great Boards	Beverly A Behan, President Board Advisor, LLC / Malaysian Directors Academy (MINDA)	17 October 2014
	Stay Humble, Act Nimble	Karamjit Singh, CEO Digital News Asia / Maxis Berhad	11 November 2014
	AEC & Globalisation	Tan Sri Rafidah Aziz, Chairman of AirAsia X / ABC Advisory Council	1 December 2014
	Khazanah Global Lectures - Great Cities - The Future	Boris Johnson, Mayor of London / Khazanah Nasional Berhad	2 December 2014
	Training on GST	PwC / Ekuiti Nasional Berhad	8 December 2014
Tan Sri Dato' Seri Mohamed Jawhar Hassan	ISIS National Forum on GST	ISIS	11 February 2014
	Perdana Leadership Roundtable on "Surviving the Next Global Financial Crisis"	Perdana Leadership Foundation	17 March 2014
	BNM-FIDE Forum Dialogue with the Governor "Economic & Financial Services Sector: Trends & Challenges Moving Forward"	Bank Negara Malaysia	24 March 2014
	FIDE Forum: Recovery & Resolution Plan "Board Leading the Way"	Bank Negara Malaysia / FIDE	9 May 2014
	TU-ASEAN International Conference 2014	Centre of Asean Studies, Thammasat University, Thailand	6 July 2014
	UiTM Global Economic Symposium	UiTM	6 September 2014
	The Malaysian Private Equity Forum	Various presenters / Ekuiti Nasional Berhad	10 September 2014
	Annual ASEAN Corporate Governance Summit 2014	Malaysian Institute of Corporate Governance	2 October 2014
	Board of Directors Breakfast Series: "Great Companies Deserve Great Board"	Bursa Malaysia Berhad	10 October 2014
	Training on GST	PwC / Ekuiti Nasional Berhad	8 December 2014

## STATEMENT ON CORPORATE GOVERNANCE

Director	Title of Seminar/Workshop/Course	Presenter/ Organiser	Date
Tan Sri Mohamed Azman Yahya	Directors' In-house Training - Oil & Gas Industry Overview, QHSE and Personal Data Protection Act Compliance	Scomi Group Bhd	16 January 2014
	Talk on the Impact of GST on Property Developers	Symphony Life Berhad	19 February 2014
	Perdana Leadership Foundation Roundtable "Surviving The Next Global Financial Crisis" chaired by Tun Dr Mahathir Mohamad	Perdana Leadership Foundation	17 March 2014
	LSE Asia Forum 2014 - Building Asian futures: integration, welfare and growth?	London School of Economics	2 April 2014
	Dialogue with YAB PM "Sustainability & Diversity"	Securities Commission of Malaysia	9 April 2014
	Forum on Integrated Reporting with the theme "Revolutionising the Way We Communicate Value in Malaysia"	SC/IIRC/ACCA Malaysia	23 April 2014
	KLBC Fireside Chat: TPP and Malaysia: Being Part of the Future Global Trade with YB Dato' Sri Mustapa Mohamed, MITI	KLBC	6 August 2014
	Business leaders dialogue with YAB PM and presentation by Minister in the PM's Office on "Partnerships in Nurturing Human Capital"	Securities Commission of Malaysia	26 August 2014
	CEO Forum 2014 "Malaysia: Surviving the Next Global Financial Crisis" : Panellist for Plenary Session: "Is the World Headed Towards Another Financial Catastrophe?"	Perdana Leadership Foundation	24 September 2014
	Training on GST	PwC / Ekuiti Nasional Berhad	8 December 2014
Datuk Seri Dr. Rahamat Bivi Yusoff	New Funding Framework Best Practices Exchange Week	MDEC	11 – 15 February 2014
	Spring Meeting in World Bank Group and International Monetary Fund and Frontier in Development Policy, a Leadership Course	World Bank	14 – 18 April 2014
	The Global Entrepreneurship Summit 2014 (GES)	GES Marrakech, Morocco	19 – 21 November 2014
	Training on GST	PwC / Ekuiti Nasional Berhad	8 December 2014
Datuk Noriyah Ahmad	The Malaysian Private Equity Forum	Various presenters / Ekuiti Nasional Berhad	9 September 2014
	Transforming the Nation National Conference	PTD Alumni	10 September 2014
	Training on GST	PwC / Ekuiti Nasional Berhad	8 December 2014
Dato' Abdul Rahman Ahmad	The Malaysian Private Equity Forum	Various presenters / Ekuiti Nasional Berhad	9 - 10 September 2014
	Training on GST	PwC / Ekuiti Nasional Berhad	8 December 2014



**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 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 Committee also meets with the external auditors without the presence of Management, and this is a forum where the external auditors may raise, among other matters, any concern they may have on the compliance aspect of the financial statements. The Board considers that in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates. 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.

**INDEPENDENCE OF EXTERNAL AUDITORS**

The Board, through the Audit Committee, has established a formal and transparent relationship with the Company's auditors, both external and internal. The Audit 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 external auditors have provided a written confirmation that they have reviewed the non-audit services provided to the Company during the year, and that to the best of the external auditor's knowledge, the non-audit services did not impair the independence of the external auditors. The Company's Annual Report also discloses fees received by the external auditors for non-audit work.

## STATEMENT ON CORPORATE GOVERNANCE

### MANAGEMENT OF RISKS AND INTERNAL CONTROL

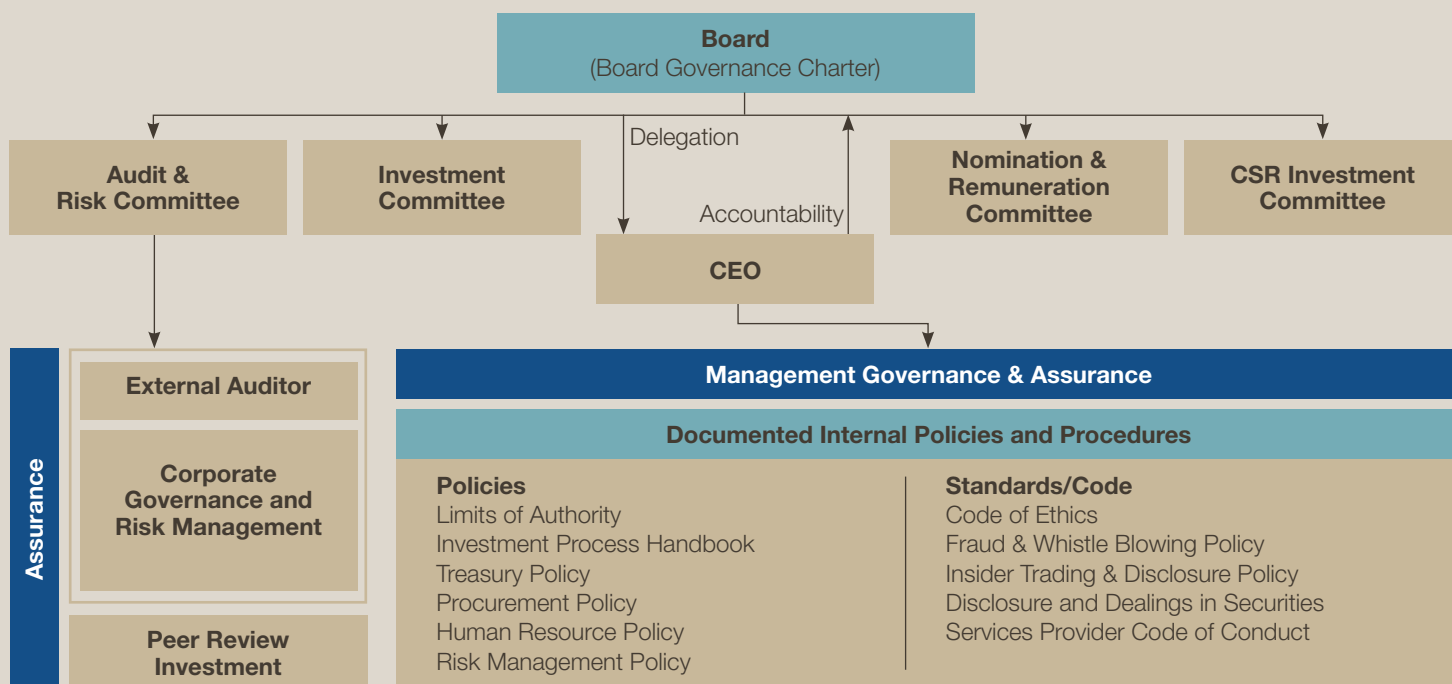
The Board is responsible for maintaining a system of risk management and internal controls that provides reasonable assurance of effective and efficient operations in compliance with the applicable laws and regulations, as well as internal procedures and guidelines.

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 140 to 148 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 Department (CGRM), which also operates as an in-house internal audit function, has a direct reporting line to the Audit Committee, which underscores the Company's commitment to ensure the integrity of its governance framework.

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



### CORPORATE DISCLOSURE POLICIES AND PROCEDURES

Ekuias has developed and adopted disclosure guidelines, which 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. The details of the disclosure policy and framework are set out on pages 156 to 157 of the Annual Report.

As part of the disclosure policy, the Company has disclosed appropriate related party transactions in the financial statements. Details of the current related party transactions entered into by the Company and its related entities during the financial year ended 31 December 2014 are set out in the Financial Booklets.

A report by the Audit Committee is provided on pages 149 to 155 of this Annual Report.

## 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. The full commitment to maintain transparency and accountability is part of Ekuinas' good corporate governance practices apart from ensuring regulatory requirements are adequately met.

In this respect, Ekuinas continues to strive to keep a high standard in providing relevant and pertinent information on the development of the Company and addressing the interests of 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 and reviews the policies 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.

Ekuinas places great importance on communicating with and reaching out to our stakeholders. The Company engages proactively and is regularly in communication with key stakeholders on issues of importance to understand their concerns and expectations, and this enables the Company to respond appropriately.

### Annual Report

In addition to making media announcements, the Company also provides its stakeholders with information on business, financials and other key activities in the Annual Report. The Board aims to present clear and comprehensive disclosures in the Annual Report, in accordance with the key principles set out in the MMLR (as far as this is applicable) and the Code.

### Press Announcements

The Company issues press releases and organises press conferences to provide updates on the Company's progress, significant corporate developments and business initiatives.

### Company Website

Other than press releases and announcements, the Company utilises its website as the main communication channel for the Company to disseminate information to the stakeholders and general public. This includes establishing a dedicated section for corporate governance and providing information such as the disclosure policy, annual report, press releases, announcements and other corporate information.

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 Team

Email address : [info@ekuinas.com.my](mailto:info@ekuinas.com.my)

### Governance

Corporate Governance & Risk Management

Email address : [governance@ekuinas.com.my](mailto:governance@ekuinas.com.my)

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 20 March 2015.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (the Board) is pleased to present this Statement on Risk Management and Internal Control 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.

To prepare this Statement, the Board has been guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by The Institute of Internal Auditors Malaysia with the endorsement of Bursa Malaysia.

## 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 Committee (AC) 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) to perform its duties.

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.

The Chief Executive Officer (CEO) and Senior Management play an integral role in assisting the Board with the implementation of the Board's policies and procedures on risks and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

## 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

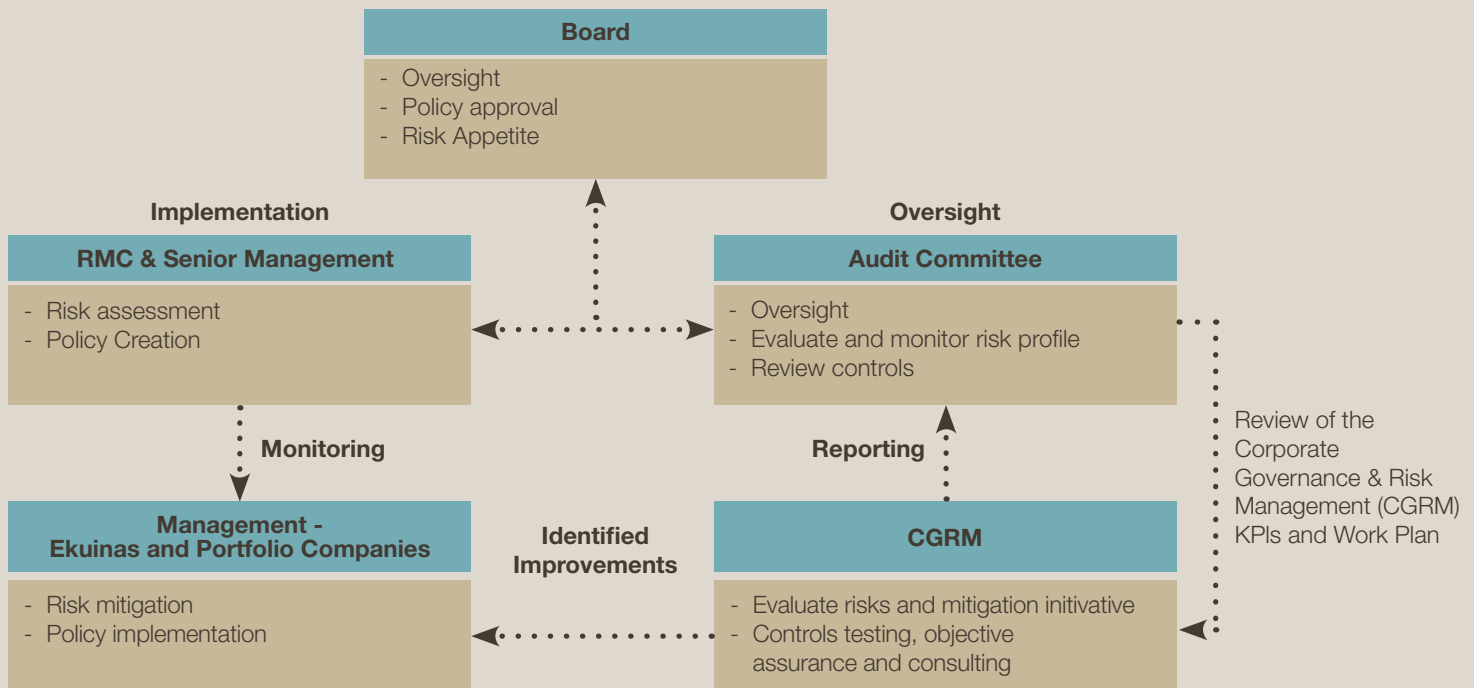
The Board has approved the Risk Management Framework and Policy for the Company which sets out clear accountability and responsibility for the risk management process, including identification and management of risks which could materially impact the Company's strategic objectives or execution.

Risk management is embedded into the Company's critical business activities, functions and processes. Risk mitigation and controls are designed and implemented to reasonably assure the achievement of the Company's strategic objectives.

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. 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:



### Audit Committee (AC)

The Board, through the AC, oversees all of the risk management and internal control activities within the Company. Amongst the principal responsibilities of the AC are to ensure the Risk Management Framework is soundly implemented, evaluate risk exposures and review internal control issues highlighted by the 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 AC.

The AC is wholly comprised of Independent Non-Executive members of the Board and has 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, which is chaired by the CEO and consists of the Senior Management, was established in 2011 to assist 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 AC on a quarterly basis. This process is undertaken quarterly, identifying new and reviewing existing business risks as well as monitoring the effectiveness of all mitigating initiatives.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The following are the duties and responsibilities of the RMC:

- review and recommend risk management policy and reports for approval by the AC 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 2014. The resulting quarterly Risk Management reports were presented and approved by the AC and the Board.

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

The role of Corporate Governance and Risk Management (CGRM) is to assist the AC 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 will furnish the AC with independent analyses, appraisals, counsel and information on the activities they review.

The key activities undertaken by CGRM that add value to the Company and Portfolio Companies are as follows:

- **Reviewing Objectives and Activities**  
Review the operational activities and ensure the principal objectives are aligned to the overall business objectives.
- **Evaluating Risk**  
Identify all auditable activities and relevant risk factors, and assess their significance.
- **Confirming Financial and Non-Financial Information**  
Research and gather information that is competent, factual and complete.
- **Analysing Operations**  
Analyse and examine current operations to assess its effectiveness and, if relevant, to make requisite recommendations.
- **Providing Assurance on Compliance**  
Provide assurance on compliance to statutory requirements, laws, company policies and guidelines.
- **Recommending Internal Controls**  
Recommend appropriate controls to overcome deficiencies and enhance operations.
- **Assuring Safeguards**  
Evaluate procedures in place to safeguard company assets.
- **Consulting and Facilitating**  
Assist in establishing a proper risk management framework, assessing risks and monitoring the effectiveness of the risk management programme and ensuring the adequacy of the internal control system.
- **Ad hoc and Special Assignments**  
Carrying out investigations and ad hoc reviews requested by the Management and/or the Audit Committee.

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

## 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 risks. These four risks are not exhaustive and the investment risks are considered the most critical business risks within the Company.

EKUINAS' RISK (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 which include external environment, market and industry, regulatory and stakeholder management 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. Adoption and implementation of the Disclosure, Stakeholder Management and Communication Policies are also part of the risk mitigation plan for strategic risks.

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

Operational risk, which is inherent in all business activities, is the risk of potential financial loss arising from failures in internal controls, processes or systems that support them. 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

To mitigate investment risks, the Company's investment decision-making process is guided by investment parameters instituted via the Company's Investment Framework. This framework has been documented and approved by the Board to ensure deals undertaken are within the key investment criteria where the priority sectors are identified based on a transparent screening approach. This framework has been adopted in all investment processes and potential investment transactions.

The Investment Framework also incorporates risk management with a rigorous review of risks for all strategic and specific proposal 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.

### 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:

RISK ASSESSMENT APPROACH			
CONTEXT	FREQUENCY	PROCESS	
Ekuinas	Quarterly Update	Quarterly Risk Reporting	To ensure review of key risks and mitigating steps for the Company and portfolio companies at RMC meetings and subsequent presentation to the AC and the Board.
Portfolio Companies	Quarterly Update	Quarterly Risk Reporting	
Investment Proposals	As Required	Investment Proposal Procedures	To ensure key risks are identified and appropriate risk management activities are performed on an as required basis for all investment proposals.

### Key Internal Control Processes

The Board is fully committed to maintaining a strong control structure and environment for the 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 Committee, Nomination and Remuneration Committee and Investment 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.

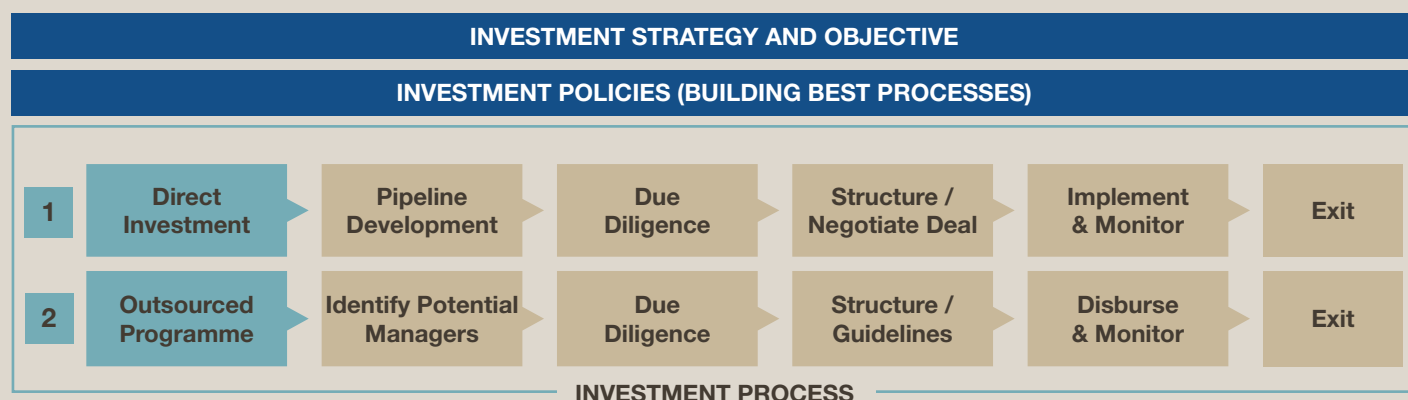


### • Policies and Standard Operating Procedures (SOP) Framework

Written procedures on key processes within the Company are documented, implemented and communicated by 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. There are documented procedures in place covering Direct Investments, Outsourced Programme, Finance, Human Resources, Information Technology (IT), Procurement, Legal, Stakeholder Management, Corporate Social Responsibility (CSR) and other key policies and procedures. The SOP Framework for the Company as illustrated below:

### THE POLICY AND SOP FRAMEWORK

Aligned to the Ekuinas Operating Model



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

SHARED SERVICES	Finance & Accounting	Human Resource
	<b>Accounting Policies and/or SOP covering:</b> <ul style="list-style-type: none"> <li>Fixed Assets (✓)</li> <li>Petty Cash (✓)</li> <li>Financial Reporting Policy and Procedure (✓)</li> <li>Budgeting (✓)</li> <li>Payments &amp; Claims (✓)</li> <li>Portfolio Investment Fair Valuation Guidelines (✓)</li> </ul>	<b>HR Policies and/or Procedures covering:</b> <ul style="list-style-type: none"> <li>Payroll Management (✓)</li> <li>Training &amp; Development (✓)</li> <li>Recruitment &amp; Human Capital Planning (✓)</li> <li>Performance &amp; Compensation Management (✓)</li> <li>Employment Terms Retention Plan (✓)</li> <li>Talent Management (✓)</li> <li>Employee Relations (✓)</li> </ul>
	Treasury	Legal
	<ul style="list-style-type: none"> <li>Treasury Policy and SOP (✓)</li> </ul>	<ul style="list-style-type: none"> <li>Legal/SOP (✓)</li> </ul>
	Procurement & Administration	MIS
	<ul style="list-style-type: none"> <li>Procurement Policy and SOP (✓)</li> </ul>	<ul style="list-style-type: none"> <li>IT Policy and SOP (✓)</li> </ul>
	Corporate Social Responsibility (CSR)	Communications
	<ul style="list-style-type: none"> <li>CSR Policy and SOP (✓)</li> </ul>	<ul style="list-style-type: none"> <li>Communications Policy and SOP (✓)</li> </ul>
	Stakeholder Management	Disclosure Policy
	<ul style="list-style-type: none"> <li>Stakeholder Management Policy and SOP (✓)</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure Policy and Framework (✓)</li> </ul>

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 proposing any work for Ekuinas for a pre-determined period.

- **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.

- **Human Resources Policies and Procedures**

There are proper guidelines within the Company for hiring and termination of staff, formal training programmes for staff, annual performance appraisals and other related procedures to ensure that employees are competent and adequately trained in carrying out their duties and responsibilities. The list of the documented Human Resources SOP is as follows:

- Employment Terms & Benefits;
- Payroll Management;
- Performance & Compensation Management;
- Employee Relations;
- Training & Development;
- Recruitment; and
- Performance and Compensation Management.

- **Information and Communication Technology (ICT)**

Amongst the key components of the SOP Framework is the ICT Policy and Procedure. This is formulated to ensure adequate management control and smooth operations of the Company's ICT matters and also to safeguard the ICT resources, database and information. The main ICT Policy and Procedures which have been formalised and approved for adoption are as follows:

- ICT Management and User Policy;
- Security Management;
- E-mail Policy;
- Internet Policy;
- Business Continuity and Recovery Policy;
- ICT Asset Management Policy;
- Change Management Policy;
- Incident Management; and
- ICT Communication Management.

- **Budgeting process**

All departments within the Company are required to prepare budgets annually towards an overall budget and plan that will be approved by the Board. A reporting system on actual performance against budgets is in place and any significant variance detected would be reported to the Board.

- **Financial Reporting Policy and Portfolio Investment Fair Valuation Guidelines**

Amongst the key components of the SOP & Policy Framework are the Financial Reporting Policy and Procedures and Portfolio Investment Fair Valuation Guidelines, which are formulated to ensure adequate management control and smooth operations in the Company's Finance activities.

The objective of the SOPs are to ensure that the Company's financial reporting complies with the accounting and regulatory requirement and to ensure valuation is performed as per generally acceptable valuation principles as well as recommendations as stated under the "International Private Equity and Venture Capital Valuation Guidelines" (IPEV Guidelines).

- **Disclosure of Dealings in Securities**

In line with the Company's commitment to reinforce high ethical business standards, a policy on Insider Trading and Disclosure Policy has been put in place. Ekuinas' employees are required to sign the Professional Conduct Undertaking which provides guidelines on non-disclosure of confidential information, conflict of interests and prohibition of insider trading. A list is circulated on a regular basis to all employees highlighting the listed securities that employees are restricted from investing.

- **Fraud Prevention Manual and Whistle Blowing Policy**

The manual and policy are built into the Company's culture and further entrench the Company's zero tolerance to fraud. It also promotes a transparent and open environment for fraud reporting within the Company.

- **Performance Management**

The Company is committed to attract and retain competent, dedicated and talented employees. Various initiatives have been undertaken to ensure the employees are equipped with the qualities and skills through ongoing emphasis on performance management and human capital development. To create a high performance work culture, performance review and compensation are linked to sets of key performance indicators that are aligned with the Company's vision and mission.

- **Training and Development Framework**

It is the Company's policy to train employees at all levels so that they are able to perform competently in their present jobs and also to train those employees who are considered to have the potential to perform duties with wider responsibilities so that they may be ready to assume them when needed.

- **Communications Policy**

The Communications Policy is in place to ensure that communications across the Company, to the general public and stakeholders are effectively managed, ensuring a consistent image for Ekuinas at all times.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### • Corporate Social Responsibility (CSR) Policy and Framework

The CSR Policy and Framework has been formalised to ensure proper governance of all CSR activities undertaken by the Company according to the guiding principles and framework as approved by the Board.

The Policy serves the following purpose:

- i. to document the Board and Management's commitment and their expectations of employees' responsibilities while implementing the Company's CSR activities;
- ii. to provide decision-making guidelines for the selection of CSR initiatives; and
- iii. to ensure the Company's CSR activities adequately fulfill the intended objectives and intentions.

In addition, a CSR Investment Committee (CIC) was set up to ensure independent assessment and good governance during the disbursement of funds for the Bumiputera Entrepreneur Capacity Building Programme.

### • Investment Controls

In most investment cases, Ekuinas' senior representatives are appointed on 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.

### • Disclosure Policy and Framework

Ekuinas' disclosure guidelines were developed based on several industry guidelines including those outlined in the Walker Guidelines Monitoring Group 2007, a private equity monitoring group on transparency and disclosure, following a comprehensive study of disclosures provided by leading private equity companies, sovereign wealth funds and hedge funds around the world. The details of the disclosure policy and framework are set out on pages 156 to 157 of the Annual Report.

### 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 year ended 31 December 2014.

Based on the procedures performed, they have reported to the Board that nothing has come to their attention that cause them to believe that the Statement on Risk Management and Internal Control 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 Issues to be set out, nor is factually inaccurate.

Their limited assurance review was performed in accordance with the Recommended Practice Guide (RPG) 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Company.

## 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 20 March 2015.**

# AUDIT COMMITTEE REPORT

The Board of Directors of Ekuinas is pleased to present the report on the Audit Committee (AC) for the financial year ended 31 December 2014.

## Composition and Attendance of the Audit Committee

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

- comprise not fewer than three (3) members;
- majority are independent directors;
- all members are non-executive;
- at least one should be a member of an accounting association; and
- no alternate director can be appointed as a member of the Audit Committee.

The composition of the Audit Committee 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	5 out of 5	100
Tan Sri Dato' Seri Mohamed Jawhar Hassan	Independent Non-Executive Director	5 out of 5	100
Datuk Noriyah Ahmad	Independent Non-Executive Director	5 out of 5	100

## Meetings of the Audit Committee

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

The Chief Executive Officer (CEO), Managing Partner of Investment, 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 Audit Committee has also conducted a meeting with the external auditor without the presence of management during the Audit Committee meeting on 13 March 2014 and 18 September 2014.

The Chairman of Audit Committee makes a report on each meeting to the Board and minutes of each meeting are kept and distributed to each member of the Audit Committee as well as the other members of the Board.

## Objectives

The main responsibilities of the Audit Committee are to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance and risk management.



## AUDIT COMMITTEE REPORT

### Terms of Reference

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

#### Composition of Members

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

- the Audit Committee 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 Audit Committee,
  - 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 1st 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 1st 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 Audit Committee;
- in the event that any vacancy in the Audit Committee 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 Audit Committee.

#### Scope

- the Audit Committee 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 Audit Committee shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities;
- the Audit Committee shall provide assistance to the Board in fulfilling its fiduciary responsibilities particularly relating to business ethics, policies and financial management control;
- the Audit Committee shall maintain a direct line of communication between the Board, External Auditors, Internal Auditors and Management through regularly scheduled meetings;
- the Audit Committee 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 Audit Committee may invite any person to the meeting to assist the Audit Committee in decision-making process and that the Audit Committee 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 Audit Committee for investigation.

#### Authority

The Audit Committee 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;
- 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 Audit Committee 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 Audit Committee 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 Audit Committee members, the CFO and the Head 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 Audit Committee 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 Audit Committee and shall appear before the Audit Committee when required to do so by the Audit Committee.

### **Duties and Responsibilities**

The duties and responsibilities of the Audit Committee 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 Audit Committee's level with focus given to significant issues and resolutions resolved by the Audit Committee, 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; and
- Where the review of audit reports of subsidiaries and any related corporations also falls under the jurisdiction of the Audit Committee, all the above mentioned functions shall also be performed by the Audit Committee in co-ordination with the Board of Directors of the subsidiaries and related corporation; and
- To consider other areas as defined by the Board.

#### **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 on 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 Audit Committee, 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;
- 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 Audit Committee, Statement on Corporate Governance and Statement on Risk Management and Internal Control prior to their inclusion in the Company's Annual Report;
- Review of and deliberation on 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 / Audit Committee.

**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 Audit Committee and administratively to the CEO. The function 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 Company has an adequately resourced internal audit function to assist the Audit Committee and the Board in maintaining an effective system of internal control and overall governance practices within the Company. The review and control improvement initiatives conducted by CGRM were defined in an annual audit plan that was reviewed and approved by the Audit Committee 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 Audit Committee.

CGRM also engages with the management of Portfolio Companies to advocate implementation of good governance and best practices. Among the key governance initiatives undertaken together with the management of Portfolio Companies are the review and update of the limits of authority for approval and adoption, assisting in the setting up of in-house internal audit unit in the Portfolio Companies (where applicable) and assisting them in various controls and governance improvement initiatives where necessary.

## AUDIT COMMITTEE REPORT

The summary of the key governance initiatives carried out at the portfolio companies post Ekuinas acquisitions are highlighted below.

Portfolio Companies	Limits of Authority (LOA)	EXCO and BOD	Corporate Governance Framework	SOP Framework	In-House Internal Audit/Compliance	Risk Management Policy / Reporting	Process Improvements Review
 <b>cosmopoint</b> COLLEGE OF TECHNOLOGY	✓	✓	ongoing	✓	✓	✓	✓
 <b>UNITAR</b> UNIVERSITY OF TECHNOLOGY	✓	✓	✓	ongoing	✓	✓	✓
 <b>A.P.U.</b> ASIA PACIFIC UNIVERSITY OF TECHNOLOGY INNOVATION	✓	✓	✓	ongoing	✓	✓	-
 <b>A.P.I.T.</b> ASIA PACIFIC INSTITUTE OF INFORMATION TECHNOLOGY LANKA	✓	✓	ongoing	ongoing	-	✓	-
<b>ICONOFFSHORE</b>	✓	✓	✓	✓	✓	✓	ongoing
	✓	✓	ongoing	ongoing	-	ongoing	ongoing



Portfolio Companies	Limits of Authority (LOA)	EXCO and BOD	Corporate Governance Framework	SOP Framework	In-House Internal Audit/Compliance	Risk Management Policy / Reporting	Process Improvements Review
	✓	✓	-	-	-	✓	✓
  	✓	✓	ongoing	ongoing	ongoing	✓	✓
	✓	✓	ongoing	ongoing	ongoing	✓	✓
	✓	✓	-	ongoing	-	✓	✓
	✓	✓	-	ongoing	-	✓	ongoing

CGRM also participated 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. 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 20 March 2015.**

# 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.

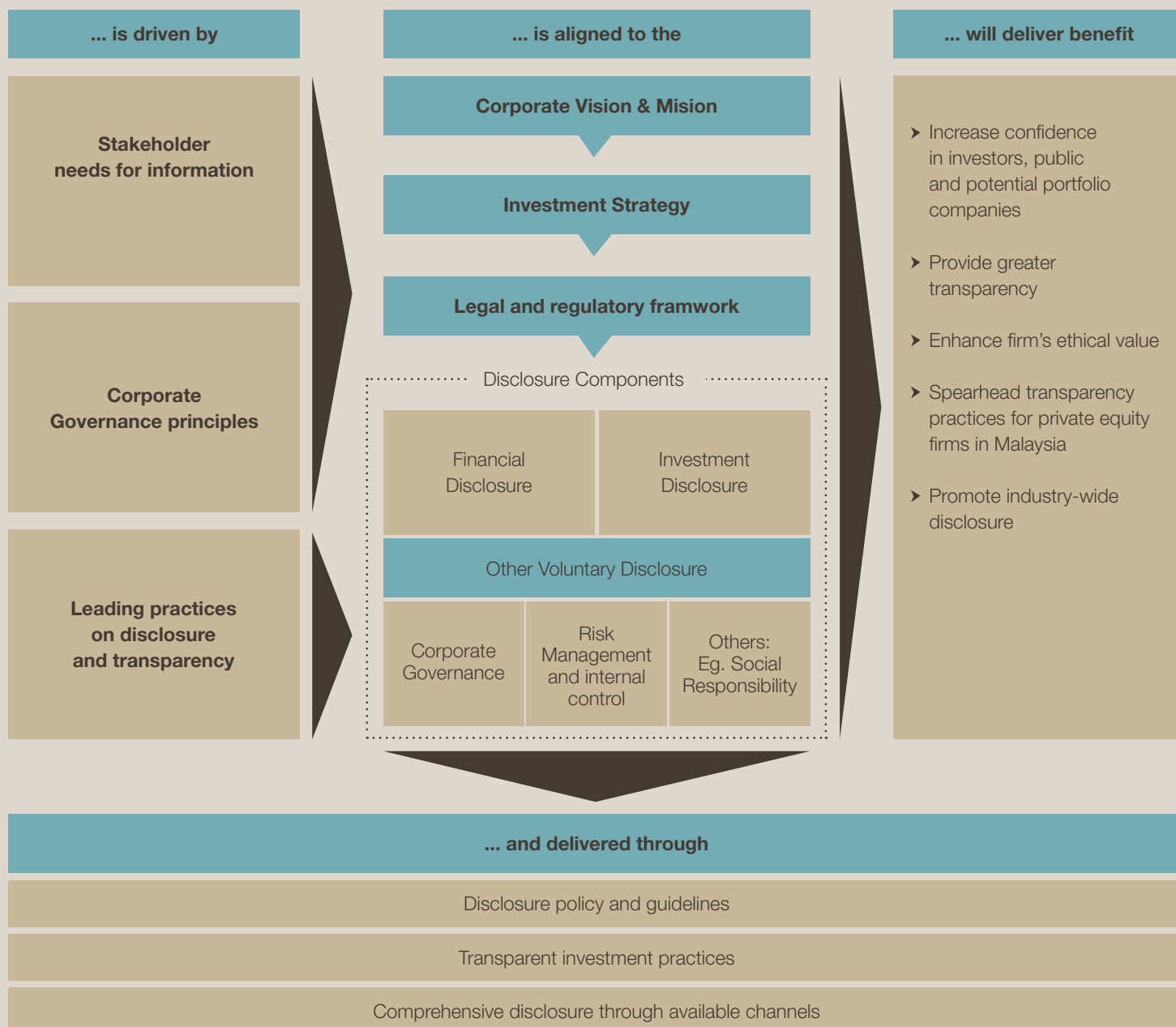
The disclosures ranged from providing minimum information such as contact details and basic information on company websites, to the average provision of strategies and objectives, acquisitions and disposals, as well as portfolio performance. The benchmarks for Ekuinas were, however, organisations such 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.

## Ekuinas Disclosure Framework



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# CORPORATE RESPONSIBILITY

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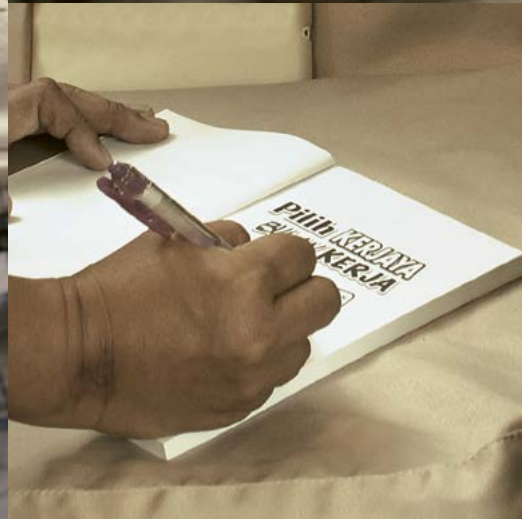
## HUMILITY

### **ENABLING COMMUNITIES · EFFECTING A DIFFERENCE**

We stay true to our roots and are cognisant that we serve a greater purpose. We act in a manner that reflects a spirit of inclusion, respect for others and a willingness to subordinate one's own interest for a common good.











ENABLING  
COMMUNITIES.  
EFFECTING A  
DIFFERENCE.



*As part of our Corporate Social Responsibility initiatives, Ekuinas supports a non-governmental organisation, PUSAKA, in its efforts to preserve the art of making 'rebana ubi' and sharing the knowledge of its rhythms to the younger generation.*

# CORPORATE RESPONSIBILITY

## OVERVIEW

As a private equity firm established by the Government of Malaysia to specifically grow Bumiputera economic participation through our private equity investment approach, Ekuinas' operating model in itself already has a social objective. Nevertheless, Ekuinas realises that there are many groups in society which would benefit further from our support and assistance.

In 2013, the Ekuinas Corporate Social Responsibility (CSR) Framework was formalised to provide a clear structure for the various activities.

The objective of the CSR Framework is to empower both the Bumiputera entrepreneur community through capacity building and the Malaysian public through philanthropic activities, which would catalyse educational improvements, enhance the lives of the poor and disadvantaged, and the empowerment of practitioners in the arts and culture field.

All CSR activities and actions reflect our core business agenda, create strategic value and generate sustainable and positive impact to businesses and society. The activities are undertaken by employees on a voluntary basis to encourage the spirit of altruism amongst all Ekuinas employees.

For the year 2014, the focus of Ekuinas CSR activities was on Entrepreneur Capacity Building, Education and the support of practitioners in the arts and culture field.







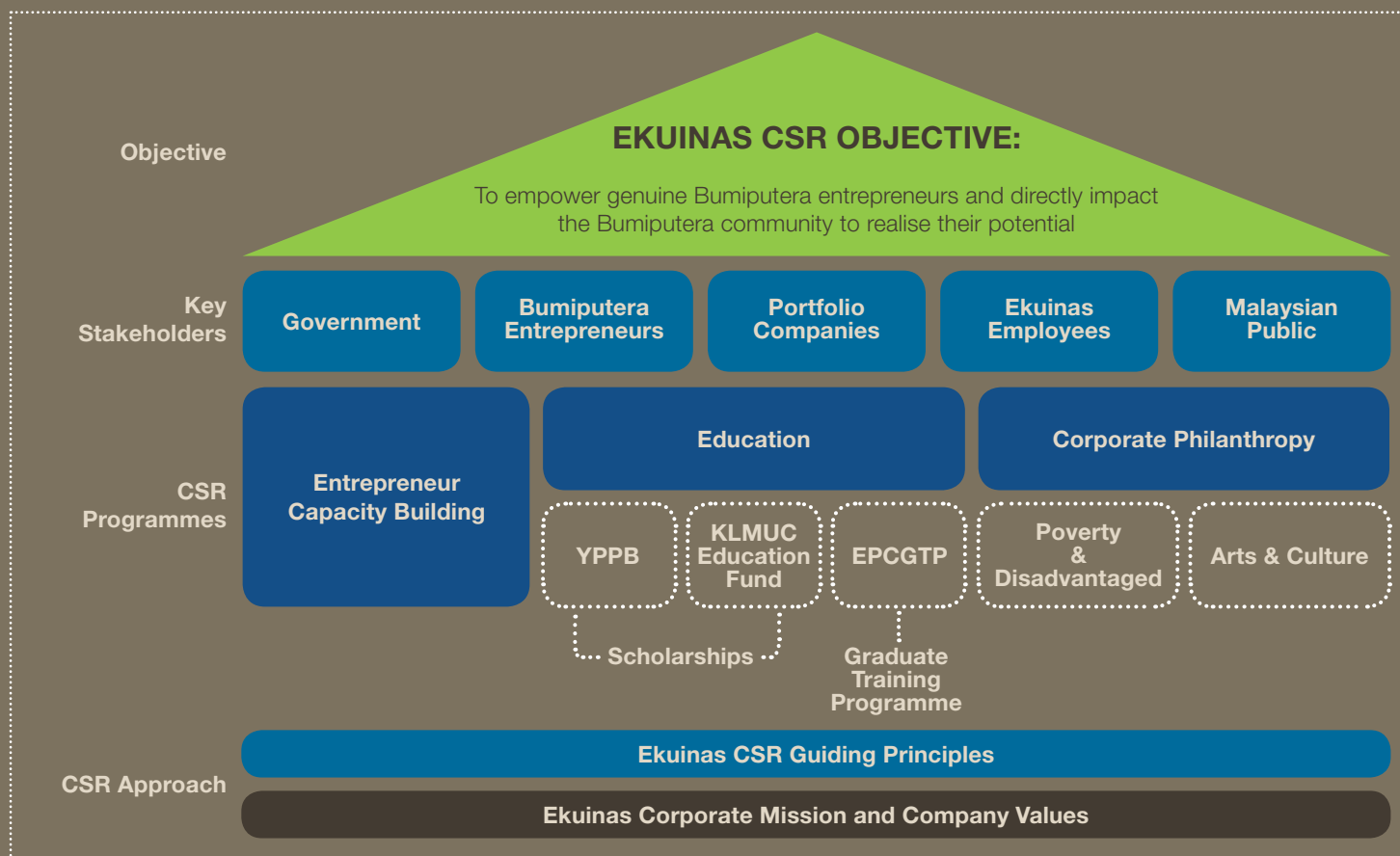


Diagram 1: Ekuinas CSR Framework

## ENTREPRENEUR CAPACITY BUILDING 2014

Following the success of the pilot project under the 2013 CSR programme – Habibah Enterprise Sdn Bhd or better known as Bibah Songket - the CSR team continued to channel its efforts to further assist companies under the Micro and Small Enterprises (MASE) category.

Five companies were initially considered for the 2014 CSR Programme and after applying the MASE tools – MASE Diagnostic Health Check and Action Plan – to identify and address the challenges faced by the businesses, the CSR team together with Ekuinas' management selected Al Quds Travel Sdn Bhd (Al Quds) as the company to be mentored under the Entrepreneur Capacity Building programme for 2014.

Al Quds was chosen as the second company for the CSR programme as the business is aligned with Ekuinas CSR objective and guiding principles – being a **Bumiputera** company, with **broad meaningful impact** and **passionate people** who wish to ensure they have a **sustainable business** by **addressing issues** which we believe are solvable. Al Quds has a strong management team with solid strategic focus in positioning itself within the highly competitive tourism business. In addition, the business focuses on serving the Muslim community and provides large scale job opportunities through its branches. A team of two people volunteered from Ekuinas, together with a dedicated team of two individuals from PricewaterhouseCoopers (PwC) and it took approximately six months for the team to conceptualise a holistic approach in addressing the key business challenges faced by Al Quds.



Al Quds was founded in 2000 by a husband and wife team in Kota Bahru, Wan Muhd Zamri and Razni Eliana, who still actively manage their daily business operations with 50 employees. The company specialises in Islamic tourism for both domestic and international destinations providing comprehensive services including ticketing, tour packages, transportation and other related services. It currently has six (6) branches across the nation including in Kota Bahru, Kuala Terengganu, Kota Kinabalu, Tawau and Bangi.

After several engagements with key personnel and familiarisation trips to the headquarters in Kota Bahru to understand the business, the results from the MASE Diagnostic Health Check indicated that the business is relatively well-run with minor business challenges namely inadequate finance process and IT system, as well as limited access to funding for further business expansion purposes. Subsequently, a MASE Action Plan was developed to address these challenges and a holistic approach was undertaken to solve the business problems.

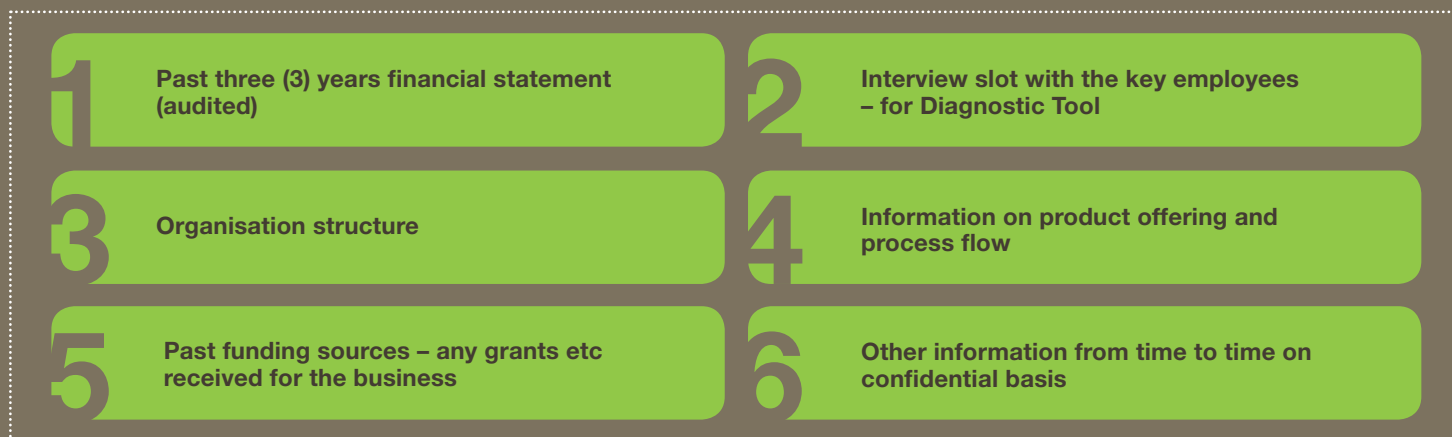
The CSR team together with PwC have been working hand-in-hand to strengthen Al Quds' finance process to be more efficient as well as to implement a comprehensive information technology (IT) system to support its growing business needs. The investment in the IT system is expected to assist Al Quds to compete with the bigger industry players and overcome the barriers to a wider scope of opportunity, especially in serving the Hajj market in the near future. This state-of-the-art IT system will equip Al Quds in serving its customers better by expediting bookings and indirectly increasing sales revenue, as well as enhancing its business analysis on profitable segments. Ekuinas has allocated up to RM350,000 to assist Al Quds in improving its business capabilities and to enable it to reach its full potential. The initiatives are expected to be completed by June 2015 and with all the initiatives, active mentoring and training, Al Quds will be well-equipped to serve the Hajj market by the year 2017.



**Diagram 2: Strengths and Challenges of Al Quds**

In 2015, the Entrepreneur Capacity Building Programme hopes to identify three companies within the MASE category to be mentored and to realise its full business potential. Participants will be able to access a range of development opportunities from Ekuinas – ranging from entrepreneurial education, human resources, marketing, finance and accounting and general legal advice.

Below are some of the information required for micro and small business owners who are keen to be considered for Ekuinas' CSR Entrepreneur Capacity Building programme:



**Diagram 3: Basic information required to be evaluated for Ekuinas CSR Entrepreneur Capacity Building programme**

To find out more about the programme, interested parties can contact the CSR unit at Ekuinas:

Tel : 03-7710 7171 E-mail : [info@ekuinas.com.my](mailto:info@ekuinas.com.my)

## EMPHASIS ON EMPOWERMENT IN EDUCATION

As one of Ekuinas' six focus sectors for investment, the Education sector is a key industry within which Ekuinas hopes to make a significant contribution. Ekuinas does not only have one of the largest private education groups in the country now, but also hopes to be able to list it on the Malaysian bourse in the near future.

Apart from creating value in our own education assets and impacting the lives of students and staff currently studying and working there, Ekuinas also endeavours to touch the lives of others in the community through various initiatives implemented under our CSR framework.

Chief amongst these are the scholarships that Ekuinas provides for deserving students within the Cosmopoint Group and also those that we provide through an external party, Yayasan Peneraju Pendidikan Bumiputera (YPPB), which is tasked to

increase the quality, quantity and relevance of Bumiputera talents towards becoming a high income nation.

### Ekuinas-Cosmopoint Group Education Fund

Our portfolio company, the Cosmopoint Group consisting of Kuala Lumpur Metropolitan University College (KLMUC) and Cosmopoint International College of Technology (CICT), has provided access to further education for those who may not otherwise have had the opportunity to do so, for instance, those from less privileged backgrounds in terms of household income and academic performance.

In line with Ekuinas' theme of REALISING POTENTIAL, Ekuinas has provided scholarships to the Cosmopoint Group amounting to RM1.8 million to over 800 students. The recipients were selected from across three schemes namely **Dana Sara Diri**, **Dana Potensi** and **Dana Bestari** to support their living expenses, to motivate them in continuing their studies and to reward outstanding performance respectively.



**EKUINAS HAS PROVIDED SCHOLARSHIPS TO THE COSMOPPOINT GROUP AMOUNTING TO RM1.8 MILLION TO OVER 800 STUDENTS**



### Yayasan Peneraju Pendidikan Bumiputera (YPPB)

Yayasan Peneraju Pendidikan Bumiputera (YPPB), established under the Government's Bumiputera Economic Transformation Roadmap, manages various programmes across primary and secondary level, as well as up-skilling technical courses to cater to the increasing demand for talents in high potential areas of oil and gas, electrical and electronics, marine and others.

In 2012, Ekuinas pledged a sum of RM1.0 million in cash to YPPB and for its first wave (2012-2014), YPPB placed a total of 54 scholars to three different institutions under Ekuinas namely Asia Pacific University (APU), UNITAR International University (UNITAR) and Kuala Lumpur Metropolitan University College (KLMUC) with a total investment value of over RM1.6 million.

## PENERAJUEDU INTERVENTION PROGRAMMES



### 1. Leadership Development

- Top Fresh Graduates – channelled to organisations that have highly developed talent developmental program and exposure
- Middle Management Potentials – cross-fertilisation with companies with broader management and business exposure
- Entrepreneur Leaders – developing successors for sustainability and continuity of business

**PENERAJU**  
PEMIMPIN

### 2. Professionals Certifications and Development

- Professional Accountancy – Increasing conversion from Accounting Graduates to Professional Accountants, enhancement of exposure for those already in “training” to be professional accountants
- Specialist Programme – supporting those who qualify for specialist programmes to go to Private Universities of Institutions (Medical, License Aircraft Engineers etc)

**PENERAJU**  
PROFESSIONAL

### 3. Skills Nurturing and Management

- Technical Skill – up-skilling into high-income growth areas (Oil & Gas, E&E, Marine sectors etc)

**PENERAJU**  
SKIL

### 4. Intervention in primary and secondary schools

- Secondary to tertiary – mid-level performers from high-need areas and from low middle income families to be channelled into high quality tertiary education (both universities and vocational)
- Primary to Secondary – mid-level performers from high-need areas and from low middle income families to be channelled into high quality schools (public, private and international)

**PENERAJU**  
TUNAS

### 5. Top-up funding for students going into IPTA and IPTS local and overseas for selected courses and IPTS

**SPPIM**  
Skema Priktin Pendidikan Malaysia

## THE EKUINAS PORTFOLIO COMPANY GRADUATE TRAINEE PROGRAMME (EPCGTP)

The Ekuinas Portfolio Company Graduate Trainee Programme (EPCGTP) which was launched in 2012, is a one-year programme designed to provide Malaysian graduates from local universities with the opportunity to learn and develop professional skills towards enhancing their employability.

All participants received focused attention in terms of their developmental requirements and at the end of the training period, a study was conducted with all trainees to identify and understand the gaps and requirements of local graduates.

### 2014 Enrolment

In 2014 programme, Batch 3 participants were divided into two groups – EPCGTP and F&B Management Trainee Programme (FMTP), the latter specifically focused on placing trainees at the food and beverage companies under Ekuinas. The 2014 programme received 806 applications, from which 40 were selected and offered placements at participating Ekuinas' portfolio companies namely Burger King, San Francisco Coffee, Tony Romas, Manhattan Fish Market, Alliance Cosmetics Group, Icon Offshore, Cosmopoint Group and PrimaBaguz.

### Programme Structure

The EPCGTP programme framework consists of four main components as shown in the diagram below – Classroom Activities, On-the-job Experience, Progress Reviews and Peer Dialogue Group.

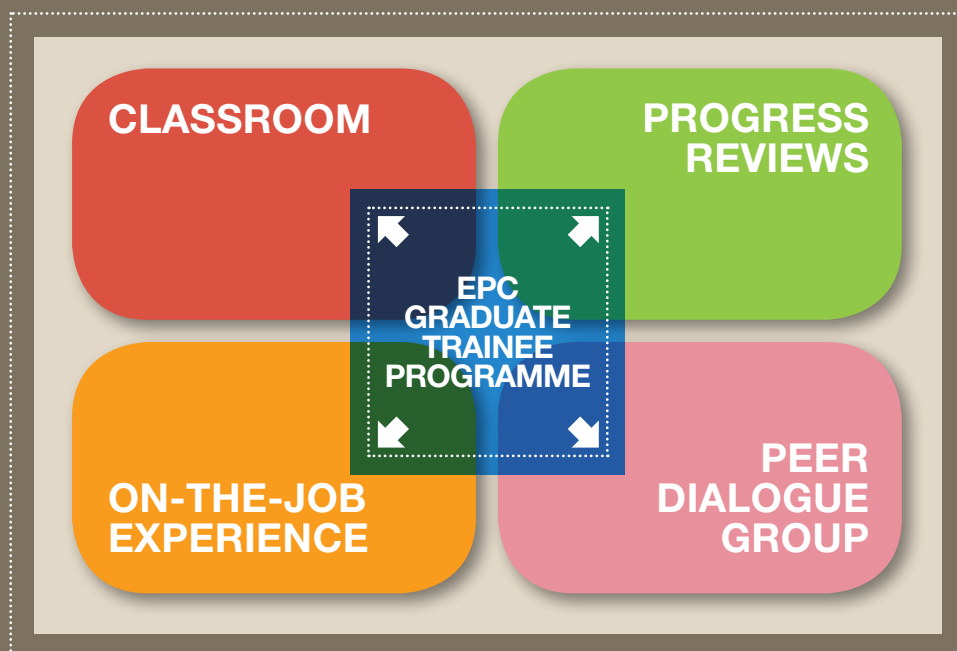


Diagram 4: EPCGTP framework

**Classroom Activities** provided formal training in English, communication and presentation, basic computer skills, entrepreneurship, as well as leadership and personal development. An English and Communication tutor was appointed to enhance the trainees' proficiency in Business English, as poor command of English was identified as a key weakness of local graduates.

An external consultant, NOESIS, was engaged to work closely with Ekuinas on the Leadership Development Programme. Designed to suit the specific needs of the trainees upon starting their career, the programmes conducted were **Mastery Leadership Programme and Advanced Leadership Programme**, covering leadership, entrepreneurship and understanding self-profile.

The second module of the framework emphasised **on-the-job** coaching and mentoring of the trainees throughout the year. Detailed sessions were conducted every quarter to understand their development as well as to provide feedback to them in terms of work and behaviour.

**Progress reviews** were also done on a quarterly basis with the trainees' supervisors and human resource departments of individual portfolio companies. These would review the trainees' performance and development for the preceding three months at the portfolio company, with the aim of giving the participants realistic work developmental goals.

The graduate trainees also learned to improve themselves through **peer dialogue** groups where they were able to share and learn from one another.

An offsite teambuilding session is normally held about six months into the programme, where activities are designed around building personal leadership and teamwork.

At the end of the programme, the graduates are gathered again to equip them with resume writing techniques and extensive interview practice to ensure that they are ready for their next stage of employment with other organisations.





**90%**  
OF THE GRADUATES ARE  
EMPLOYED BY EKUINAS'  
PORTFOLIO COMPANIES  
AS WELL AS EXTERNAL  
COMPANIES

### The Success of EPCGTP

For Ekuinas, the success of the programme is measured by the employability rate of these trainees - whether they are employed by the organisations of their choice or with Ekuinas' Portfolio Companies. To date, we have offered placements to 72 graduates under the programmes and 44 of them are still with our Portfolio Companies and six have continued to pursue their studies.

We are pleased to report that 90% of the graduates have successfully secured employments after the programme and this demonstrates our achievement in developing Bumiputera talents through this human capital development initiative.

### Plans for 2015

Going forward, we plan to create more awareness of the programme amongst students of the local universities including Universiti Kebangsaan Malaysia (UKM), Universiti Islam Antarabangsa Malaysia (UIAM), Universiti Malaya (UM), Universiti Teknologi MARA (UiTM), UNITAR International University (UNITAR) and Kuala Lumpur Metropolitan University College (KLMUC).

Our team will also be working closely with SL1M (Skim Latihan 1 Malaysia) and Graduan to invite graduates from their database to apply for the EPCGTP programme. The programme will be further enhanced with new modules such as the importance of personal Image and Branding and increasing the training hours for the English and Communication modules for both written and oral proficiencies.

For the 2015 programme, there will be two intakes, in June and September and the number has been increased to 60 graduate trainees. The shortlisting criteria remain the same with primary focus still empowering students from low income families.

## EXTENDING SUPPORT TO THE COMMUNITY

In addition to Ekuinas-led initiatives in entrepreneur capacity building and education, we also extend financial assistance to support various requests from media houses, industry associations and non-governmental organisations. Initiatives which focus on helping to alleviate poverty and assist those in need, are also on our priority list.



### Contributing Towards Youth Empowerment

Youth development continues to be our focus in the year under review. Ekuinas supported the BN Youth Job Fair organised by the Ministry of Youth and Sports in May 2014, an event which brought together the government and private sectors to jointly address unemployment issues and offer career opportunities.

Held in conjunction with the Putrajaya Youth Festival which attracted thousands of people from various walks of life and backgrounds, the job fair provided 20,000 openings from over 400 companies and government agencies. Ekuinas and its portfolio company, San Francisco Coffee Company were proud to have been part of a concerted effort to empower our nation's youth.



## Supporting Socially Conscious Youth Initiatives

Another highlight of the year was the *Enhancing Muslim Business through Unity and Networking (EMBUN)* educational trip by 38 students from the Accountancy Faculty of Universiti Teknologi MARA (UiTM) Shah Alam to study how the social business model can be effectively and extensively applied in Malaysia. Led by their two lecturers, the students met with and learned valuable insights from communities where social business has become a way of life.

Throughout their 10-day trip, they met the mayor of Wiesbaden, also known as the Social Business City in Germany, who shared insights on how social business has contributed to the livelihood of his townspeople, especially single mothers and low income families. They visited the Grameen Creative Lab, founded by well-known micro-credit proponent, the Nobel Prize winner Prof Dr Muhammad Yunus, and learned how the centre connects single mothers, unemployed women and immigrants with professional bodies which provide training, mentoring and counselling.

They also visited Willowbrook Farm in Oxford, United Kingdom, which represents a new wave in farming, where organic and *halal* standards converge with ecological expertise and passion, and the ESSEC Business School in France, one of the leading business schools in the world and the first in France to create a centre of excellence for social entrepreneurship. Their aim, upon return, is to position EMBUN as an incubator at UiTM for implementing pilot projects in social business and hopefully contribute towards overcoming some of the social problems in Malaysia.



## Brand New School Uniforms for Orphans and Destitute Children

Ekuinas also extended a contribution to Yayasan Pendidikan Pelajar Melayu (YPPM) to support their initiative of encouraging orphans and children from low income families to return to school for the 2015 academic year. Brand new school uniforms, shoes and school bags were presented to 109 recipients from various areas in the Klang Valley, in the hope to help raise their spirits and inspire these children to study hard and aim for success.



## Encouraging Knowledge Sharing Towards A Well-Informed Society

Other initiatives that have received Ekuinas' support include the sponsorship of the Bahasa Malaysia translation for the third and fourth volumes of art reference books entitled 'Narratives in Malaysia Art' to be used in the art faculties of local universities, the National IPTS Symposium 2014 held as a platform to unite the private higher education institution student leaders in Malaysia and synergise their ideas to tackle national and global issues amongst student leaders from all public universities of Malaysia, the EVE (Empowering Venus Everywhere) Summit to inspire and instill self confidence amongst female undergraduates, and supporting a Shakespeare theatre production 'A Midsummer Night's Dream' by the young children of Ekuinas' portfolio company, Asia Pacific Smart School in Subang, Selangor.

In the public sphere, Ekuinas supported programmes organised by media groups to raise awareness of certain issues such as a conference which discussed the introduction of the Goods and Services Tax (GST) and its impact on business owners, as well as a 2015 Budget forum to debate the challenges and way forward for Bumiputera economic empowerment policies and programmes.



### Enhancing Sustainability of Traditional Crafts

The rich traditional arts and cultures of Malaysia have been passed down from our ancestors through generations, and although some aspects continue to thrive in today's modern society, certain crafts are now rarely practised on a large scale and are therefore at risk of being lost and forgotten. For instance, the art of making and playing the *rebana ubi* – the grandest and most resplendent of all Malaysian drums, and the first of its kind found in Kelantan at least two centuries ago.

A non-governmental organisation (NGO) known as PUSAKA, founded by renowned Malaysian poet, writer, translator and journalist Eddin Khoo, is dedicated to supporting the viability of such traditional Malaysian art forms and works closely with cultural practitioners to keep the traditions alive and document them for posterity.

PUSAKA had approached Ekuinas to specifically support its efforts in helping to preserve the art of making rebana ubi by passing down the craft and also the knowledge of its rhythms to the younger generation. A community in Pasir Mas, Kelantan is seeing the revitalisation of the craft and revival of its energetic performances under the passionate leadership of Cikgu Alam, the chairman of its Kawasan Rukun Tetangga Banggol Perdana who is determined to persuade the old *rebana ubi* masters and makers to teach the art to youngsters in their community.

By collaborating with PUSAKA on this project, Ekuinas is supporting a sustainability programme where the old masters actively guide the younger generation on

the intricacies of the art form. PUSAKA will also document the training and skills building process in ensuring the techniques and information of the tradition are kept and archived for future knowledge and succeeding generations.

Another project that is also under review is the Kelantanese art of traditional silversmith known for its intricate nature-inspired designs and superior workmanship. Once a thriving industry in the state, the remaining silversmiths there today who honed their silversmithing skills from older generations are few and far between. A study of how to improve sustainability of this traditional craft would be amongst the initiatives that Ekuinas team would possibly undertake.



### Ekuinas-ILMU Flood Relief Mission to the East Coast

In 2014, Ekuinas and its education arm under ILMU Education Group (ILMU) responded to a national crisis when six states in Malaysia were hit by what has been described as the worst floods in decades in terms of the number of victims (affecting over 200,000 people), speed of the flood happening, the duration and the monetary loss, with the state of Kelantan being the most badly affected. The floods saw the coming together of various government and private bodies, as well as concerned individuals, pooling time and resources to assist the flood victims.

One of the urgent needs facing the nation when the floods eventually subsided was to get the schools and school children ready for the new academic year. Answering the Ministry of Education's call for corporations to provide assistance, the staff of Ekuinas, together with the staff and students of Kuala

Lumpur Metropolitan University College (KLMUC), UNITAR International University (UNITAR) and Cosmopoint International College of Technology (CICT) spent time prior to the school opening date to assist in the clean-up of schools affected by the floods in Kelantan. A total of six schools including Sekolah Menengah Kota Bharu, Sekolah Menengah Kebangsaan Puteri and Maahad Muhammadi Perempuan, were cleaned up along with 73 homes, and assistance was also distributed in the form of cash and basic school needs.

A second mission was subsequently organised to assist in the clean-up and painting of Sekolah Kebangsaan Durian Tawar and Sekolah Menengah Kebangsaan Mengkarak in neighbouring Pahang, where Ekuinas and ILMU volunteers also distributed all the necessary items for the children there to be able to attend school.

For the flood mission, a total of 100 staff and students from Ekuinas and its education arm - ILMU Education Group, volunteered their time to be involved in the post-flood relief work supported by a budget of RM100,000 from Ekuinas. Ekuinas plans to continue its post-flood relief work throughout 2015, to assist those whose homes have been damaged and supporting small business owners to get back on their feet.



## EKUINAS PLANS TO CONTINUE ITS POST-FLOOD RELIEF WORK THROUGHOUT 2015

# OTHER INFORMATION

## CORPORATE MILESTONES

### 2009

#### June

Prime Minister YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak announced the establishment of Ekuiti Nasional Berhad, a new investment institution.

#### September

The Board of Directors and the Chief Executive Officer of Ekuinas were officially appointed

#### December

Ekuinas received the first RM100.0 million of RM500.0 million allocated under the 9<sup>th</sup> Malaysia Plan

### 2010

#### January

Commencement of Tranche I of Direct Investments with RM1.0 billion allocation. The remaining RM400.0 million of the RM500.0 million allocated under the 9<sup>th</sup> Malaysia Plan was received.

First investment: Alliance Cosmetics Group

#### June

Second Investment: Tanjung Offshore Berhad

#### July

Appointment of Outsourced Fund Managers for Tranche I of the Outsourced Programme.

#### October

Third investment: Konsortium Logistik Berhad

#### November

Fourth investment: APIIT Education Group

### 2011

#### February

The first RM300.0 million fund allocation by the Government for 2011 was received.

#### March

Commencement of Tranche I for the Outsourced Programme with a total fund size of RM543.0 million.

Outsourced Programme's Investment:

- OFM: Navis Capital Partners
- Company: Atelier Asia Sdn Bhd

#### April

Announcement of Ekuinas' FY2010 results by the Prime Minister, YAB Dato' Sri Mohd Najib bin Tun Haji Abdul Razak:-

- Gross Portfolio Return: RM54.5 million
- Gross IRR: 53.1% p.a., Net IRR 24.3% p.a.
- Increase in Bumiputera equity: RM483.2 million (1.3 x capital invested by Ekuinas)
- Increase in Total Shareholders' Value: RM582.1 million (1.5 x capital invested by Ekuinas)

#### August

An additional RM300.0 million was received, completing the fund allocated of RM600.0 million for 2011 by the Government.

#### September

Fifth and sixth investments: Cosmo Restaurants Sdn Bhd, the franchise owner and operator of BURGER KING® Malaysia and San Francisco Coffee

#### December

Seventh investment:

Revenue Valley Group comprising Manhattan Fish Market, Tony Roma's and Popeyes.

Eighth investment:

Cosmopoint Group comprising Kuala Lumpur Metropolitan University College and Cosmopoint International College of Technology.

### 2012

#### January

Ekuinas commenced the selection process for Tranche II of its Outsourced Programme.

#### March

Ekuinas received fund allocation of RM300.0 million for 2012 from the Government.

#### April

Announcement of FY2011 results by the Minister in the Prime Minister's Department, YB Tan Sri Nor Mohamed Yakcop:-

- Gross Portfolio Return: RM174.1 million
- Gross IRR: 35.1% p.a., Net IRR 23.2% p.a.
- Increase in Bumiputera equity: RM806.5 million (1.4 x capital invested by Ekuinas)
- Increase in Total Shareholders' Value: RM986.2 million (1.7 x capital invested by Ekuinas)

Outsourced Programme's Investment:

- OFM: Navis Capital Partners
- Companies: MCAT Box Office Sdn Bhd (MBO) and SEG International Berhad (SEGi)

#### May

Ninth investment: Unitar Capital Sdn Bhd, the owner and operator of University of Management and Technology (UMTECH). UMTECH is now known as UNITAR International University.

#### June

Ekuinas received the additional fund allocation of RM400.0 million for 2012 from the Government.

#### July

10<sup>th</sup> investment: Tanjung Kapal Services Sdn Bhd (TKS)

# 2012

## September

11<sup>th</sup> investment: OMNI Petromaritime Sdn Bhd (OMNI)

12<sup>th</sup> investment: Burger King Singapore Pte Ltd

## October

Commencement of Tranche II for Direct Investments of RM1.0 billion allocation.

## November

Strategic restructuring of the O&G portfolio to fully focus on the offshore support vessels (OSV) market acquired Tanjung Kapal Services Sdn Bhd (TKS).

Strategic consolidation of its two OSV companies, TKS and OMNI to create one of Malaysia's largest OSV groups, Icon Offshore Berhad.

# 2013

## April

Announcement of FY2012 results:

- Gross Portfolio Return: RM368.6 million
- Gross IRR: 27.5% p.a., Net IRR 20.6% p.a.
- Increase in Bumiputera equity: RM1.9 billion (1.4 x capital invested by Ekuinas)
- Increase in Total Shareholders' Value: RM2.4 billion (1.7 x capital invested by Ekuinas)

Outsourced Programme's Investment:

- OFM: Navis Capital Partners
- Companies: Strateq Group and HG Power Transmission Sdn Bhd

Ekuinas received fund allocation of RM600.0 million for 2013 from the Government.

## September

Commencement of Tranche II for the Outsourced Programme with a total fund size of RM375.1 million.

## October

First major exit: Divestment of 61.6% stake in Konsortium Logistik Berhad (KLB).

Through the investment, Ekuinas generated a total realisation of RM347.4 million including accumulated dividends received.

Outsourced Programme's Investments:

- OFM: Navis Capital Partners
- Company: Brickfields Asia College
- OFM: CIMB Private Equity
- Company: Macro Kiosk Berhad
- OFM: CMS Opus Private Equity
- Company: STX Precision Corporation Sdn Bhd
- OFM: RM Capital Partners
- Company: Consobiz Ventures Sdn Bhd

## December

13<sup>th</sup> investment: PrimaBaguz Sdn Bhd.

14<sup>th</sup> investment: Additional capital in Integrated Food Group (IFG) to acquire an additional 20.9% stake from minority shareholders and injection of new capital into Cosmo Restaurants, the franchise owner and operator of BURGER KING® Malaysia.

15<sup>th</sup> investment: Follow-on investment in Ilmu Education Group (ILMU) to enable it to invest in APIIT Lanka Pvt Ltd.



# GLOSSARY OF COMMON TERMS

## 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, organic 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.

## Drawdown

The actual act of transferring capital that has been committed to the fund for undertaking an 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 spoken of as being under the firm's portfolio.

## 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**



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