



VALUING TOMORROW

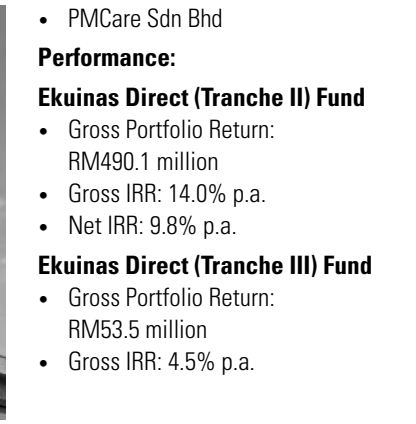
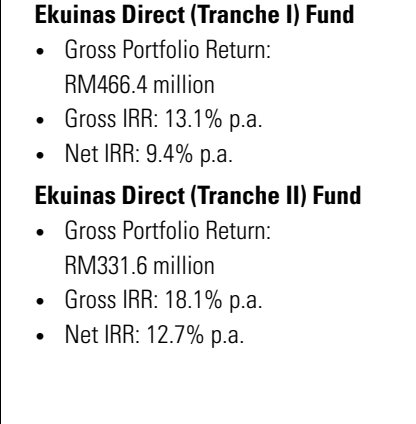
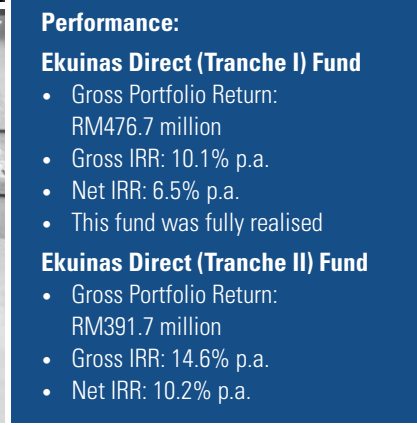
ANNUAL REPORT

2019

“

The future belongs to those who prepare for it today.”

– Malcolm X



2016

Investment:

- Al-Ikhsan Sports Sdn Bhd

Divestment:

- Alliance Cosmetics Group

Performance:

Ekuias Direct (Tranche I) Fund

- Gross Portfolio Return: RM466.4 million
- Gross IRR: 13.1% p.a.
- Net IRR: 9.4% p.a.

Ekuias Direct (Tranche II) Fund

- Gross Portfolio Return: RM331.6 million
- Gross IRR: 18.1% p.a.
- Net IRR: 12.7% p.a.

2017

Investment:

- Davex (Malaysia) Sdn Bhd

Divestments:

- APIIT Education Group Sdn Bhd
- Tenby Educare Sdn Bhd

Performance:

Ekuias Direct (Tranche I) Fund

- Gross Portfolio Return: RM476.7 million
- Gross IRR: 10.1% p.a.
- Net IRR: 6.5% p.a.
- This fund was fully realised

Ekuias Direct (Tranche II) Fund

- Gross Portfolio Return: RM391.7 million
- Gross IRR: 14.6% p.a.
- Net IRR: 10.2% p.a.

2018

Investments:

- Flexi Versa Group Sdn Bhd
- Exabytes Capital Group Sdn Bhd

Divestments:

- Tranglo Sdn Bhd
- MediExpress (Malaysia) Sdn Bhd
- PMCare Sdn Bhd

Performance:

Ekuias Direct (Tranche II) Fund

- Gross Portfolio Return: RM490.1 million
- Gross IRR: 14.0% p.a.
- Net IRR: 9.8% p.a.

Ekuias Direct (Tranche III) Fund

- Gross Portfolio Return: RM53.5 million
- Gross IRR: 4.5% p.a.

2019

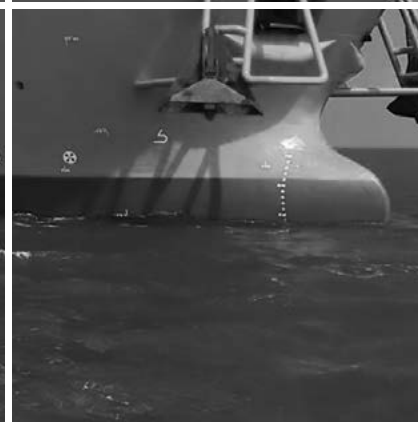
– Ekuias hosted the Malaysian Private Equity Forum 2019 in conjunction with its 10th Year Anniversary.

Divestments:

- APIIT Lanka
- Primabaguz Sdn Bhd

2009

On 1st September 2009, Ekuinas was established. The Board of Directors and the Chief Executive Officer were appointed.



2012

Investments:

- UNITAR International University
- Burger King Singapore
- Icon Offshore Bhd

Divestment:

- Tanjung Offshore Berhad

Performance:

Ekuinas Direct (Tranche I) Fund

- Gross Portfolio Return: RM368.6 mil
- Gross IRR: 27.5% p.a.
- Net IRR: 20.6% p.a.

Ekuinas Direct (Tranche II) Fund

- Gross Portfolio Return: RM27.0 mil
- Gross IRR: 95.8% p.a.
- Net IRR: 83.1% p.a.



2016

Investment:

- Al-Ikhsan Sports Sdn Bhd

Divestment:

- Alliance Cosmetics Group

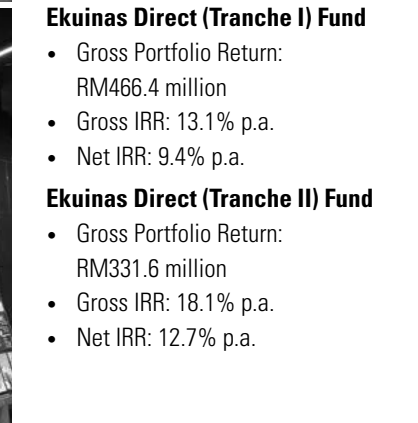
Performance:

Ekuinas Direct (Tranche I) Fund

- Gross Portfolio Return: RM466.4 million
- Gross IRR: 13.1% p.a.
- Net IRR: 9.4% p.a.

Ekuinas Direct (Tranche II) Fund

- Gross Portfolio Return: RM331.6 million
- Gross IRR: 18.1% p.a.
- Net IRR: 12.7% p.a.



2017

Investment:

- Davex (Malaysia) Sdn Bhd

Divestments:

- APIIT Education Group Sdn Bhd
- Tenby Educare Sdn Bhd

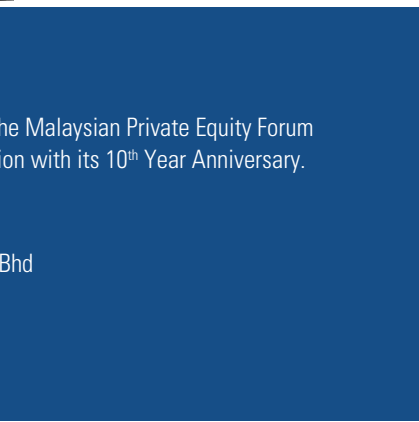
Performance:

Ekuinas Direct (Tranche I) Fund

- Gross Portfolio Return: RM476.7 million
- Gross IRR: 10.1% p.a.
- Net IRR: 6.5% p.a.
- This fund was fully realised

Ekuinas Direct (Tranche II) Fund

- Gross Portfolio Return: RM391.7 million
- Gross IRR: 14.6% p.a.
- Net IRR: 10.2% p.a.



2018

Investments:

- Flexi Versa Group Sdn Bhd
- Exabytes Capital Group Sdn Bhd

Divestments:

- Tranglo Sdn Bhd
- MediExpress (Malaysia) Sdn Bhd
- PMCare Sdn Bhd

Performance:

Ekuinas Direct (Tranche II) Fund

- Gross Portfolio Return: RM490.1 million
- Gross IRR: 14.0% p.a.
- Net IRR: 9.8% p.a.

Ekuinas Direct (Tranche III) Fund

- Gross Portfolio Return: RM53.5 million
- Gross IRR: 4.5% p.a.



2010

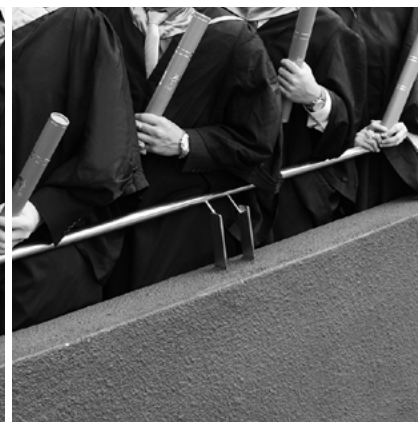
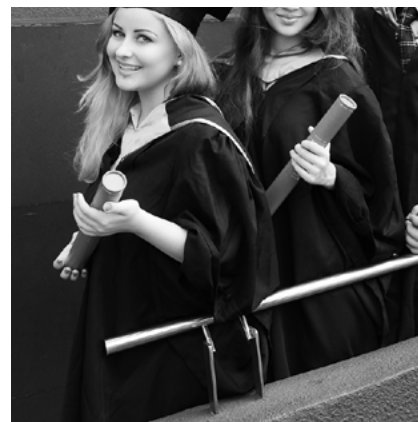
Investments:

- Alliance Cosmetics Group
- Tanjung Offshore Bhd
- Konsortium Logistik Bhd
- APIIT Education Group Sdn Bhd

Performance:

Ekuinas Direct (Tranche I) Fund

- Gross Portfolio Return: RM55.3 million
- Gross IRR: 53.1% p.a.
- Net IRR: 24.3% p.a.



2013

Investments:

- Primabaguz Sdn Bhd
- Asia Pacific Institute of Information Technology Lanka Pvt Lanka (APIIT Lanka)

Divestment:

- Konsortium Logistik Bhd

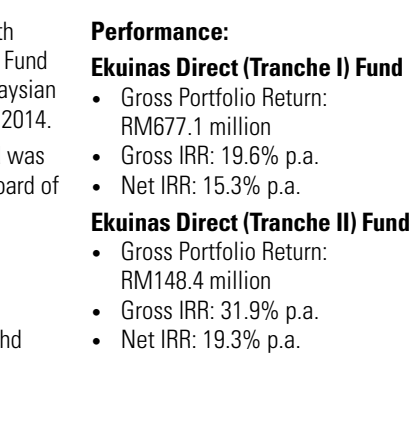
Performance:

Ekuinas Direct (Tranche I) Fund

- Gross Portfolio Return: RM655.9 million
- Gross IRR: 25.5% p.a.
- Net IRR: 20.4% p.a.

Ekuinas Direct (Tranche II) Fund

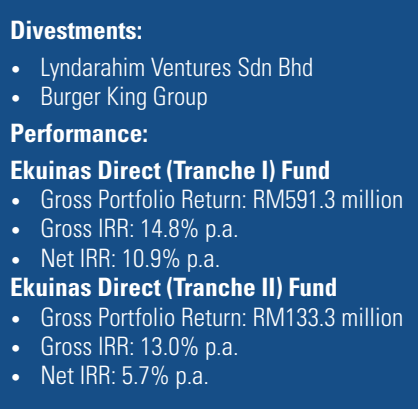
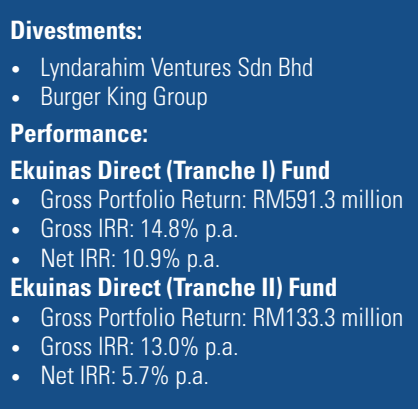
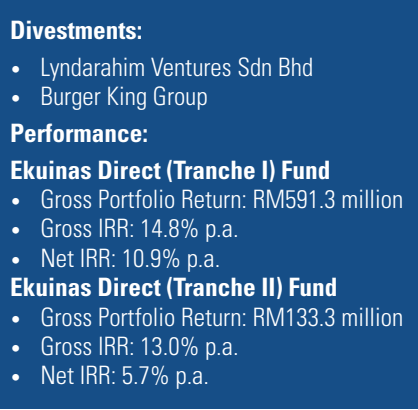
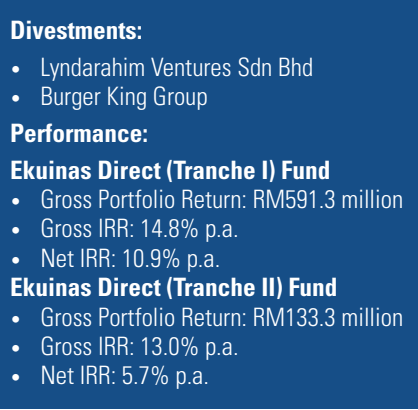
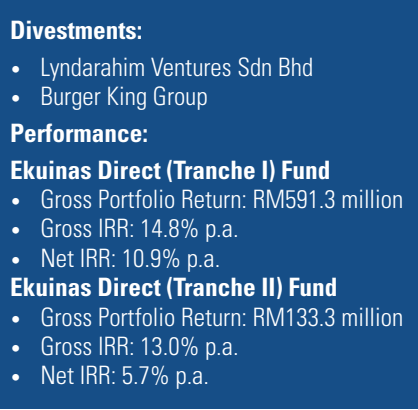
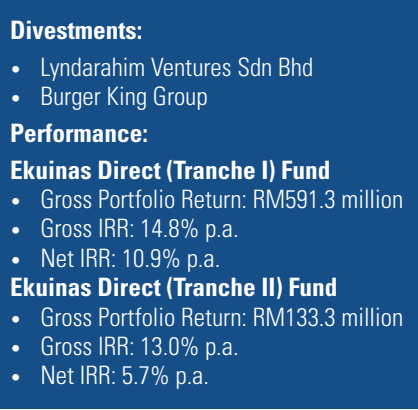
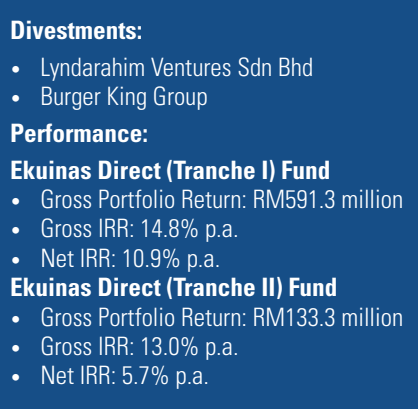
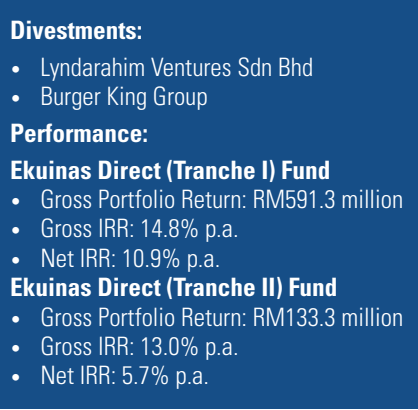
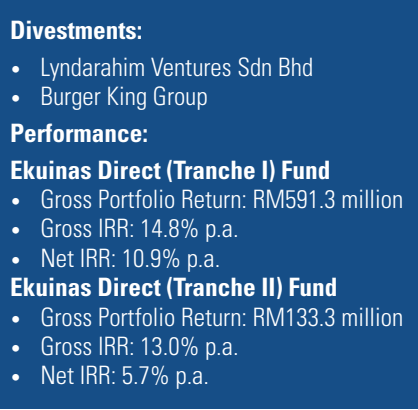
- Gross Portfolio Return: RM133.0 million
- Gross IRR: 68.9% p.a.
- Net IRR: 50.4% p.a.



2015

Investments:

- MediExpress (Malaysia) Sdn Bhd
- PMCare Sdn Bhd
- ILMU Education Group



VISION

To be a world-class private equity fund management company

MISSION

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

VALUES

Commercially Driven

We maintain strict commercial discipline to create value

High Performance

We strive to exceed expectations

Merit-Based

We recognise and reward purely based on performance

Passion

We are passionate in our task to deliver beyond the ordinary

Focused

We are focused in our quest to achieve our objectives

Humility

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

INSIDE THIS REPORT

HIGHLIGHTS

2019 At a Glance	4
2019 Key Financial Highlights	6
Five-year Financial Highlights	10
Chairman & CEO’s Joint Statement	12
The Evolution of Private Equity in Malaysia over the Last 10 Years	20
CEO’s Reflections	34

LEADERSHIP

Corporate Structure	38
Corporate Information	39
Organisation Structure	40
Board of Directors	41
Senior Management	48

PERFORMANCE

Investment Performance Report	54
-------------------------------	----

GOVERNANCE

Statement on Corporate Governance	90
Statement on Risk Management and Internal Control	100
Audit and Risk Management Committee Report	106
Disclosure Policy	110



Introduction	116
ILTIZAM for Entrepreneurship	117
ILTIZAM for Education	119
ILTIZAM for Community	121

PORTFOLIO REPORTING

Ekuinas Direct (Tranche II) Fund	124
Ekuinas Direct (Tranche III) Fund	127
Ekuinas Outsourced (Tranche I) Fund	130
Ekuinas Outsourced (Tranche II) Fund	133
Notes to the Portfolio Reporting	136



COMMERCIALY DRIVEN

We maintain strict commercial discipline to create value

HIGHLIGHTS

- 4 2019 At a Glance
- 6 2019 Key Financial Highlights
- 10 Five-year Financial Highlights
- 12 Chairman & CEO's Joint Statement
- 20 The Evolution of Private Equity in Malaysia over the Last 10 Years
- 34 CEO's Reflections

2019 AT A GLANCE

INVESTMENT PERFORMANCE

EKUINAS DIRECT (TRANCHE II) FUND	EKUINAS DIRECT (TRANCHE III) FUND	EKUINAS OUTSOURCED (TRANCHE I) FUND	EKUINAS OUTSOURCED (TRANCHE II) FUND
▽	▽	▽	▽
Gross Portfolio Return	Gross Portfolio Loss	Gross Portfolio Return	Gross Portfolio Loss
RM 582.9 MILLION	RM (170.5) MILLION	RM 144.7 MILLION	RM (17.9) MILLION
Gross IRR	Gross IRR	Gross IRR	Gross IRR
13.5% P.A.	-10.8% P.A.	7.4% P.A.	-5.2% P.A.
Net IRR	Net IRR	Net IRR	Net IRR
9.6% P.A.	N/M*	6.5% P.A.	-6.6% P.A.

* Not presented as capital is still being deployed

TOTAL CUMULATIVE INVESTMENT PORTFOLIO

TOTAL NUMBER OF INVESTMENTS <i>DIRECT AND OUTSOURCED</i>	DIRECT INVESTMENT	OUTSOURCED PROGRAMME
▽	▽	▽
65	42	23
TOTAL COMMITTED INVESTMENT BY EKUINAS	TOTAL ECONOMIC CAPITAL DEPLOYED, TOGETHER WITH PRIVATE SECTOR PARTNERS	
▽	▽	
RM 4.1 BILLION	RM 4.8 BILLION	

2019 AT A GLANCE

SOCIAL OBJECTIVE PERFORMANCE
COMBINED DIRECT INVESTMENT AND OUTSOURCED PROGRAMME

INCREASE IN BUMIPUTERA EQUITY

▽
RM**5.4** BILLION
1.5x capital invested

INCREASE IN TOTAL SHAREHOLDERS' VALUE

▽
RM**6.9** BILLION
1.9x capital invested

INCREASE IN BUMIPUTERA MANAGEMENT
SINCE EKUINAS' ENTRY

▽
23.5%

INCREASE IN BUMIPUTERA EMPLOYEES
SINCE EKUINAS' ENTRY

▽
14.1%

FUND MANAGEMENT COMPANY

TOTAL FUNDS UNDER MANAGEMENT
(FuM)

▽
RM**4.1** BILLION

OPERATING EXPENDITURE
(OPEX)

▽
RM**38.6** MILLION

RATIO OF OPEX TO FuM

▽
0.9%

PROFIT AFTER TAX AND ZAKAT

▽
RM**12.8** MILLION



2019 KEY FINANCIAL HIGHLIGHTS

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

	2019 RM million	2018 RM million
Funds disbursement from YEN during the year	50.0	50.0
Cumulative funds disbursement from YEN	4,000.0	3,950.0
Capital returned to YEN during the year	-	-
Cumulative capital returned to YEN	200.0	200.0

2. FUNDS ESTABLISHED

	Vintage Year	Fund Size RM million	Investment Focus	Term	Deployment Status
Ekuinas Direct (Tranche I) Fund	2010	1,000.0	Buyout and Growth Capital	5 + 2 + 1 years	Fully realised
Ekuinas Direct (Tranche II) Fund	2012	1,000.0	Buyout and Growth Capital	5 + 2 + 1.5 years	Deployed
Ekuinas Direct (Tranche III) Fund	2014	1,500.0	Buyout and Growth Capital	5 + 2 years	Investing
Ekuinas Direct (Tranche IV) Fund	2019	1,000.0	Buyout and Growth Capital	5 + 2 years	Investing
Ekuinas Outsourced (Tranche I) Fund	2011	400.0	Growth Capital	6 + 1 + 1 + 1 years	Deployed
Ekuinas Outsourced (Tranche II) Fund	2013	240.0	Growth Capital	7 + 1 years	Deployed

3. TOTAL FUNDS UNDER MANAGEMENT

	2019 RM million	2018 RM million
Direct	3,500.0	2,500.0
Outsourced	640.0	640.0
	4,140.0	3,140.0
Total Funds available for Investments, including private capital	4,402.0	3,402.0

2019 KEY FINANCIAL HIGHLIGHTS

4. SUMMARY OF FUND PERFORMANCE

a. Summary of Cumulative Investment Activity

	Number of Investments	Committed Investments Undertaken RM million	Total Economic Capital Deployed in Malaysian Economy RM million
2019			
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	15	1,063.9	1,063.9
Ekuinas Direct (Tranche III) Fund	16	1,491.9	1,491.9
Total - Direct	42	3,814.0	3,936.1
Ekuinas Outsourced (Tranche I) Fund	15	264.0	708.4
Ekuinas Outsourced (Tranche II) Fund	8	75.6	140.6
Total - Outsourced	23	339.6	849.0
Total - Direct and Outsourced	65	4,153.6	4,785.1
2018			
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	14	1,043.9	1,043.9
Ekuinas Direct (Tranche III) Fund	15	1,306.0	1,306.0
Total - Direct	40	3,608.1	3,730.2
Ekuinas Outsourced (Tranche I) Fund	15	264.0	708.4
Ekuinas Outsourced (Tranche II) Fund	8	75.6	140.6
Total - Outsourced	23	339.6	849.0
Total - Direct and Outsourced	63	3,947.7	4,579.2



2019 KEY FINANCIAL HIGHLIGHTS

4. SUMMARY OF FUND PERFORMANCE

b. Summary of Cumulative Realisation Activity

	Total Number of Realisation	Total Realisation Amount RM million
2019		
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,624.4
Ekuinas Direct (Tranche II) Fund	9	836.6
Ekuinas Direct (Tranche III) Fund	6	645.3
Total	26	3,106.3
2018		
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,624.4
Ekuinas Direct (Tranche II) Fund	6	492.3
Ekuinas Direct (Tranche III) Fund	4	586.7
Total	21	2,703.4

c. Summary of Cumulative Financial Performance

	Gross Portfolio Return RM million	Gross Internal Rate of Return (IRR)	Net IRR
Direct Fund			
2019			
Ekuinas Direct (Tranche II) Fund	582.9	13.5% p.a.	9.6% p.a.
Ekuinas Direct (Tranche III) Fund	(170.5)	-10.8% p.a.	N/M^
2018			
Ekuinas Direct (Tranche II) Fund	490.1	14.0% p.a.	9.8% p.a.
Ekuinas Direct (Tranche III) Fund	53.5	4.5% p.a.	N/M^
Outsourced Fund			
2019			
Ekuinas Outsourced (Tranche I) Fund	144.7	7.4% p.a.	6.5% p.a.
Ekuinas Outsourced (Tranche II) Fund	(17.9)	-5.2% p.a.	-6.6% p.a.
2018			
Ekuinas Outsourced (Tranche I) Fund	93.5	5.7% p.a.	4.8% p.a.
Ekuinas Outsourced (Tranche II) Fund	(13.2)	-4.8% p.a.	-6.5% p.a.

^ Not presented as capital is still being deployed

2019 KEY FINANCIAL HIGHLIGHTS

4. SUMMARY OF FUND PERFORMANCE

d. Social Objective Performance - Combined Direct and Outsourced

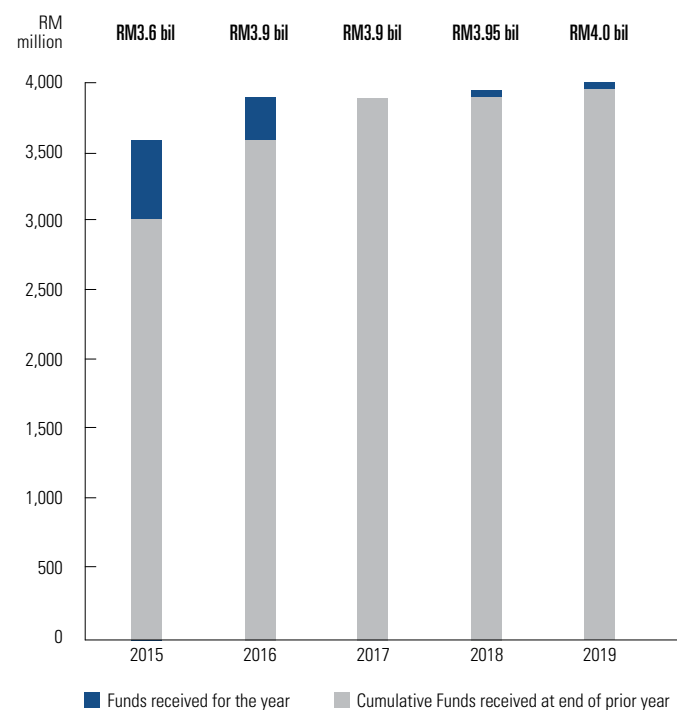
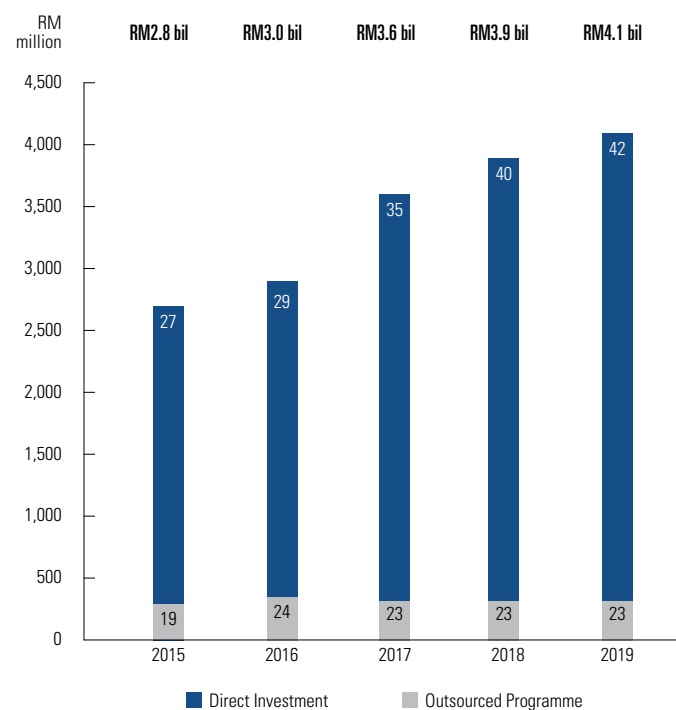
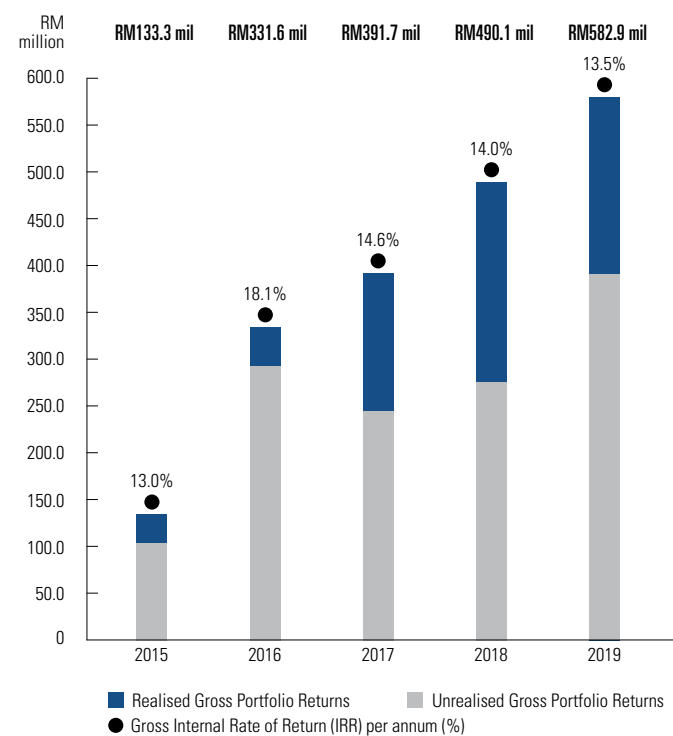
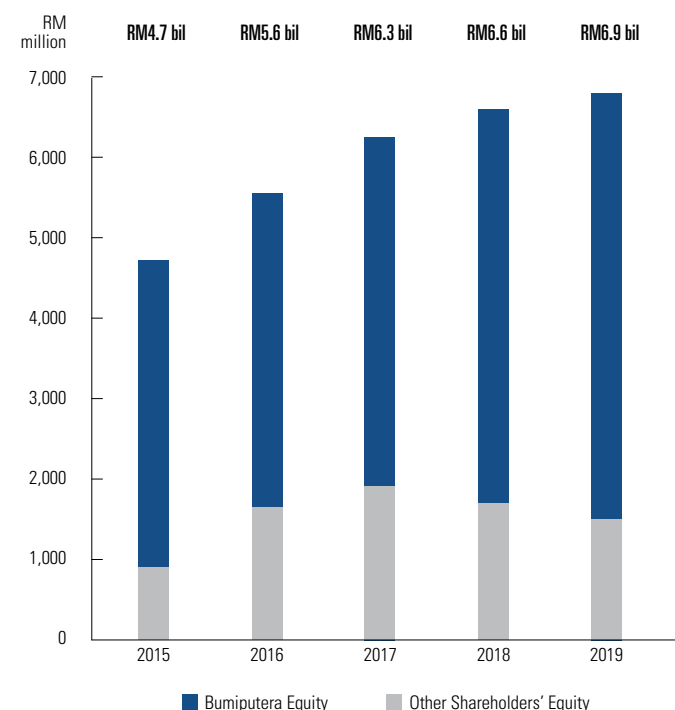
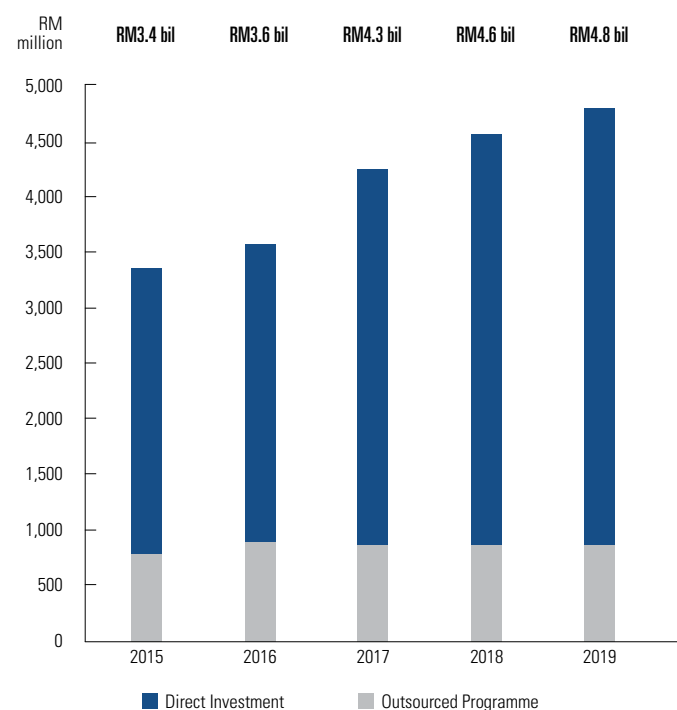
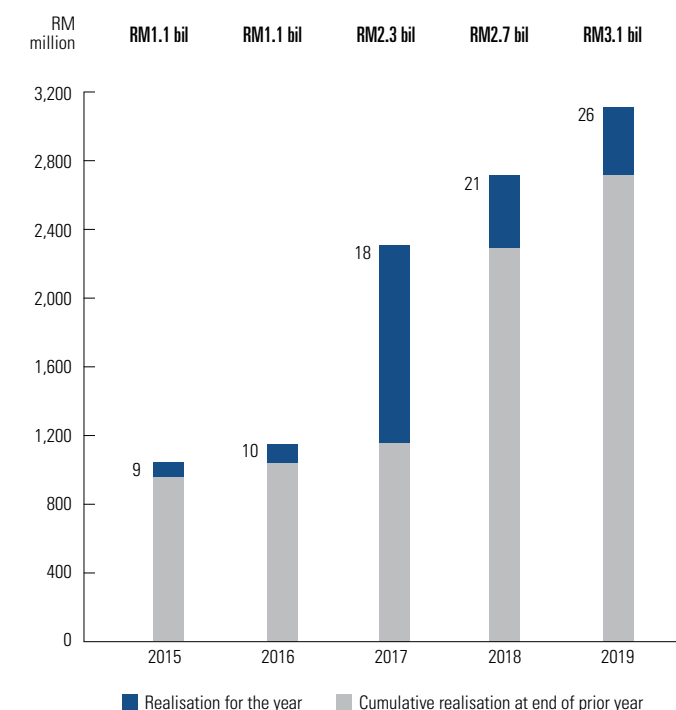
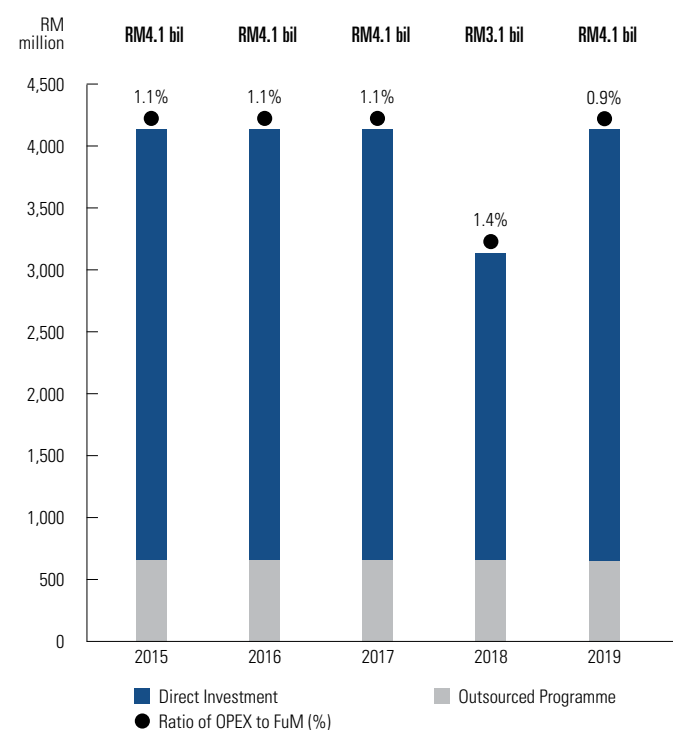
	Bumiputera Equity Created		Total Equity Created	
	Value RM million	Multiple of Capital Invested	Value RM million	Multiple of Capital Invested
2019	5,396.6	1.5x	6,870.8	1.9x
2018	4,976.8	1.5x	6,647.3	2.0x

5. EKUITI NASIONAL BERHAD (FUND MANAGEMENT COMPANY)

	2019 RM million	2018 RM million
Total Funds under Management (FuM)	4,140.0	3,140.0
Operating Expenditure (OPEX)	38.6	43.8
Ratio of OPEX to FuM	0.9%	1.4%
Profit After Tax and Zakat (PAT)	12.8	7.3



FIVE-YEAR FINANCIAL HIGHLIGHTS

TOTAL FUNDS RECEIVED

TOTAL NUMBER AND VALUE OF COMMITTED INVESTMENTS

FUND PERFORMANCE - EKUINAS DIRECT (TRANCHE II) FUND

TOTAL BUMIPUTERA EQUITY AND OTHER SHAREHOLDERS' VALUE CREATED

TOTAL ECONOMIC CAPITAL DEPLOYED

DIRECT INVESTMENT - TOTAL NUMBER AND REALISATION FROM DIVESTMENTS

FUNDS UNDER MANAGEMENT AND FuM OPEX RATIO


CHAIRMAN & CEO'S

Joint Statement



SYED YASIR ARAFAT
SYED ABD KADIR
Chief Executive Officer



RAJA TAN SRI
DATO' SERI ARSHAD
RAJA TUN UDA
Chairman

CHAIRMAN & CEO'S JOINT STATEMENT

DEAR STAKEHOLDERS,

2019 was particularly significant for Ekuiti Nasional Berhad (Ekuinas). It marked the 10-year milestone of our journey since our inception as a government-linked Private Equity (PE) firm in Malaysia. In 2009, Ekuinas was just a concept in a nascent industry that has since grown and matured in tandem with our progress over the years. Today, the progress of PE from being a minor beneficiary of asset allocators to a very significant segment of the global investment landscape, with aggregated transaction deal size of USD52.2 billion in the last 10 years in South East Asia alone, is itself cause for the investment industry and businesses to sit up and take notice.

Increasingly, funds have been drawn to the region's strong macroeconomic fundamentals and maturing PE ecosystems. Against this backdrop, Malaysia has, in the recent years, been contributing a sizeable percentage to the deal count in the region. On average, the country has seen circa 10 to 12 deals completed annually, post-2010, indicating that there are good investment opportunities within the country. Out of this number, Ekuinas' deals account for 42.0% of the total deals completed since our entry into the market.

There is much to be discussed on the PE landscape within Malaysia and in the region, but that will be covered in our research article, on page 20, titled 'The Evolution of Private Equity in Malaysia over the last 10 years', which was also presented at the Malaysian Private Equity Forum 2019 that we organised as part of our 10th year anniversary.

Suffice to say at this juncture, that Ekuinas has set important precedents in terms of our investment and exit track record, which contributed to an environment of transactions that drives the vibrancy and growth of the local PE landscape. Being shortlisted amongst regional private equity firms as one of the top three firms under the Best Private Equity Firm in Southeast Asia category for the Private Equity International (PEI) Awards in 2019, for the second year running, reaffirms the work that we have done and the value we have created in our portfolio companies.

Whilst we are proud to have contributed to this dynamic growth, we remain vigilant and mindful of the need to continue identifying ways to strengthen and deepen the foundation for us to ensure we create value in an increasingly challenging and volatile world.

Our unique role determines that we remain guided by our commercial and social objectives as we prepare ourselves and Malaysia's capabilities to anticipate internal and external challenges in the form of competition to shifting market trends, increasing digital disruption and of late, operating in a low-touch economy and society that requires social distancing.

Today, the PE industry is poised for further growth as the investment and capital raising landscape continues to shift from public to private markets due to the need for speed and agility, amid heightened regulatory and governance requirements as well as investor activism. However, as capital flows into private markets continue to grow and valuations hit new peaks, PE investors will have to work harder than before to ensure successful dealmaking.

Amid this complex and challenging environment, we geared our 2019 focus on value creation. From a portfolio perspective, we took the opportunity to strengthen our companies from within to ensure they had the necessary talent, infrastructure and financial resilience to face tougher environments ahead. Working closely with our portfolio companies has been a tried and tested approach in the execution success of our value creation plans.

“

2019 marks our 10-year anniversary. Every milestone on our decade-long journey has been significant and forms the basis of our strong foundation and track record. In 2009, Ekuinas was just a concept in a nascent industry that has since grown and matured in tandem with our progress over the years.”

CHAIRMAN & CEO'S JOINT STATEMENT

“

Being shortlisted amongst regional private equity firms as one of the top three firms under the Best Private Equity Firm in Southeast Asia category for the Private Equity International (PEI) Awards in 2019, for the second year running, reaffirms the work that we have done and the value we have created in our portfolio companies.”

MARKET REVIEW

2019 was once again another eventful year for Malaysia and the world. Globally, the year remained economically challenging with the weakness and headwinds of 2018 carrying well into the New Year. Whilst global growth remained stable, supported mainly by the emerging markets and developing economies, market performance continued to be disrupted by the escalating trade restrictions impacted by the ongoing US-China trade war, lingering doubts around Brexit, geopolitical headwinds especially on the US-Iran front and deepening volatility in oil.

Economically, 2019 registered the weakest growth numbers since the Global Financial Crisis (GFC). Without a catalyst to boost numbers, the flight to quality, away from emerging countries to more established markets, was evident in the sharp capital flow reversals in many countries. Worsening geopolitical tensions and social unrest rounded out the difficult picture¹.

Towards the end of the year, however, markets were bottoming out, amid a diminished fear of a no-deal Brexit. Opportunities remained for the diligent and vigilant, especially for those investors who continued to track developments meticulously from the sidelines, waiting for the right time to redeploy money back into the market.

Against this uncertain backdrop, it is no surprise that the World Trade Uncertainty Index jumped 10-fold from previously-recorded highs as the US-China trade war escalated, hitting an all-time high in the first quarter of 2019. It was a level never before seen, and especially affected the most advanced economies, underscoring the overall weakness in the global economy².

Further overshadowing market sentiments was the most broad-based wave of debt accumulation in the last 50 years for developing and emerging markets as the debt to Gross Domestic Product (GDP) ratio for these countries recorded a surge to about 170.0% in 2018 from 115.0% of GDP in 2010³.

In Malaysia, 2019 started on a calmer footing as the initial concerns around political stability had eased and the nation displayed its resolve in moving forward. With the new appointments at government linked companies (GLCs) and government linked investment companies (GLICs) established, corporate Malaysia slowly resumed business-as-usual.

Malaysia's economy continued to see growth, but expansion was moderated due to subdued global conditions and heightened uncertainty, and this continued to weigh on the economy. Investment and trade activity were softer than expected due to muted business sentiment as both the public and private sectors adopted a cautious stance towards capital spending. Federal debt also increased as government revenue is expected to decline in 2020⁴. Expectations for the year was that economic growth would be supported by domestic developments, especially demand from the private sector, which continues to be the nation's main driver for progressive economic expansion.

As such, the government's focus highlighted the urgent need to further strengthen Malaysia's competitiveness in attracting quality investments and to maximise gains from tax expenditures with better targeting of investments towards economic competitiveness, creation of high value jobs and more inclusive growth.

2019 FINANCIAL HIGHLIGHTS

With the additional disbursement of RM50.0 million by the Government in 2019, this brings the total cumulative funds we have received to RM4.0 billion. We will continue to seek positive investment returns and perform our duties to the highest standards, demonstrating integrity, professionalism and stewardship. These core values have been and will continue to be our guide as we continue to strive towards our goal of being a leading private equity firm in the region.

In 2019, Ekuinas continued to support the local economy with a total committed investment of RM4.1 billion (FY2018: RM3.9 billion) since its inception in 2009. At the end of the year, our total cumulative investment portfolio comprised 41 companies, out of which, 23 were direct investments while 18 were made through our Outsourced Programme.

Whilst we actively sourced investments, we remained conservative and vigilant in deploying capital adhering to our investment discipline of investing into quality deals. The environment was such that valuations had multiplied in tandem with the growth of the private markets and were registering unprecedented rates and premiums.

We also realised proceeds of RM384.6 million from our divestment activities in 2019, which brings our total realisation, including income from dividends and interests to RM3.1 billion (FY2018: RM2.7 billion).

The cost of asset management in our performance-based operations are globally benchmarked and optimised. We believe that it is important for Ekuinas to continue to lead by example as we consistently seek to be lean and cost-efficient. We achieved an operating expense ratio of 0.9% against our total Funds under Management of RM4.1 billion (FY2018: 1.4% of RM3.1 billion).

CHAIRMAN & CEO'S JOINT STATEMENT



In terms of our overall performance, we continue to track our outcomes based on the impact on the broader Malaysian economy. Our overall investment activities generated a total economic deployment of RM4.8 billion (FY2018: RM4.6 billion) for the year under review.

PERFORMANCE OF OUR FUNDS

As a steward of public funds, Ekuinas takes a long-term view on our investments and carries the responsibility to ensure that we maintain strict commercial discipline to create value whilst maintaining the highest levels of governance and accountability.

Our role in seeking high potential companies is premised on our goal to create Malaysia's next generation of leading companies whilst promoting equitable and sustainable Bumiputera wealth creation and economic participation.

Together, these principles form the basis of our overall approach as we continuously seek to secure these investments at the right price, execute our value creation plans over the investment period, and undertake divestments that will be able to support our portfolio companies for their next level of growth.

Since our inception in 2009, Ekuinas has launched four direct funds thus far. In 2017, we successfully closed our maiden Ekuinas Direct (Tranche I) Fund, which was fully realised and recorded a Gross Portfolio Return of RM476.7 million, that translates to a Gross Internal Rate of Return (IRR) of 10.1% p.a.

For FY2019, the Ekuinas Direct (Tranche II) Fund recorded a Gross Portfolio Return of RM582.9 million and a IRR of 13.5% p.a., which exceeded our internal target of 12.0% (FY2018: RM 490.1 million and 14.0% p.a.). This fund has been fully deployed and is currently in the final stages of its crystallisation process.

The Ekuinas Direct (Tranche III) Fund made a Gross Portfolio Loss of RM170.5 million which translates to a negative Gross IRR of 10.8% p.a. (FY2018: Gross Portfolio Return of RM53.5 million and 4.5% p.a.). This underperformance was largely driven by reduced valuations of four of our portfolio companies in lighting and manufacturing, food and beverage (F&B) retail and oil and gas (O&G) sectors. To address this, we have put in place stringent and comprehensive value creation initiatives to restore the competitiveness of these companies and execute turnarounds in their operational and financial performance.

In addition, our Ekuinas Outsourced (Tranche I) Fund delivered a Gross Portfolio Return of RM144.7 million which translates to a Gross IRR of 7.4% p.a. (FY2018: RM93.5 million and 5.7% p.a.).

¹ Source: International Monetary Fund - 2019 In review

² Source: International Monetary Fund - New Index Tracks Uncertainty Across the Globe

³ Source: The World Bank - January 2020 Global Economic Prospects

⁴ Source: The World Bank - Malaysia Economic Monitor, December 2019 : Making Ends Meet

CHAIRMAN & CEO'S JOINT STATEMENT

Meanwhile, the Ekuinas Outsourced (Tranche II) Fund recorded a Gross Portfolio Loss of RM17.9 million and a negative Gross IRR of 5.2% p.a. The performance of this fund is due to the significant changes in customer demand, as a result of several factors such as the ongoing US-China trade war, as well as a growing trend towards the usage of more environmentally-friendly packaging solution, contributed a significant decline in the top line for portfolio companies under this fund. Our outsourced fund managers have taken active steps to manage these changes, including cost rationalisation and manufacturing capacity, as well as intensified business development efforts to diversify the existing customer base. This is expected to improve the value and financial performance of the portfolio in preparation for eventual divestment.



Our role in seeking high potential companies is premised on our goal to create Malaysia’s next generation of leading companies whilst promoting equitable and sustainable Bumiputera wealth creation and economic participation.

Overall, the performance of our funds remained resilient in an increasingly difficult and unpredictable environment. As we entered 2019, we realised that the year was expected to be slow, dragged by global headwinds and changes in the local political situation. The hesitation on the part of corporates to invest was viewed as a function of the uncertainty yielded by the trade war and the overall environment. The ensuing impact of this stance has had a domino effect, resulting in the overall slowdown of the local business environment.

Sentiments in the local equity space reflected the global view. Bursa Malaysia recorded the highest year-to-date foreign fund outflow among the seven Asian countries it tracks, at USD2.39 billion and remained one of the laggards amongst its regional peers for the year. The benchmark FTSE Bursa Malaysia KLCI was down 6.0%, closing the year at 1,595.7 points, reflecting the restrained investor sentiment throughout 2019.

VALUE CREATION ACTIVITIES

Given the state of the environment, we geared our focus towards operational deal creation. Our key theme for the year was to improve and refine operational matters to ensure our portfolio companies would be more resilient and better prepared to face difficult conditions. More so than ever, the strength of an organisation is reflected in its operational performance and proactivity in managing operational risks.

We started by focusing on two portfolio companies that were well-positioned to be divested within the year namely APIIT Lanka Pvt Ltd (APIIT Lanka) and Primabaguz Sdn Bhd.

We also took the opportunity to complete the restructuring of our offshore support vessel (OSV) company, Icon Offshore Berhad (ICON). Following ICON's admittance to the Corporate Debt Restructuring Committee (CDRC) scheme in March 2018, ICON has since sought to raise new

capital, extend the repayment period and convert certain borrowings into equity instruments for financiers. Pairing down ICON's debt was necessary in weathering the market slowdown whilst continuing to remain competitive in the industry. The debt restructuring exercise reduced the company's gearing ratio to 1.06 from 9.18 times, better aligning its cash flow from operations to its debt obligation which will have a positive impact on the company's financials over the long run.

As part of the debt restructuring exercise, ICON also successfully completed its rights offering exercise, which was oversubscribed by 61.9% of the minimum intended gross proceeds of RM183.0 million, underscoring the strong and full support from its shareholders. The effort to systematically address its financial challenges has stabilised the business and put ICON in a much stronger and more competitive position, which is critical for long-term success.

For our manufacturing companies, namely Davex and FVG, we focused on building a wider customer base and improving the internal operational efficiencies in terms of the supply chain and product optimisation. Procurement analysis and improvement is key in the process for these two businesses in order to maximise productivity whilst optimising cost efficiencies.

Similarly, we worked closely with Coolblog to analyse its customer base, product offerings and procurement processes. 2019 was the height of the drinks market competitors entering the local market. To be successful in such competitive environment, we had to be very clear in our customer and product targeting whilst ensuring operational excellence. Despite the intense competition, Coolblog did well in 2019, registering improved earnings before interest, taxes and amortisation (EBITDA) and overall revenue, signalling a clear proposition and customer targeting in terms of products, price points and location.

Likewise, for Al-Ikhsan Sports, improving operational efficiency in terms of financial and inventory management was key to their success in scaling their distribution and offerings as a retailer. In addition, optimising key levers of the business such as introducing the right products under its in-house brand, positioning and placements, especially location, has contributed to the success of this strategy. The efforts that have been put in place contributed significantly towards Al-Ikhsan achieving its best ever year in 2019.

We also spent a significant amount of time executing PrimaBaguz's two-year value creation plan (VCP). From reviewing and optimising its procurement practices, restructuring its product portfolio to improve margins in sales as well as defining the value chain engagement processes – these efforts were necessary to optimise the overall profitability of the business.

Portfolio companies that were dependent on corporate and government capital expenditure witnessed more moderate developments over the course of the year. As overall spending shrank globally, portfolio companies that were key beneficiaries of such investments, especially in the technology, manufacturing, O&G and services space, were adversely affected. Many were impacted by the generally cautious stance, which was the catalyst to the deferment of capital projects for corporates and countries.

INVESTMENTS AND DIVESTMENTS

Consistent with our overall approach to strengthening our portfolio companies from within, our investment efforts for the year were channelled towards follow-on investments that are part of the respective VCPs to drive greater future value for the companies. In 2019, Ekuinas committed a total of RM205.9 million through our follow-on investments that include RM20.0 million investment in Orkim Sdn Bhd, RM183.0 million into ICON and RM2.9 million into Exabytes Capital Group Sdn Bhd.

We also focused on the crystallising efforts of Tranche II, which saw two divestments in the period. We divested our 100.0% stake in PrimaBaguz, a leading local manufacturer of premium halal frozen meat-based products for the regional market, to Johnsonville International LLC, based on the enterprise value of RM175.0 million. The divestment generated an IRR of 20.8% and money multiple of 3.6 times the capital invested.

Over the investment period, our VCP resulted in a top-line revenue growth of 74.5% through initiatives that focused on capacity improvements and operational enhancements, diversification of the product manufacturing lines to cater to product customisation required by various clients, strategic supplier partnerships with popular fast food chains, as well as strengthening its management team.

Additionally, we divested our entire equity interest in APIIT Lanka together with its minority partners, based on an enterprise value of approximately RM41.0 million to a leading Sri Lankan-based education focused entity, BG Investments Pte Ltd. The divestment generated a Gross IRR of 17.7% and a money multiple of 2.2 times the capital invested.



Our key theme for the year was to improve and refine operational matters to ensure our portfolio companies would be more resilient and better prepared to face difficult conditions. More so than ever, the strength of an organisation is reflected in its operational performance and proactivity in managing operational risks.

Under Ekuinas' purview, APIIT Lanka went through a successful period of investment review and revalidation of its education portfolio in 2015. The VCP for APIIT Lanka also saw the opening of its third campus, the first satellite campus in Kandy in 2018, giving APIIT Lanka the platform to scale its business in several ways, namely by tapping into a new market in the central province of Sri Lanka, increasing its overall student intake, growing the number of programmes offered, as well as launching the Pearson BTEC Higher National Diplomas in Business and Computing at the new campus.

DELIVERING ON OUR SOCIAL OBJECTIVES

Since inception, Ekuinas has persistently pursued its objectives to create long-term value with enduring and positive impact socially, particularly within the Bumiputera community. Our efforts continue to be focused on facilitating continuous social progress through opportunities that will enable individuals, families and communities to thrive and achieve abiding success.

Our focus remains to increase the overall Bumiputera talent and equity ownership at our companies as we continue to deliver on our social objectives. On this front, Ekuinas' direct and outsourced funds increased Bumiputera equity ownership by RM5.4 billion or 1.5 times the capital invested (FY2018: RM5.0 billion and 1.5 times). In addition, there has been an increase of 23.5% in Bumiputera management and a total increase of 14.1% in Bumiputera employees since Ekuinas' entry (FY2018: 24.9% and 17.3%, respectively).

CHAIRMAN & CEO'S JOINT STATEMENT

In addition to raising the overall Bumiputera talent pool, some of the leaders of our stable of portfolio companies have gone on to helm some of Malaysia's most prominent companies. Amongst the notable names are the former Managing Director and Chief Executive Officer of ICON, Datuk Seri Amir Hamzah Azizan, who was appointed President and Chief Executive Officer (CEO) of Tenaga Nasional Berhad in April 2019.

In the same month, ICON also welcomed on-board its new Managing Director, a veteran of the industry, Datuk Seri Hadian Hashim. The former CEO of Orkim Sdn Bhd, Sharifuddin Al-Manaf was appointed CEO of Boustead Heavy Industries Corporation Berhad in April 2020. These talent developments are proof that Ekuinas has successfully facilitated talent development and progress opportunities across all levels of seniority.

In addition, through our Corporate Social Responsibility (CSR) unit, ILTIZAM, Ekuinas has put in place a framework that allows us to reach out, in a systematic manner, to different communities and address the different needs, specifically to assist Bumiputera entrepreneurs, young professionals and communities to achieve their potential.

In line with our overall focus for the year, efforts within ILTIZAM's portfolio reflected the process improvements necessary to ensure greater efficiency and productivity across all our CSR initiatives. As we stepped up our efforts within the entrepreneurship, education and community pillars, we sharpened our focus on cultivating and nurturing talent, placing specific importance on offering those most in need. Our need-based focus was to ensure that we were able to reach out to a different segment of our community and offer them the opportunity to acquire the necessary education, knowledge or skill to realise their potential, be it through meeting basic daily needs amongst the urban poor and



underprivileged communities, building better income streams as professionals or successful business ventures as entrepreneurs.

In 2019, ILTIZAM disbursed RM8.0 million across the three pillars, benefiting total of 12,000 beneficiaries. This brings Ekuinas' total contribution towards its CSR to RM41.0 million since inception.

Ekuinas is also pleased to record a higher staff participation rates in activities by ILTIZAM, outside their immediate scope of work. For more details, please refer to ILTIZAM by Ekuinas section for a review of all the initiatives completed in 2019 on pages 116 to 121.

OUTLOOK AND PLANS FOR 2020

We started the year 2020 with cautious optimism. While 2019 was a challenging year, several factors had initially suggested a clearing amidst the ongoing crisis: the US-China trade war seemed to be in abeyance after several salvos had been fired, the arduous Brexit negotiations seemed to be heading towards a landing with the ruling party winning a landslide election, and oil prices seemed to be heading towards a recovery pathway. Alas, the first few months of 2020 was truly the calm before the storm.

In a series of back-to-back events, in particular the onset of the global COVID-19 pandemic, the world's economy was turned on its head and crippled from the enforcement of nationwide lockdowns or movement restrictions orders (MCO) on millions of citizens in order to curb the spread of the infectious and potentially fatal disease. Oil prices went into a tailspin with Saudi Arabia and Russia locked in a price war. Locally, the economic impact of Malaysia's MCO implementation and social-distancing measures were equally severe and was further compounded by political uncertainty.

Before COVID-19, the International Monetary Fund (IMF) had already provided guidance of an expected recession in 2020. Under the assumptions of the impact of COVID-19, the projected global growth in 2020 is expected to fall to negative 3.0%, a major downgrade of 6.3 percentage points in January 2020. Partial recovery is only expected in 2021, assuming the pandemic fades in the second half of 2020 and that policy actions taken around the world have been effective.

We believe that 2020 will prove to be a pivot in global economic history, as the fallout from the COVID-19 pandemic – in terms of the public health challenge, as well as the simultaneous demand and supply shocks arising from the required social distancing measures – will transform the way we live, work, and play.

Companies around the world are getting to grips with the new realities post pandemic. We will see a seismic shift in terms of how we conduct our business, shop, travel, consume and invest. Households have embraced the joys of online shopping and food deliveries, and they will not be looking back. The challenges of doing business globally will experience a deep shift, as more executives and workers embrace the rise of videoconferencing technologies. As airlines struggle to stay afloat, the global travel and tourism business may undergo radical transformation. As social distancing measures look set to continue for most of 2020 while a vaccine is being developed for the COVID-19 virus, more retail businesses will be faced with existential questions. Real estate may undergo a fundamental change, as companies re-evaluate their office space requirements, and retail businesses fall to the wayside. In short, the ramifications of the COVID-19 on the global economy are still in the early stages of being played out, and we can expect many more twists and turns in the weeks and months ahead.

For private equity players, this will be a time of great upheaval. As at the end 2019, PE investments remain strong, with 3,500 deals done globally at the value of USD551.0 billion. 97.0% of deal valuations have gone up and so have the multiples. Spreads were narrowing, and dry powder had been piling up to USD2.3 trillion, mostly in venture capitalist deals, whilst deal valuations have also gone up. This picture will radically change, and businesses and governments struggle to adapt to the new realities of a post COVID-19 world.

We believe that these challenging times will require courage and boldness on the part of those who aim to thrive in this new environment. Innovation must be a foremost priority, as the integration of new technologies will be vital in order to compete successfully. Realignment and reworking of business models will be necessary, as deep shifts in consumer behaviour will demand that retail and wholesale businesses adapt to meet new needs and preferences. Resilience will be an important watchword: as the outlook for businesses remain murky, those with the foresight to maintain strong balance sheets will see out this crisis and come out stronger.

Moving forward, we expect to see capital consolidation as companies evaluate their positions and restructure in order to put themselves on stronger and more sustainable footing. Valuations are expected to drop significantly against the current environment and more rescue-type buyouts will be seen. In the short term, dealmaking may fall off sharply as funds shift into triage mode in efforts to buy time to better diagnose challenges, stabilise portfolios and brace for further shocks. In time, we believe this will give way to a frenzy of deals, as company restructurings and secular changes in consumer preferences lead to rapid deployment of dry powder to take advantage of new opportunities.

In the meantime, long-cycle trends in global business and investing will gather pace. More digital and digital-related innovation will take place and the growth of sustainable investments or environmental, social and governance (ESG) directed investments, which has been a growing theme in public markets, may influence the expectations for greater governance and accountability in private markets.

A NOTE OF APPRECIATION AND THANKS

Our 10-year journey is one with many significant moments. There have also been numerous milestones that we are proud of. We remain thankful to have been given the opportunity to witness and be part of this tremendous growth story for the local PE industry.

We would like to extend our deepest appreciation to the Government of Malaysia, and the Economic Planning Unit in the Prime Minister's Department that oversees Ekuinas. Thank you for your continued support and confidence in our ability to deliver our mandate.

We would also like to thank our Board of Directors for their wisdom and guidance throughout our 10-year journey, from inception to this day. Our achievements so far, especially against an increasingly challenging and volatile backdrop, would not have been possible without your firm voice of wisdom. We take this opportunity to thank Tan Sri Mohamed Azman Yahya for his invaluable contribution over the last nine years and we wish to welcome Dato' Saiful Lebai Hussen to the Board.

To all our staff and employees of our portfolio companies – past and present: Thank you for your hard work and dedication to the roles entrusted to each one of you. It is a pleasure and privilege to work alongside such a capable and passionate team. Ekuinas' achievements were realised because of your support, contribution and shared vision.

On our part, Ekuinas remains steadfast in our commitment to create long-term value for the Government, our stakeholders and portfolio companies. We actively look forward to building on another remarkable decade of growth for Malaysia's PE industry that will put Malaysia on the regional map as a leading and vibrant PE destination.

Thank you, and we look forward to your continued support for our next 10 years, and for the future that lies ahead.

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda
Chairman

Syed Yasir Arafat Syed Abd Kadir
Chief Executive Officer

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

In the past decade, market dynamics have continued to shift and have seen a significant transition in capital allocation from public to private markets. This movement is expected to have seismic impact for providers of capital, investors of capital and for companies seeking capital as well as those that are owned by a widening variety of private models. This points to a future where a much larger portion of capital is flowing into private markets¹ in a manner of driving long-term trends towards much larger private capital and Private Equity (PE) opportunities versus the traditional public equity models.

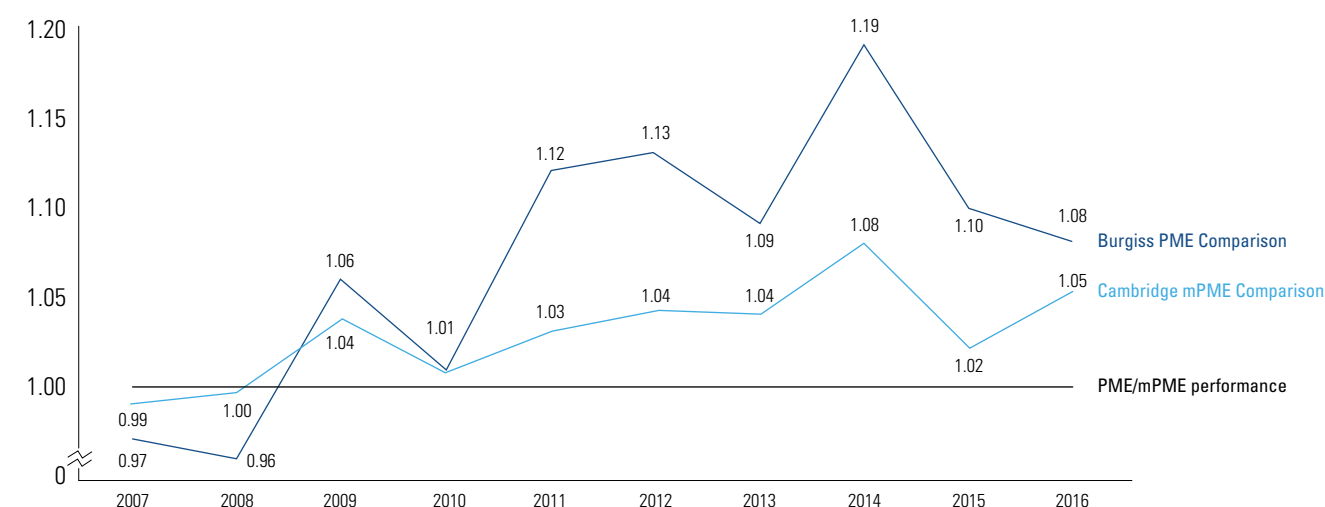


THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

There have been many factors that served as a catalyst to the shift – amongst which was the continued outperformance of what is perceived as an alternative asset class in an industry increasingly challenged by the pressure to deliver alpha. From the year 2000, the global PE industry continued to see deals, perform exits and raise capital at unprecedented rates and premiums, driven in part and clearly motivated by its capacity for growth and elevated returns.

PE HAS TOPPED PUBLIC MARKET RETURNS SINCE 2009²

PME and mPME (S&P 500) by vintage, PME/mPME-1



Data source: Burgiss Private IQ, Cambridge Associates

Cambridge Associates Private Investments Database shows that 2018 PE funds in the U.S., Europe and Asia Pacific have outperformed major stock indexes over one, five, ten and twenty years.

According to McKinsey's Global Private Markets Review 2020, private market assets under management grew by 10% in 2019, and an impressive USD4.0 trillion in the past decade, registering a total of 170% growth. The number of active PE firms have in turn grown with the asset size.

In contrast, global public markets grew by 100% but the number of publicly listed companies have remained largely flat, down by 40% since 2000.

MISCONCEPTIONS OF A LIBERALISED MALAYSIA

Today, PE globally and in Southeast Asia, can no longer be considered nascent or an alternative asset class. It has cemented its position as an approach for investors to clearly determine a company's strategy, growth trajectory or exits from public markets. For Malaysia particularly, PE has come a long way in proving its worth in a market that a few saw potential in just over a decade ago. This state was consistent for the market as a whole as misconceptions and general negativity around the country's policies prevailed amidst a largely brittle global economic environment that had yet to shake off the deep-reaching effects of the 2018 Global Financial Crisis (GFI).

¹ Source: Bain & Company: Global Private Equity Report 2019

² Source: McKinsey Global Private Markets Review 2020: A New Decade for Private Markets, February 2020

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS






Headlines and news flow saw little to recommend for the sixth largest country in ASEAN by population size³. From the United Nation’s prediction of a flat Gross Domestic Product (GDP) growth, to the anticipation of double-digit declines in Malaysia’s exports and industrial production by Bank Negara Malaysia, to its general position of weakness in terms of economic competitiveness due to domestic constraints and structural weaknesses, the narrative was consistent internally and internationally.

Most saw the New Economic Policy and Bumiputera prioritisation as added impediments to progress and compounded investor barriers to entry. However, despite the negative perceptions, foreign direct investments (FDI) grew consistently. Malaysia registered strong and sustained FDI, with numbers rising consistently to RM631.2 billion in 2018, contributed largely by the Manufacturing and Services sector⁴.

The reasons for these numbers were simple. Contrary to optics, in terms of preliminary requirements for foreign investments, share capital requirements, sectoral restrictions and foreign ownership of land, Malaysia is the most liberalised compared to its immediate ASEAN peers such as Indonesia, Thailand, Philippines and Vietnam as:

- 1) there is no preliminary requirement for foreign investor registration;
- 2) there is no share capital requirement upon incorporation;
- 3) there are minimal restrictions across the various industry sectors; and lastly
- 4) there is no restriction on land ownership for property with values above RM1.0 million.






Additionally, Malaysia does not have a blanket negative list, in contrast to many other South East Asian countries which inhibits ownership in certain industries.

PRELIMINARY REQUIREMENTS FOR FOREIGNERS			SHARE CAPITAL REQUIREMENT		
Remarks	Restrictiveness	Country	Restrictiveness	Remarks	
• Generally none	<div><div></div></div>		<div><div></div></div>	• None, save for particular license application or participation in regulated industries	
• Preliminary Capital Investment Registration	<div><div></div></div>		<div><div></div></div>	• Share capital requirement targeted at companies with significant foreign equity	
• Mandatory Business License (Izin Usaha)					
• Presentation on business activity (trade & services) to Investment Coordinating Board (BKPM)					
• Thai Foreign Business Board may impose conditions on license granted	<div><div></div></div>		<div><div></div></div>	• Share capital requirement targeted at companies with significant foreign equity	
• In certain sector, Thai national may be required as license holder					
• No license requirement, but high paid up capital of USD200k for companies >40% foreign ownership	<div><div></div></div>		<div><div></div></div>	• Share capital requirement targeted at companies with significant foreign equity. Amount can be as high as USD200k	
• Investment Registration Certificate (cannot appeal if declined)	<div><div></div></div>		<div><div></div></div>	• Similar to Malaysia	
• Enterprise Registration Certificate					

Source: Wong & Partners

³ Source: ASEAN.org
⁴ Source: Department of Statistics Malaysia

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

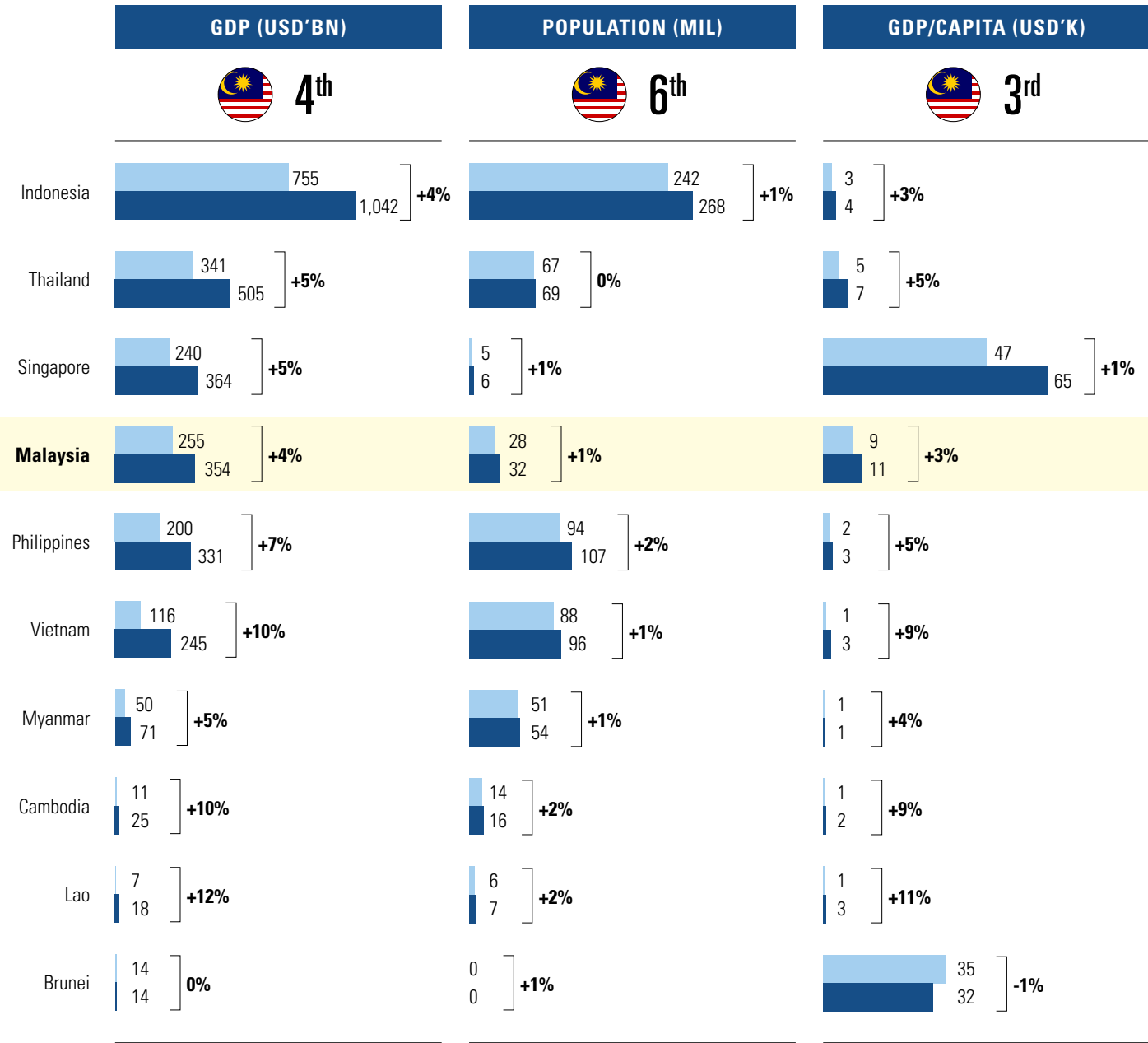
SECTORAL RESTRICTIONS			FOREIGN OWNERSHIP OF LAND		
Remarks	Restrictiveness	Country	Restrictiveness	Remarks	
• Some restrictions on level of foreign participation in regulated industries	<div><div></div></div>		<div><div></div></div>	• Under EPU, no approval required for foreign ownership on properties >RM1mil, save for low cost residential units, bumi reserved land/properties, or properties allocated to bumi	
• Certain business sectors completely reserved for local participation	<div><div></div></div>		<div><div></div></div>	• Foreign ownership of land not permitted	
• Foreign companies limited to 3 lines of business each outside Negative List					
• Approvals required from relevant government agencies even if foreign participation is in accordance with the Negative List	<div><div></div></div>		<div><div></div></div>	• Ownership of land only possible if corporate is owned by majority Thai nationals	
				• Foreign owned companies tend to resort to leasing or owning the building	
• Certain business sectors completely reserved for local participation	<div><div></div></div>		<div><div></div></div>	• Only Filipino citizens, corporates or partnership with >60% majority local ownership may own private land	
				• Foreign companies have to resort to leasing	
			<div><div></div></div>	• Socialist state, ownership of land not possible by local or foreign companies	
				• Companies may lease the land or own the building attached to the land	

Source: Wong & Partners

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

The conventional wisdom in evaluating Malaysia as an investment destination puts Malaysia on a back foot. In 2009, Malaysia had successfully executed its Government Privatisation Master Plan introduced in 1983. As at end 2009, the country had completed more than 500 privatised projects throughout the country⁵. Many who have just started looking at Malaysia in the past two decades would have already missed a significant slew of privatisation deals that would have set their portfolios on an impressive footing in the largest listed entities in the country. In contrast, Indonesia and Vietnam have just started the privatisation journey of its state-owned enterprises (SOE) in 2018.

MALAYSIA MAY NOT HAVE THE SCALE COMPARED TO OTHER SEA COUNTRIES



Source: World Bank

2018 2019 X% – CAGR

⁵ Source: Public Private Partnership Unit – Ministry of Finance Malaysia

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

In addition, the country never had and still does not have the scale compared to its neighbours, from a population nor GDP perspective. There were no large pockets of underserved population for investors to tap on in terms of infrastructure development. By way of profile, Malaysia bore more similarities to developed countries like Singapore in terms of banking, telecommunications and internet penetration.



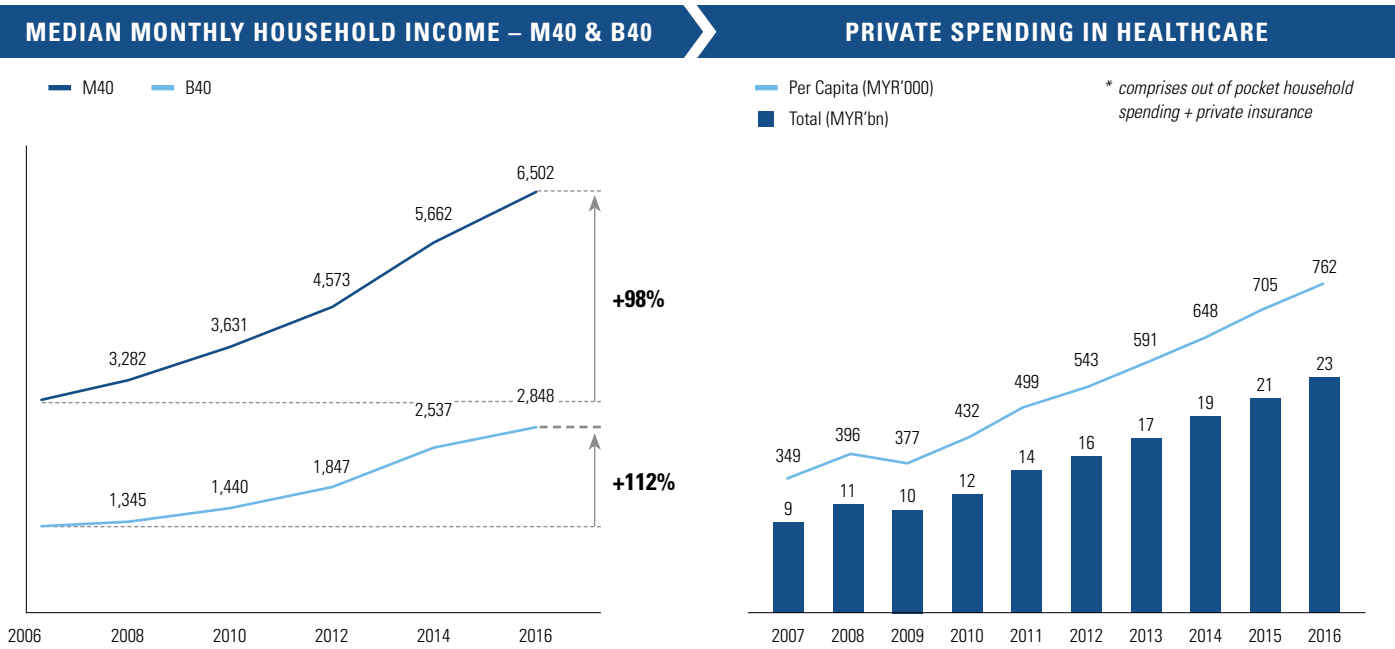
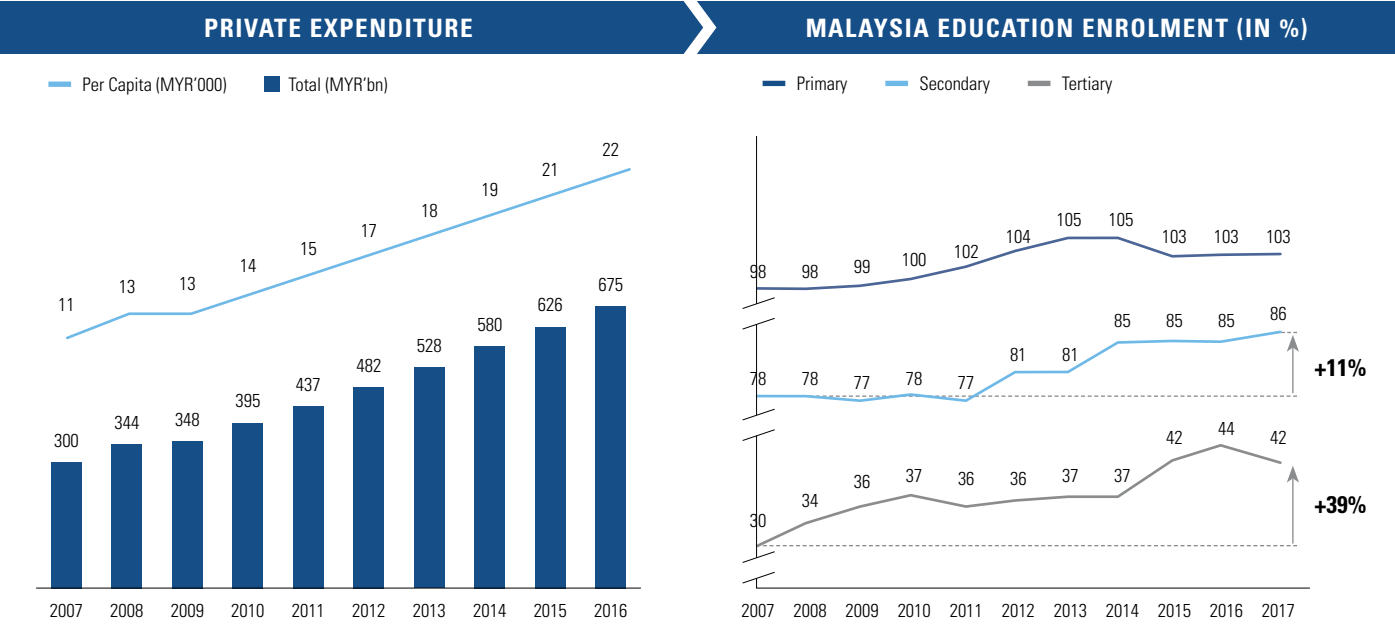
Underserved Markets

Source: ASEAN UP, Statista, GSMA, World Bank

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

HIDDEN GEMS: A PERSPECTIVE CHANGE

In the past 30 years, Malaysia has successfully curtailed high-poverty rates and reduced income inequalities. Whilst there is still much to be done, the fundamental progress and development of the country had paved the way for growth in the median monthly income of the Middle 40% (M40) and Bottom 40% (B40) income groups of the population by 98% and 112% respectively, from 2006 to 2016. This rising affluence is evidenced in the country’s concurrent growth trajectory and higher spending in specific areas like education and healthcare.



Source: World Bank

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

This trend resulted in the sectors flourishing and the resultant education and healthcare deals that have featured quite prominently in Malaysia. Further liberalisation of both sectors has catalysed and motivated early investors to go big on these two sectors, specifically Ekuity Nasional Berhad (Ekuinas) in education and Khazanah Nasional Berhad in healthcare.

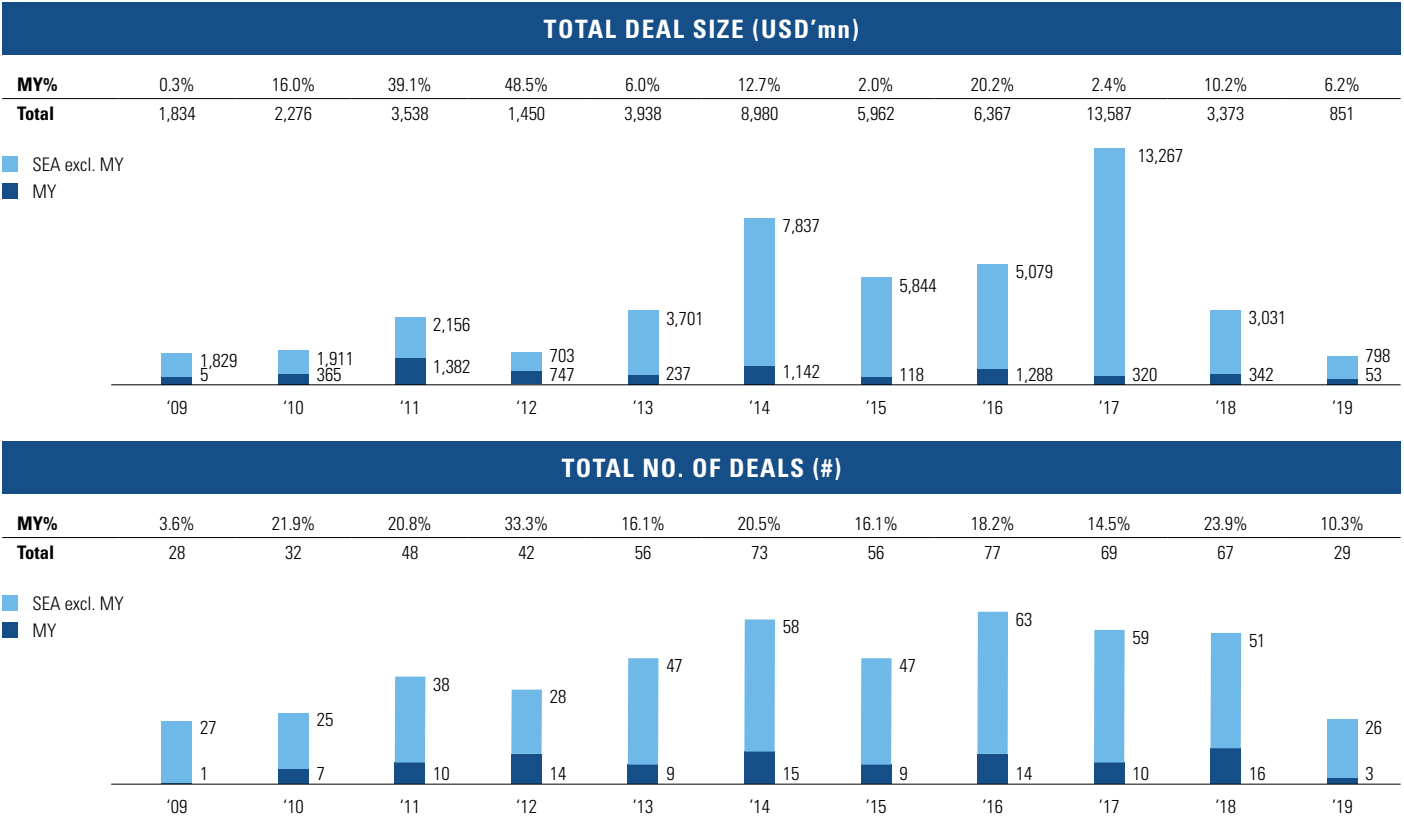
The Malaysian consumer and retail sectors were amongst the early beneficiaries of the rising population affluence as personal discretionary spending rose in tandem with the rising income levels. The established infrastructure coupled with the absence of stringent ownership restrictions requirements made for an attractive investment proposition. Consequently, despite lacking size and scale, the local consumer and retail sectors have attracted significant number of mergers and acquisitions (M&A) involving PE. Investing in Malaysia is further supported by high productivity, access to markets, ease of financing and an established and well-run legal and regulatory framework.

With the basics well established, factors such as high internet and device penetration also contributed to Malaysia’s early popularity as a hotbed for digital start-ups. Smartphone penetration amongst Malaysians, which is a key catalyst for digital start-ups, ranks amongst the highest in the region and propelled the country’s readiness as a launch-pad for digital start-ups.

Recognition of this technologically, enabled environment and ecosystem was further represented in the overwhelming early capital for companies through strong support from government agencies, as well as a plethora of venture capitalists (VC). Examples of the government’s early commitment of investment in early stage technology companies were clearly represented in the form of government agencies including Malaysian Global Innovation and Creativity Centre (MaGIC), the Malaysia Digital Economy Corporation (MDEC) and Cradle Fund. In fact, one of South East Asia’s unicorns originated from Malaysia.

EVOLUTION OF PRIVATE EQUITY IN MALAYSIA

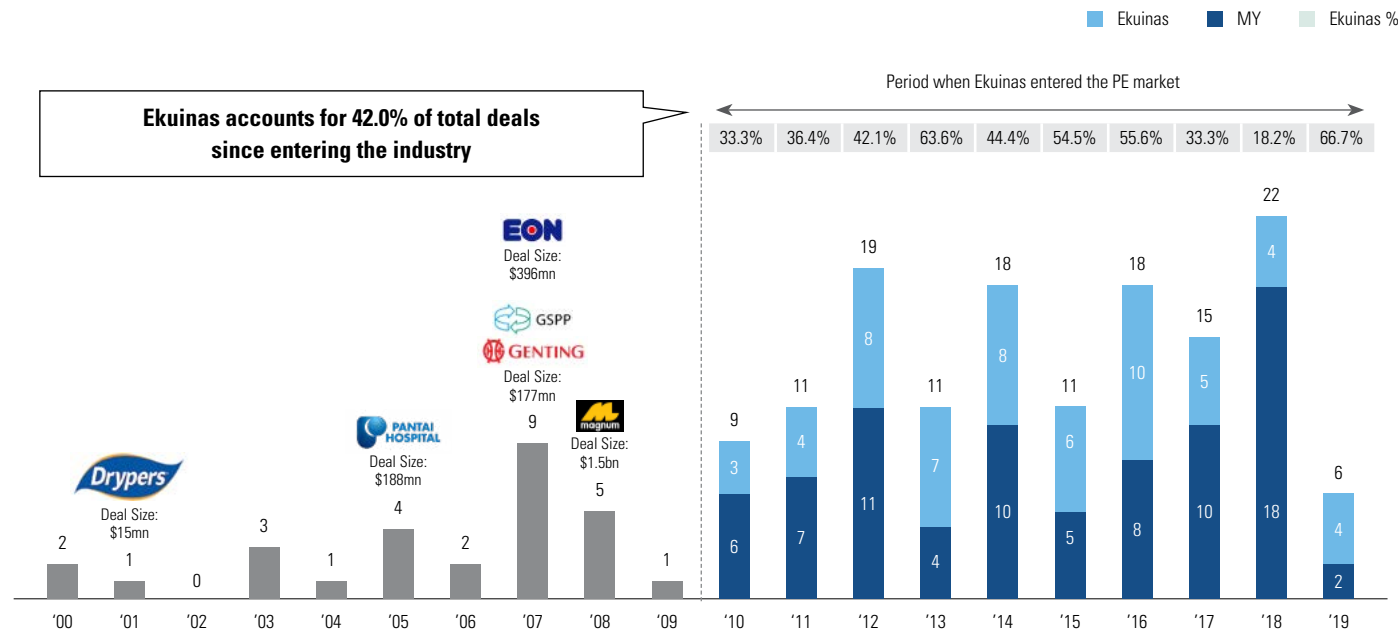
PE transaction deal sizes in ASEAN aggregated to USD52.2 billion since 2009, almost doubling from USD1.8 billion in 2009 to USD3.4 billion in 2018, driven by the region’s growing youth population, rising wealth and digitalisation of its economies. In recent years, Malaysia’s contribution to the deal count has been sizeable, though from a deal size perspective, Malaysia is not considered a consistent contributor of large, sizeable deals. However, its consistent posting of an annual deal total of between 10 to 12 deals since 2010, signals to the market that there are good investment opportunities within the country. This growth has been rapid – from a nascent PE market where deals happened sporadically in pre-2010, to a vibrant one with diversified participants supported by a sustained frequency of deals.



Source: Preqin, Ekuinas analysis

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

Based on the historical numbers, PE investments have been scarce, with early movers such as Navis Capital Partners (Navis) making its maiden investment in 2001. The table here shows that between the years 2000 to 2009, the average number of PE deals in Malaysia is only slightly above three. There were opportunities for large transactions, as demonstrated by the acquisition of EON Capital by Primus Financial and Genting Sanyen by CVC Asia Pacific Ltd. (CVC) in 2007, followed by the acquisition of Magnum also by CVC in 2008.



Source: Preqin, Ekuinas Analysis

The big shift happened in the 10-year period from 2010 to 2019, where the industry reflected a significant change in the deal numbers which amounted to 140, recording a massive growth rate of almost five-fold. On deal numbers alone, Ekuinas accounted for 42% of the deals, or 59 deals, an achievement that is more noteworthy given its single-country investment focus.

Since its inception in 2009, Ekuinas has played an important role in the evolution of the industry in Malaysia. Ekuinas had a clear role and mandate – which was to focus on the mid-market companies, catalyse growth and facilitate the creation of Malaysia’s next generation of leading companies. Ekuinas’ establishment was specific as it was deliberate, having launched in the year of the Government’s completion of its Privatisation Master Plan.

To this end, facilitating a sustainable, vibrant and equitable PE environment and ecosystem was fundamental to the success of the industry. Not only was the PE industry almost non-existent at that stage, investing in mid-market companies was untested, especially in the buyout space.

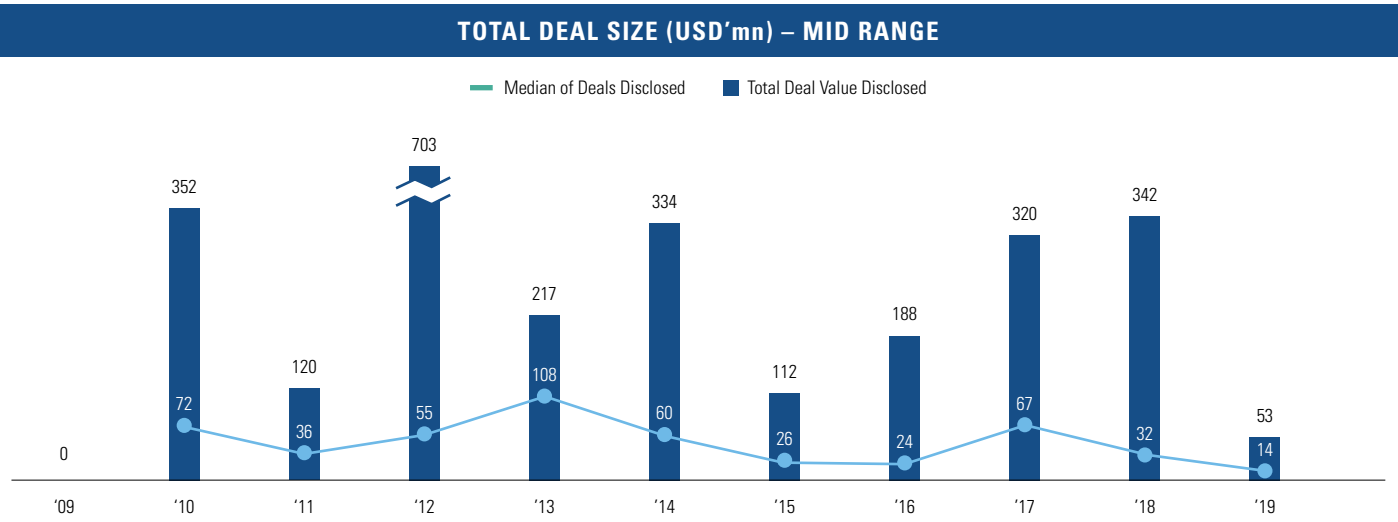
With most PE firms focusing on growth capital, we needed to shift the perception and expectations towards the role of PE in order to expand our prospects. In addition, fund sizes were also small, ranging from USD20.0 to USD40.0 million, investments especially by domestic funds were structured as hybrid instruments as most of the professionals helping local PE funds came from VC backgrounds. Exits were mostly through a put option exercise of a redemption of a hybrid-instrument. Successful exits through either trade sales or an Initial Public Offerings (IPOs) were few and driven largely by regional funds.

Today however, PE in Malaysia has gained significant attention amongst mid-market companies. This is credit to the successful investments and exits over the decade. Ekuinas alone, excluding our Outsourced Fund Management (OFM) programme, has invested in 23 companies and exited 12. With the addition of the OFM partners, the total deal number increased to 59. This number alone outstripped the deal number of the past decade. To add, Malaysia continues to attract other regional funds such as Creador, Navis, Southern Capital Group, KV Asia Capital and more recently

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

Singapore-based Dymon Asia Capital. We are also seeing an increasing participation from global mega funds such as KKR & Co., CVC Capital Partners, TPG Group and Affinity Equity Partners – all of whom have entered the Malaysian market.

Malaysia’s comparative advantage is clear. As a country, Malaysia boasts of more than 907,000 SMEs, of which, more than 20,000 are in the mid-sized category⁶. As such, opportunities for mid-sized deals ranging from USD25.0 million to USD80.0 million abound. Pockets of opportunities for larger deals with the ticket size of more than USD500.0 million also exist for investors with deep coffers as evidenced in the table below. Sector wise, the education, F&B and retail themes remain consistent, supported by the country’s fundamentals as a developed market and a large and growing affluent population.

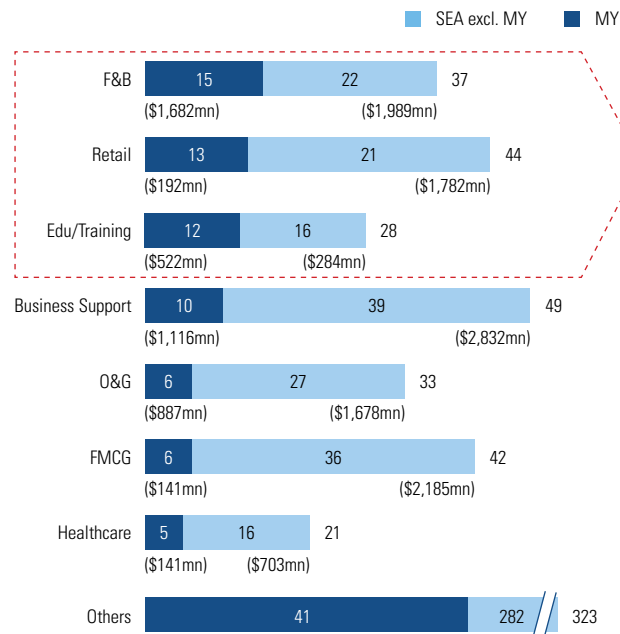


 Acquirer: HPEF Capital Partners Year: 2012 Deal Size: \$63.9mn	 Acquirer: KKR Year: 2013 Deal Size: \$200.0mn	 Acquirer: AIFG, Development Bank of Japan Year: 2016 Deal Size: \$71.6mn
 Acquirer: Ekuiti Nasional Berhad Year: 2011 Deal Size: \$24.3mn	 Acquirer: Navis Capital Partners Year: 2012 Deal Size: \$39.2mn	 Acquirer: Fosun Year: 2014 Deal Size: \$30.7mn

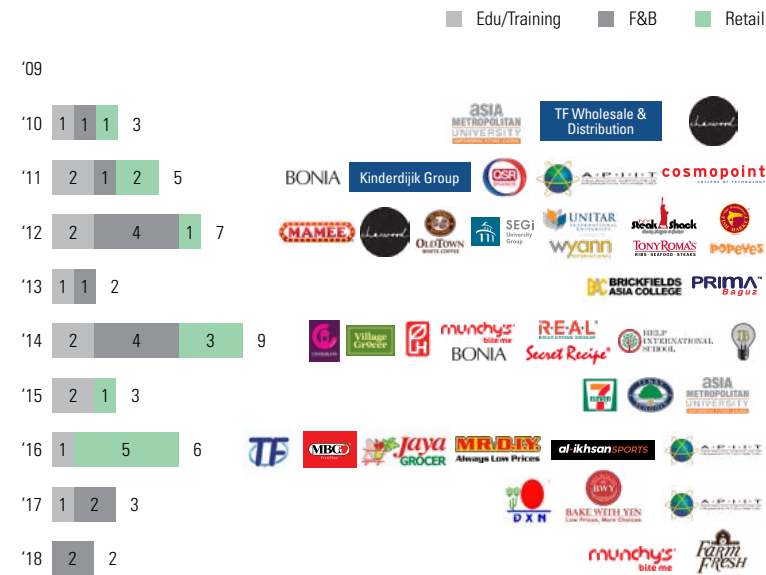
⁶ Source: SME Corp Malaysia based on the Department of Statistic’s 2016 Census

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

NO OF DEALS BY INDUSTRY (#)

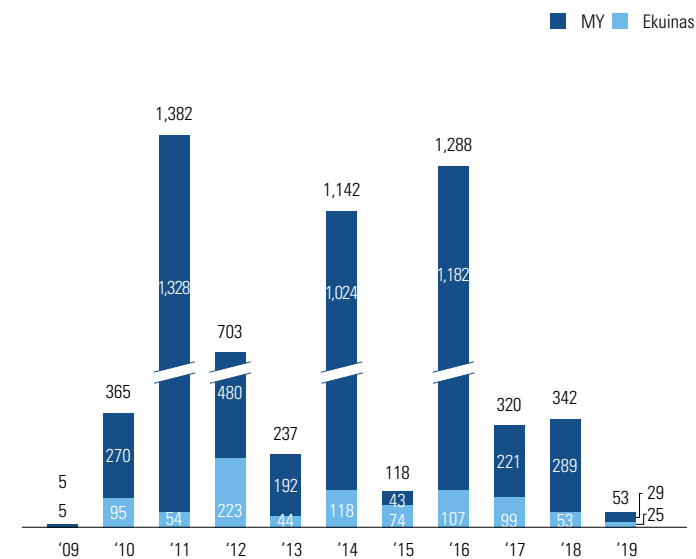


RETAIL, F&B AND EDUCATION DEAL TRANSACTIONS



From an exit perspective, Malaysia mirrors the ASEAN region in its preference for trade sales as its go-to exit strategy. On this front, Ekuinas has played its part in spurring deal activity, having contributed a total of 41 out of 108 deals in the 10-year period. Of Ekuinas' 41 investments recorded, 23 were direct investments and 18 via OFM partners. Well-timed exits and the ability to unlock values against a pre-determined timeline remains the acid test of any investor, more so for PE. Out of 33 divestments in Malaysia over the period, Ekuinas contributed 18, with 13 from its direct investment portfolio and five via its OFM partners. It is important to note that these bona-fide exits of controlling equity interests were done mainly through trade sales.

TOTAL DEAL SIZE (USD'MN)



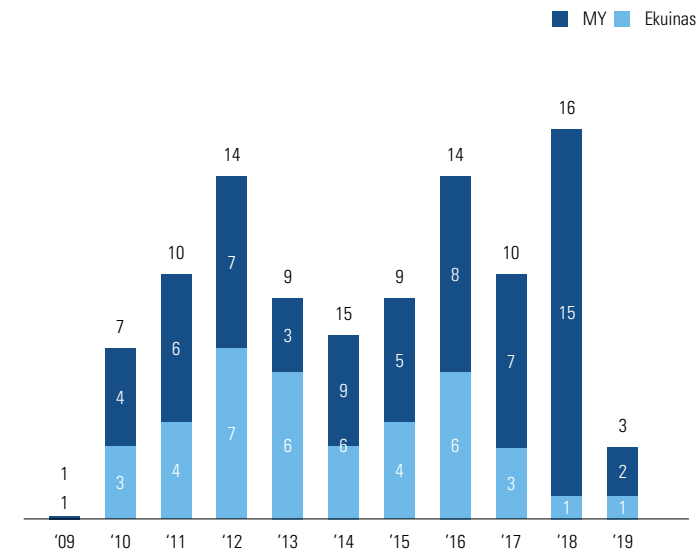
EKUINAS' DIRECT INVESTMENTS



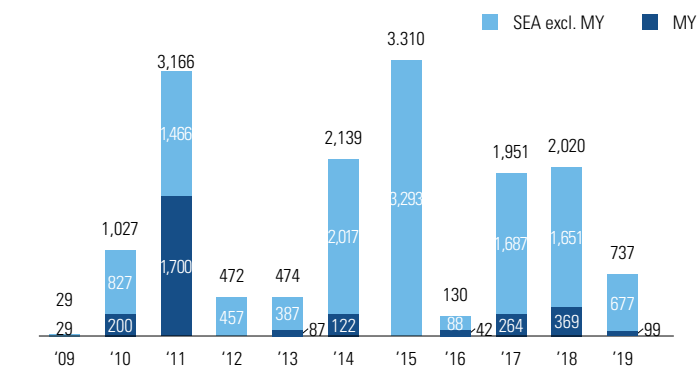
Source: Preqin, Ekuinas Analysis

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

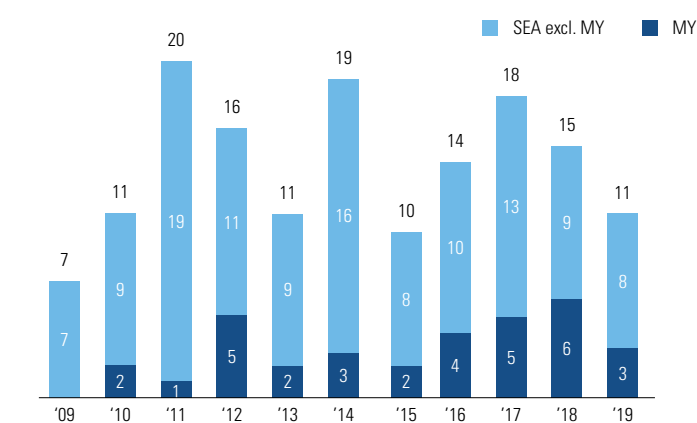
TOTAL NO. OF DEALS (#)



TOTAL EXIT VALUE (USD'mn)



TOTAL NO. OF DEALS EXIT (#)

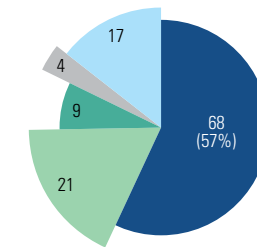


Source: Preqin, Ekuinas Analysis

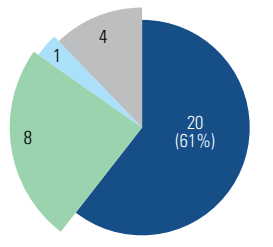
EKUINAS' OUTSOURCED INVESTMENTS



EXIT BY TYPE (SEA)



EXIT BY TYPE (MY)



DEALS EXITED IN MY



THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS

A NEW FUTURE FOR INVESTMENTS: PRIVATE EQUITY

Whilst PE is no longer in its nascent stage, there are key factors that remain the same and some of the key challenges affecting Malaysia’s PE industry are consistent with those faced globally.

Raising Scale	In terms of the local landscape, the domestic PE funds remain small. Other than Ekuinas, which is government funded, it is expected that fund raising, especially from large investment institutions will prove difficult as many tend to invest in Malaysia directly. As a local investor, the perception is that they too understand the market, if not better than an institution that specialises in PE, which may be true to a certain extent. The key difference being that most of these institutions are asset allocators without proper infrastructure or setup to support PE investment activities.
Deepening PE Talent Pool	Talent will remain shallow and few, due to the lack of opportunity for industry talent to cut their teeth on driving value creation plans within the portfolio companies beyond the deal making phases, in order to deepen their knowledge and experience. With the relatively small operation size, PE companies will find it hard to attract and hire talent.
Fostering High Performance Management Teams	Similarly, the depth of management talent has not seen significant development over the years. Circumstances are such as most founder-led companies have strong, dominant Chief Executives which may hinder the execution of aggressive growth plans unless an overhaul of the senior management team is undertaken. In addition, often as entrepreneurs, founders of these businesses also struggle to articulate real strategies on how they see their companies growing.
Value Creation - A Key Driver of Returns	Valuation multiples have increased but the multiple expansions are not likely to feature significantly as return drivers. It has been proven that operational improvements are core to driving superior returns and it is in these areas, be it from a management or operational standpoint, PE clearly has a significant value creation role to play. Most, if not all PE firms in the region, Ekuinas included, have their own portfolio team to play a more active role in driving value creation initiatives. However, with the advancement of technology and onset disruptions to businesses as we know it, these initiatives have become increasingly complex and can be either an opportunity or a threat in driving the growth of portfolio companies.
Opportunities in the Digital Gap	Technology is present in every sector and will be a variable that will determine a business outperformance. This too presents a real opportunity for PE to create value, especially in the traditional, mid-market space. Most company owners in this space struggle to cope with the reality of a changing business landscape where digital strategy has become increasingly important. It is therefore not uncommon for such businesses to underspend on its Information Technology infrastructure and accounting systems due to the lack of familiarity with such matters or the inability to determine where to begin. In these areas, PE investors are then the perfect partner for businesses who are primed to embark on their digitalisation journey.

THE EVOLUTION OF PRIVATE EQUITY IN MALAYSIA OVER THE LAST 10 YEARS



POTENTIAL IN AN UNCERTAIN AND UNPREDICTABLE ENVIRONMENT

As we are completing this write-up, COVID-19 has been declared a pandemic by World Health Organisation (WHO). The implications COVID-19 outbreak have been unprecedented. As a small nation that relies on commodities and global supply chains, the impact could be brutal.

Malaysia pivoted swiftly to deal with the onslaught of the COVID-19 global pandemic and the ongoing uncertainty further exacerbated by the collapse in The Organization of the Petroleum Exporting Countries (OPEC), which the country demonstrated economic and social resilience in weathering the economic slowdown and ensuing Movement Control Order (MCO).

As a country, the government and corporate Malaysia have successfully navigated the Asian Financial Crisis in 1998, 2008 Global Financial Crisis and most recently, the US-China trade war. Whilst history never repeats itself, there were lessons learned and improvements to be made. There is some comfort to be had that Malaysia’s government was quick to deploy the initial RM20.0 billion stimulus package, the follow up plan of RM250.0 billion and implement the MCO in efforts to curb the spread of the pandemic and provide assistance to the affected people and businesses.

With unprecedented events at play, it is difficult to determine the end or the eventual impact on the country economically. Confidence remains that premised on Malaysia’s fundamentals, the country will recover once this crisis is over.

This pandemic will have an unprecedented impact on businesses globally. Challenging economic and business environment as a result of changes in consumer behaviour and spending pattern, delivery channel and network, low energy prices, mobility and connectivity would force businesses to relook at their respective business models as financial and operational robustness is put to the test. Consolidation, merger, spin-off, carve-out and restructuring will be the main theme in years to come.

On the PE front, the market will continue to be dominated by the larger funds, and some of the smaller funds will struggle to survive. COVID-19 pandemic will only serve to accelerate the demise of some of the smaller funds as capital call will put a strain on their resources financially and operationally. Industries which were broadly deemed defensive such as consumer related especially in discretionary spending has proven to be fragile.

Restricted movement redefined the business boundaries and the impact on businesses which were traditionally viewed as defensive or attractive. We foresee more transactions in the short to medium term will likely involve restructuring, consolidation, corporate spin-off as businesses seek to raise capital. PE will have a significant role to play in such environment as scale, access to market, capital and shift towards digitalisation are becoming more crucial. Small and mid-markets companies are particularly vulnerable.

Against this backdrop, Ekuinas as a home grown PE is committed in helping our current and prospective portfolio companies to navigate through this challenging period as they seek to re-evaluate and redefine their business models.

Excerpts from CEO’s presentation at the Malaysian Private Equity Forum 2019 plus updates post pandemic.

CEO'S REFLECTIONS



CEO'S REFLECTIONS

“

We are proud of our performance and steady growth over the years, but more importantly the impact that we have achieved in carrying out our task to deliver on our social objectives while acting as a catalyst for growth”

In September 2019, Ekuinas achieved its 10-year milestone, which was no mean feat! Private Equity (PE) in Malaysia has evolved rapidly for the past 10 years from a nascent PE market where deals happened rather sporadically to a vibrant market with diversified participants and a sustained deal frequency.

I am proud to say that Ekuinas played a significant role in the evolution of PE industry in Malaysia. Whilst we may not be the pioneer PE firm in the country, we certainly have played a key role in facilitating a sustainable and vibrant PE environment, one that did not exist 10 years ago.

Now, there are more players with much more interest and consequently more deals and exits. With the number of PE transactions in the market, it is clear that it is no longer a nascent industry. Ekuinas alone has invested in 23 companies and exited 13 companies - a significant change from a pre-2010 period. More interestingly though for Ekuinas, these were bona-fide exits of controlling equity interest through trade sale or Initial Public Offerings.

From the beginning, we were set up to invest in mid-market companies which itself is a challenge in a largely untested market especially in the buyout space. At that time, domestic PE players were mostly focused on growth capital. Fund sizes were small, ranging from USD20.0 to USD40.0 million. Investments especially by the domestic funds were structured as hybrid instruments back then, which was no surprise given most of the professionals helming local PE funds came from Venture Capital (VC)

backgrounds. Exits were by large, through a put option exercise or a redemption of hybrid instruments.

Fast forward to 2019, we have gone through the entire PE cycle from deal sourcing to value creation and exits. We have made returns on our investments as seen in the performance of our funds. We have proven ourselves as a true PE investor, able to create long-term business value for our portfolio companies and not just an asset allocation firm. Market awareness of PE has increased significantly compared to pre-2010 period and the value that PE brings to the table is no longer in doubt as track records have become clearer.

We are proud of our performance and steady growth over the years, but more importantly the impact that we have achieved in carrying out our task to deliver on our social objectives while acting as a catalyst for growth. I am very happy to say that we have delivered on our social objectives. In addition to our ILTIZAM programmes, we also distributed RM200.0 million of our gains to the wider Bumiputera community via Yayasan Pelaburan Bumiputera in 2014, and we hope to replicate the same success in the years to come.

A decade has passed quickly since our founding date with many significant milestones along the way, culminating in the Malaysian Private Equity Forum, which we hosted on 1 October 2019.

I would like to take this opportunity to thank many people who have helped Ekuinas on its journey.

To our dear Chairman and all our board members, for their leadership and guidance this last decade, in helping Ekuinas steer its course. There have been many challenging as well as rewarding times and I will always be grateful to the Board for their mentorship and support, not just for the company but also for me, personally.

To Dato' Abdul Rahman Ahmad – I would like to thank him for his faith in me, in inviting me to join him on this journey of Ekuinas and for the great foundation he put in place during the set-up of this company which made my transition to CEO that bit easier.

To all our past and present portfolio companies, thank you for your hard work and commitment that has contributed to Ekuinas' success.

Lastly, in celebrating Ekuinas' 10 years, I would especially like to thank all of Ekuinas' staff, past and present, for being part of the journey. The true assets of any company are its people and for this, I would like to thank all of you for your contribution.

I hope there have been many milestones and accomplishments that we can all look back on with pride and satisfaction.

SYED YASIR ARAFAT SYED ABD KADIR

MERIT-BASED

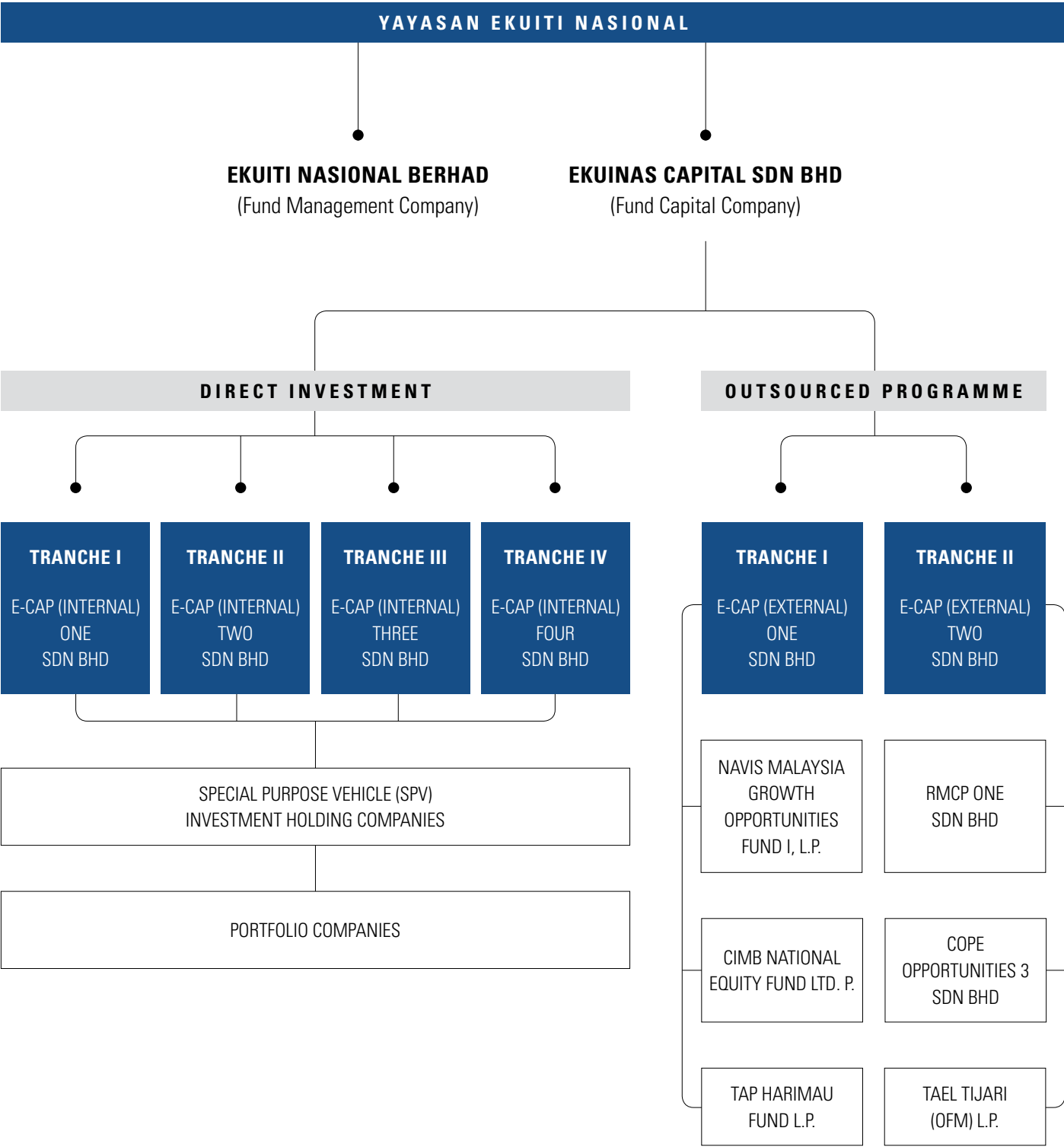
We recognise and reward purely based on performance

LEADERSHIP

- 38 Corporate Structure
- 39 Corporate Information
- 40 Organisation Structure
- 41 Board of Directors
- 48 Senior Management



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 <i>(resigned on 30 June 2019)</i>	TAN SRI DR. RAHAMAT BIVI YUSOFF
DATUK ALI ABDUL KADIR	DATO' SAIFUL ANUAR LEBAI HUSSEN <i>(appointed on 1 August 2019)</i>	SYED YASIR ARAFAT SYED ABD KADIR Chief Executive Officer

AUDIT AND RISK MANAGEMENT COMMITTEE

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda
(Chairman - until 24 September 2019)

Tan Sri Dato' Seri Mohamed Jawhar Hassan

Tan Sri Dr. Rahamat Bivi Yusoff
(Chairman - effective 24 September 2019)

NOMINATION & REMUNERATION COMMITTEE

Tan Sri Dato' Seri Mohamed Jawhar Hassan
(Chairman)

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

Tan Sri Mohamed Azman Yahya

INVESTMENT COMMITTEE

Tan Sri Mohamed Azman Yahya
(Chairman)

Datuk Ali Abdul Kadir

Syed Yasir Arafat Syed Abd Kadir

Nik Johaan Nik Hashim

Idham Ismail

Lim Fu Yen

CSR INVESTMENT COMMITTEE

Tan Sri Dr. Rahamat Bivi Yusoff
(Chairman)

Syed Yasir Arafat Syed Abd Kadir

Nik Johaan Nik Hashim

COMPANY SECRETARY

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

AUDITOR

PricewaterhouseCoopers PLT
Chartered Accountants

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
Affin Bank Berhad

REGISTERED ADDRESS

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

OFFICE ADDRESS

Ekuiti Nasional Berhad
Level 16, Surian Tower
No. 1, Jalan PJU 7/3
Mutiarra Damansara
47810 Petaling Jaya, Selangor

MANAGEMENT COMMITTEE

Syed Yasir Arafat Syed Abd Kadir
Chief Executive Officer

Roselinda Hashim
Senior Director, Legal & Corporate Affairs

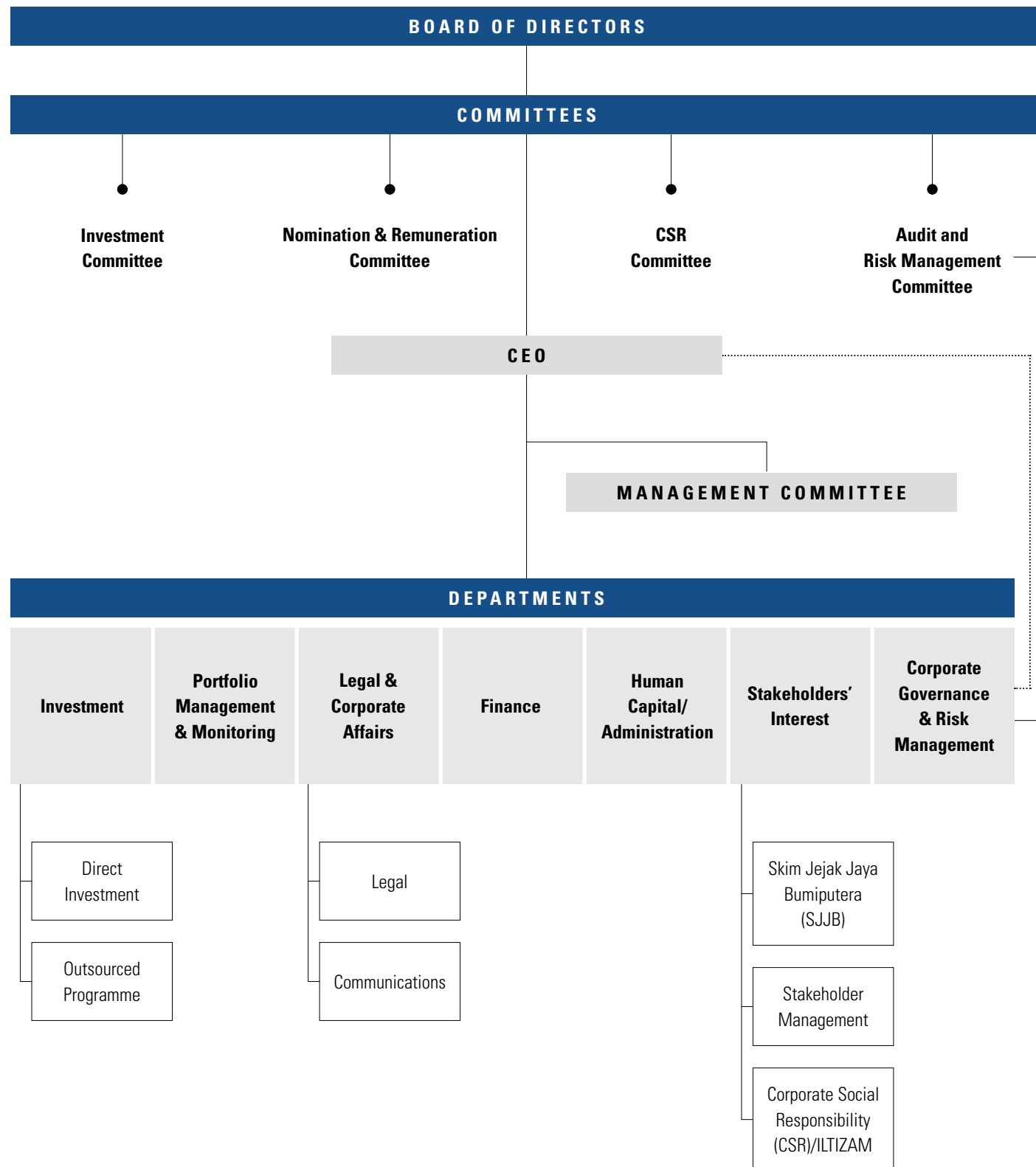
Idham Ismail
Senior Director, Investment

Lim Fu Yen
Senior Director, Investment

Heng Khim Hui
Senior Director, Portfolio Management & Monitoring

Nik Johaan Nik Hashim
Senior Director, Investment/ Stakeholders' Interest
(Resigned on 31 December 2019)

ORGANISATION STRUCTURE



BOARD OF DIRECTORS

RAJA TAN SRI DATO' SERI ARSHAD RAJA TUN UDA

Independent Non-Executive Chairman

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda is the Independent Non-Executive Chairman of Ekuiti Nasional Berhad (Ekuinas). He is a member of the Nomination and Remuneration Committee and was the Chairman of the Audit and Risk Management Committee until 24 September 2019.

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

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

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

BOARD OF DIRECTORS

SYED YASIR ARAFAT SYED ABD KADIR

Chief Executive Officer

Syed Yasir Arafat Syed Abd Kadir is the Chief Executive Officer (CEO), a member of the Investment Committee and a Board Member of Ekuiti Nasional Berhad (Ekuinas). He was appointed as the CEO on 1 March 2016 and he has been with the organisation since inception. He led Ekuinas' Investment team as the Managing Partner, Investment prior to his current role. He currently serves as a Board member of several portfolio companies including Orkim Sdn Bhd as Chairman and Icon Offshore Berhad where he is also member of the Audit Committee and Nomination & Remuneration Committee.

Syed Yasir Arafat is also a member of the Malaysia Venture Capital and Private Equity Development Council (MVCDC) under the purview of Securities Commission.

Prior to Ekuinas, he spent 15 years in Investment Banking in various organisations and capacities. He was the Country Manager (ING Wholesale Banking) overseeing both ING Corporate Advisory (Malaysia) Sdn Bhd and ING Bank (Labuan) operations in Malaysia. He was with ING Corporate Advisory (Malaysia) Sdn Bhd for nine years, starting as VP Corporate Finance specialising in areas of mergers and acquisitions, equity and equity-linked fund raising, debt fund raising and financial advisory for some of the regions' leading companies in banking, plantations, automotive, telecommunications and property, among others.

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

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

BOARD OF DIRECTORS

TAN SRI DATO' SERI MOHAMED JAWHAR HASSAN

Independent Non-Executive Director

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

Tan Sri Jawhar is a member of the Council on Foreign Relations, Malaysia and is Malaysia's Expert and Eminent Person to the ASEAN Regional Forum. He is as well a Distinguished Fellow of several Malaysian Institutes.

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

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

BOARD OF DIRECTORS

TAN SRI MOHAMED AZMAN YAHYA

Independent Non-Executive Director

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

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

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.

He resigned from his role effective 30 June 2019.

BOARD OF DIRECTORS

TAN SRI DR RAHAMAT BIVI YUSOFF

Independent Non-Executive Director

Tan Sri Dr Rahamat Bivi Yusoff is the Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas). She is also the Chairman of CSR Investment Committee and was appointed as Chairman of the Audit and Risk Management Committee effective 24 September 2019.

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

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

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

BOARD OF DIRECTORS

DATUK ALI ABDUL KADIR

Independent Non-Executive Director

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

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

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

Datuk Ali Kadir was Chairman of the Securities Commission of Malaysia from 1 March 1999 till 29 February 2004. He also sat on a number of national committees including the Foreign Investment Committee, the Oversight Committee of National Asset Management Company (Danaharta). On the international front, he was a member of the Exco Board of International Organisation of Securities Commissions (IOSCO), chairman of their Asia-Pacific Region Committee and the Islamic Capital Market Working Group. He was trustee of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Force of Nature Aid Foundation, and also Advisor to the Sri Lanka Securities & Exchange Commission.

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

Datuk Ali Kadir was awarded the Panglima Jasa Negara (PJN) by the YDP Agong in 2001. In 2012, he was bestowed the Lifetime Achievement Award by ICAEW-KL City Chapter, and the President's Award by MICPA.

BOARD OF DIRECTORS

DATO' SAIFUL ANUAR
LEBAI HUSSEN

Non-Executive Director

Dato' Saiful Anuar Lebai Husen was appointed as the Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas) on 1 August 2019. He is currently the Director General of the Economic Planning Unit (EPU), Prime Minister's Department (PMD) beginning 14 February 2020. Before assuming this position, he served as the Secretary-General of the Ministry of Economic Affairs (MEA) on 22 October 2018, before the change in Government's administration and restructuring of ministries and agencies. Prior to his appointment as Secretary-General, he served as Deputy Director General (Policy) of the EPU, PMD from 21 August 2017 to 21 October 2018, before the EPU was dissolved following the establishment of the MEA. He was responsible for preparing the Mid-Term Review (MTR) of the Eleventh Malaysia Plan (11th MP), namely on inclusive development and wellbeing, regional development and human capital.

Previously, he served as the Deputy Secretary-General (Management) of the Ministry of Health from January 2015 to August 2017. He oversaw administrative, human resource and training matters related to public health service throughout Malaysia.

He was also in Public-Private Partnership Unit (UKAS), PMD as the Senior Director of the Policy and Development Section (April-December 2010) and the Director of the Corridor Development Section (2009-2010). Throughout his tenure in UKAS, he was responsible for formulating, implementing and monitoring implementation policies, strategies, programmers/projects of the Public-Private Partnership (PPP) and the development of the five (5) economic development regions/corridors.

He graduated with a Bachelor's Degree in Economics from the University of Malaya and a Master's Degree in Economics from the National University of Malaysia. He also holds a Diploma in Public Management from the National Institute of Public Administration (INTAN).

Besides that, he sits on several Board of Directors (BOD) such as Unit Peneraju Agenda Bumiputera (TERAJU), Putrajaya Corporation (PPJ), Johor Corporation (JCorp) and Perbadanan Kemajuan Negeri Perak (PKNP).

SENIOR MANAGEMENT



From left to right:
Roselinda Hashim, Idham Ismail, Syed Yasir Arafat Syed Abd Kadir, Lim Fu Yen, Nik Johaan Nik Hashim and Heng Khim Hui.

SENIOR MANAGEMENT

SENIOR MANAGEMENT

SYED YASIR ARAFAT SYED ABD KADIR

Chief Executive Officer

Profile is presented on page 42.

ROSELINDA HASHIM

Senior Director, Legal & Corporate Affairs

Roselinda Hashim is Senior Director, Legal & Corporate Affairs where she heads both the legal & secretarial department and leads the communications department of Ekuinas.

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

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

IDHAM ISMAIL

Senior Director, Investment

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

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

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

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

LIM FU YEN

Senior Director, Investment

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

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

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

SENIOR MANAGEMENT

NIK JOHAAN NIK HASHIM

Senior Director, Investment/
Stakeholders' Interest

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

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

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

He resigned from his role effective 31 December 2019.

HENG KHIM HUI

Senior Director, Portfolio Management
and Monitoring

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

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

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

H I G H PERFORMANCE

We strive to exceed expectations

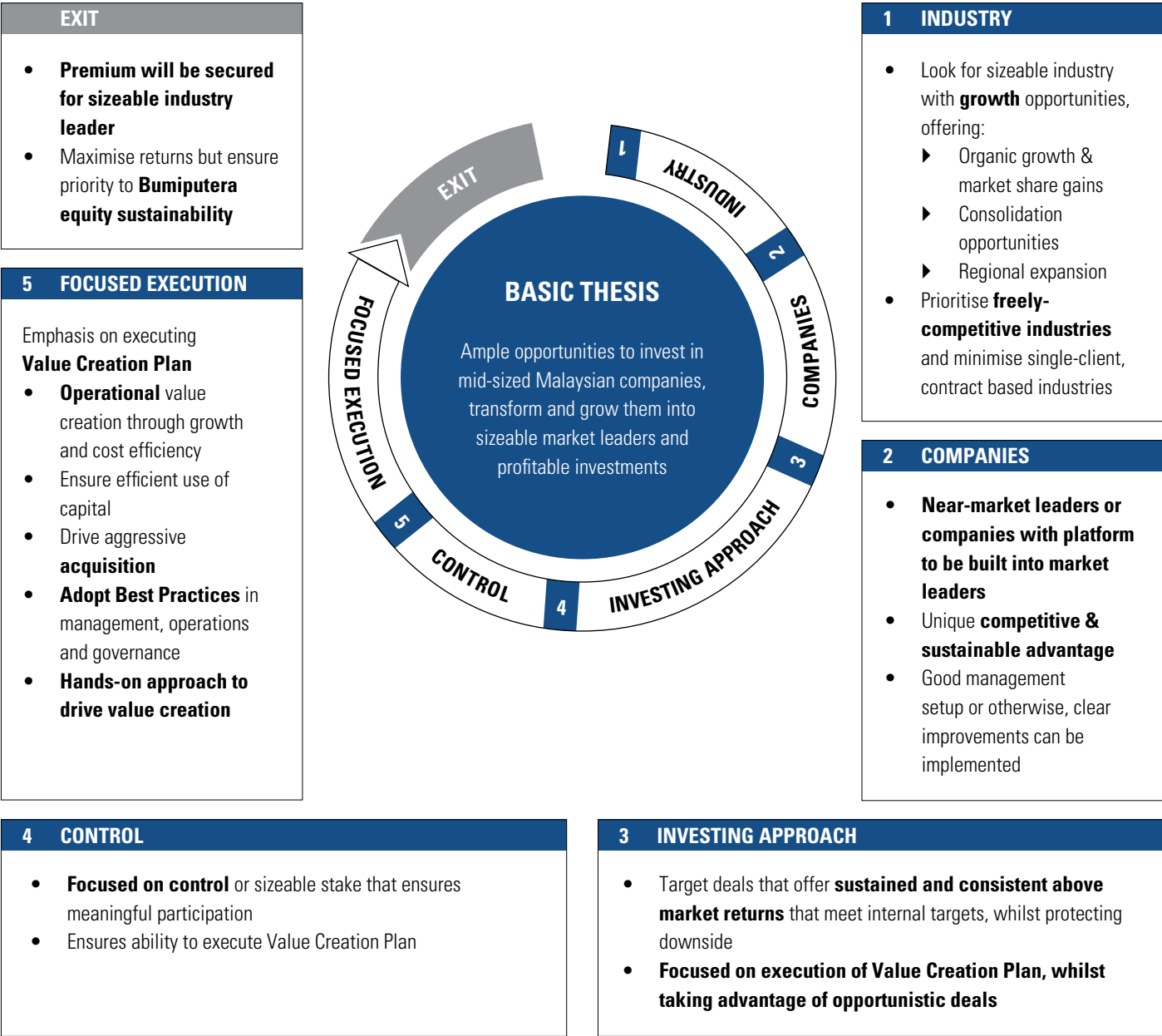


PERFORMANCE

INVESTMENT PERFORMANCE REPORT

INVESTMENT THESIS

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



INVESTMENT PERFORMANCE REPORT

B) DIRECT INVESTMENT

1. Funds Overview

EKUINAS DIRECT (TRANCHE I) FUND	EKUINAS DIRECT (TRANCHE II) FUND	EKUINAS DIRECT (TRANCHE III) FUND	EKUINAS DIRECT (TRANCHE IV) FUND
Vintage Year 2010	Vintage Year 2012	Vintage Year 2014	Vintage Year 2019
Status: Fully realised	Status: Deployed	Status: Investing	Status: Investing
Capital Committed RM 1.0 BILLION	Capital Committed RM 1.0 BILLION	Capital Committed RM 1.5 BILLION	Capital Committed RM 1.0 BILLION
Term 5 + 2 + 1 years years year	Term 5 + 2 + 1.5 years years years	Term 5 + 2 years years	Term 5 + 2 years years
INVESTMENT PERIOD OF 3 TO 5 YEARS			
Legal Form & Structure One Fund Manager and One Investor	Investment Focus Buy-Out and Growth Capital Fund	Geographical Focus Malaysia	Industry Focus Education, Oil & Gas, FMCG, Retail & Leisure, Healthcare and Services

2. Investment Activities

a. Direct Investment Activities for 2019

RM million Portfolio Company	Sector	Stake	Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
Follow-on investments:					
1 Orkim Sdn Bhd (Orkim)	Oil & Gas	N/A	20.0	-	20.0
2 Icon Offshore Berhad (ICON)	Oil & Gas	N/A	183.0	-	183.0
3 Exabytes Capital Group Sdn Bhd (Exabytes)	Technology Services	N/A	2.9	-	2.9
Total for the year			205.9	-	205.9

INVESTMENT PERFORMANCE REPORT

b. Cumulative Direct Investment Activities as at 31 December 2019

RM million Portfolio Company	Sector	Stake	Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
Ekuinas Direct (Tranche I) Fund					
1 Alliance Cosmetics Group (ACG)	FMCG	20.0%	39.9	119.6	159.5
2 Tanjung Offshore Berhad (TOB)	Oil & Gas	24.0%	99.8	-	99.8
3 Konsortium Logistik Berhad (KLB)	Services	61.6%	241.0	-	241.0
4 APIIT Education Group (APIIT)	Education	51.0%	102.0	-	102.0
5 Burger King Group (BKM)	Retail - F&B	74.1%	68.2	-	68.2
6 Lyndarahim Ventures Sdn Bhd (SF)	Retail - F&B	90.0%	30.0	-	30.0
7 Revenue Valley Group (RV)	Retail - F&B	85.8%	64.6	-	64.6
8 Cosmopoint Group (Cosmopoint)	Education	90.0%	246.0	-	246.0
9 UNITAR International University (UNITAR)	Education	90.0%	58.5	2.5	61.0
10 Icon Offshore Berhad (ICON)	Oil & Gas	70.7%	308.2	-	308.2
Total Investment Undertaken - Tranche I			1,258.2	122.1	1,380.3
Ekuinas Direct (Tranche II) Fund					
1 Burger King Group (BKM & BKS)	Retail - F&B	100.0%	99.8	-	99.8
2 Icon Offshore Berhad (ICON)	Oil & Gas	17.4%	277.7	-	277.7
3 Primabaguz Sdn Bhd (PrimaBaguz)	Food Manufacturing	100.0%	40.0	-	40.0
4 Asia Pacific Institute of Information Technology Lanka Pvt Ltd (APIIT Lanka)	Education	45.9%	20.3	-	20.3
5 Lyndarahim Ventures Sdn Bhd (SF)*	Retail - F&B	-	5.0	-	5.0
6 Revenue Valley Group (RV)	Retail - F&B	-	10.0	-	10.0
7 Coolblog Sdn Bhd (Coolblog)	Retail - F&B	60.0%	50.8	-	50.8
8 Orkim Sdn Bhd (Orkim)*	Oil & Gas	95.5%	436.3	-	436.3
9 Tenby Educare Sdn Bhd (Tenby)	Education	70.0%	70.0	-	70.0
10 Tranglo Sdn Bhd (Tranglo)	Technology Services	60.0%	54.0	-	54.0
Total Investment Undertaken - Tranche II			1,063.9	-	1,063.9
Ekuinas Direct (Tranche III) Fund					
1 MediExpress (Malaysia) Sdn Bhd (Medix)	Healthcare	60.0%	58.8	-	58.8
2 PMCare Sdn Bhd (PMCare)	Healthcare	60.0%	21.0	-	21.0
3 ILMU Education Group (ILMU)	Education	100.0%	150.0	-	150.0
4 Al-Ikhsan Sports Sdn Bhd (Al-Ikhsan)	Retail	35.0%	68.6	-	68.6
5 Icon Offshore Berhad (ICON)	Oil & Gas	-	40.0	-	40.0
6 Davex (Malaysia) Sdn Bhd (Davex)	Manufacturing	100.0%	270.0	-	270.0
7 Revenue Valley Group (RV)**	Retail - F&B	85.8%	142.1	-	142.1
8 Cosmopoint Group (Cosmopoint)#	Education	90.0%	54.7	-	54.7
9 UNITAR International University (UNITAR)*#	Education	90.0%	127.7	-	127.7
10 Icon Offshore Berhad (ICON)#	Oil & Gas	32.7%	100.1	-	100.1
11 Flexi Versa Group Sdn Bhd (FVG)	Manufacturing	70.0%	175.0	-	175.0
12 Exabytes Capital Group Sdn Bhd (Exabytes)	Technology Services	45.4%	100.9	-	100.9
13 ICON Offshore Berhad (ICON)	Oil & Gas	15.1%	183.0	-	183.0
Total Investment Undertaken - Tranche III			1,491.9	-	1,491.9
Cumulative Total Investment Undertaken			3,814.0	122.1	3,936.1

* Includes follow-on investments

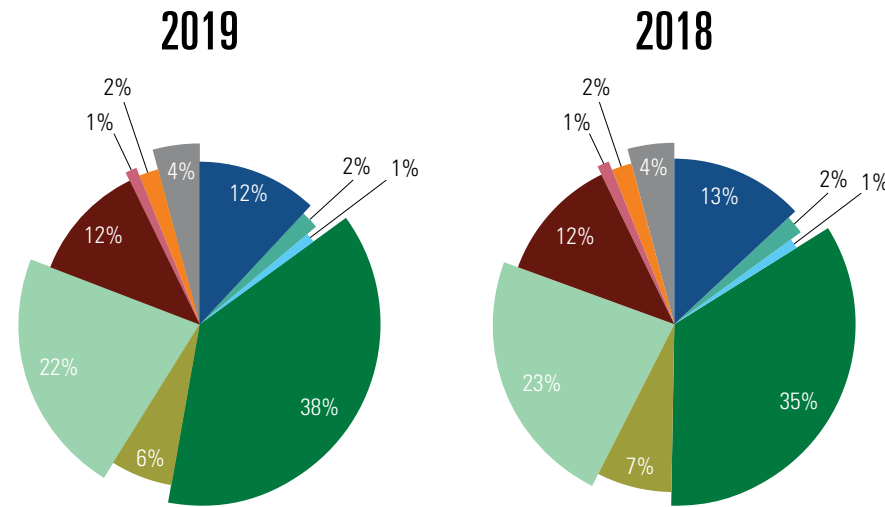
Transfer from Ekuinas Direct (Tranche I) Fund

INVESTMENT PERFORMANCE REPORT

c. Investment Composition Analysis

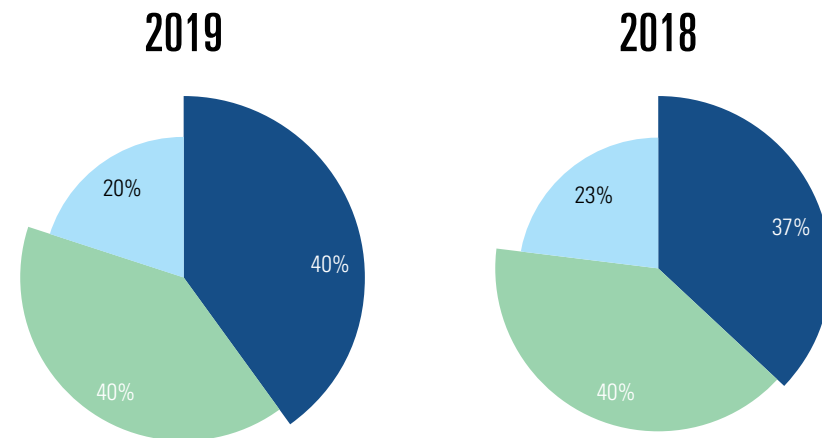
BY SECTOR

- Retail - F&B
- Retail
- FMCG
- Oil & Gas
- Services
- Education
- Manufacturing
- Food Manufacturing
- Healthcare
- Technology Services



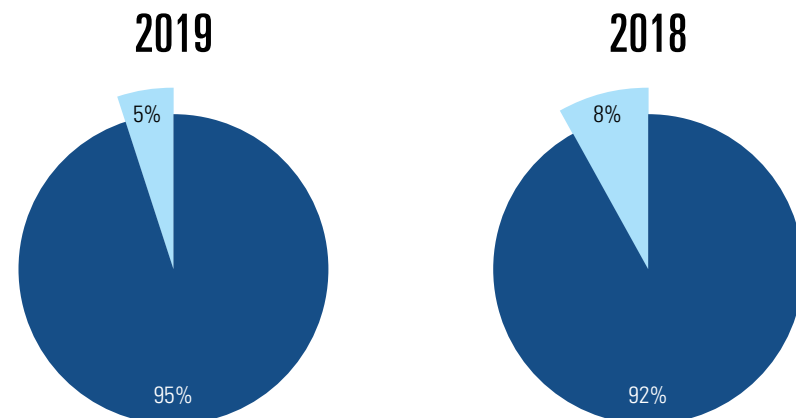
BY CATEGORY

- Investment in Bumiputera/ Malaysian Company
- Buy-Out of Malaysian Company
- Acquisition on non-core assets



CONTROL VS GROWTH CAPITAL DEALS

- Control
- Growth Capital

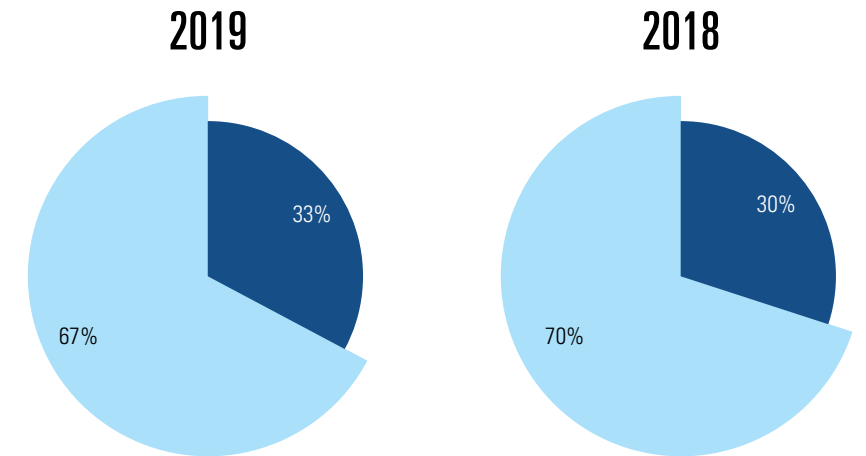


INVESTMENT PERFORMANCE REPORT

c. Investment Composition Analysis (Cont'd)

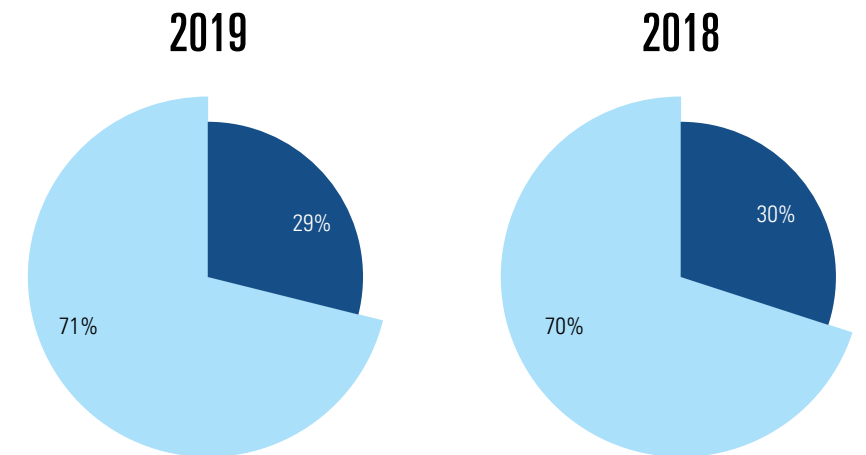
LISTED COMPANIES VS PRIVATE COMPANIES

- Listed Companies
- Private Companies



STANDALONE VS BUY & BUILD

- Standalone
- Buy & Build



INVESTMENT PERFORMANCE REPORT

3. Realisation Activities

a. Realisation Activities for 2019

Company RM million	Year of Realisation	% of the Fund's Holding Realised	Total Realisation Amount	IRR% p.a.	Money Multiple
Full realisation					
APIIT Lanka^	2019	100.0	42.1	9.6%	1.6
PrimaBaguz*	2019	100.0	151.1	20.8%	3.6
ICON*^	2019	N/A	191.4	3.7%	1.1
Total proceeds from realisation			384.6		

b. Cumulative Realisation Activities as at 31 December 2019

Company RM million	Year of Realisation	% of the Fund's Holding Realised	Total Realisation Amount	IRR% p.a.	Money Multiple
Full realisation					
TOB	2012	100.0	62.0	-19.7%	0.6
KLB	2013	100.0	347.4	19.4%	1.5
BKM & BKS^	2015	100.0	79.4	-29.1%	0.5
SF^	2015	100.0	21.0	-5.4%	0.8
ACG	2016	100.0	61.8	9.0%	1.5
APIIT & Tenby^	2017	100.0	848.3	21.9%	2.0
UNITAR & Cosmopoint#	2017	100.0	172.5	-4.4%	0.7
RV#	2017	100.0	122.1	11.3%	1.8
Tranglo	2018	100.0	114.9	26.9%	2.0
Medix & PMCare	2018	100.0	246.8	40.9%	2.8
APIIT Lanka^	2019	100.0	42.1	9.6%	1.6
PrimaBaguz*	2019	100.0	151.1	20.8%	3.6
Partial realisation					
ICON^	2014	89.1	645.5	25.5%	1.7
ICON*	2019	N/A	191.4	3.7%	1.1
Total proceeds from realisation			3,106.3		

* Realisation was completed in 2020
^ Realisation at fund level across multiple funds
Transferred to Ekuinas Direct (Tranche III) Fund

INVESTMENT PERFORMANCE REPORT

4. Portfolio Companies' Performance

Portfolio Companies' Performance - Combined Revenue and EBITDA

	Revenue (RM million)			EBITDA (RM million)*		
	2019 A	2018 B	% Growth A - B	2019 A	2018 B	% Growth A - B
Education Group	91.2	95.1	-4.1%	4.9	-3.0	>100.0%
Food Group	267.5	278.5	-4.0%	33.6	27.8	20.9%
ICON	201.1	199.7	0.7%	69.9	64.9	7.7%
Orkim	182.0	188.9	-3.7%	98.9	103.3	-4.2%
Al-Ikhsan	332.4	285.4	16.5%	31.1	24.1	29.1%
Manufacturing Group	336.2	503.3	-33.2%	36.1	76.4	-52.7%
Exabytes	69.4	55.4	25.3%	15.0	9.2	63.0%
Combined Portfolio Companies	1,479.8	1,606.4	-7.9%	289.5	302.7	-4.3%

* EBITDA figures exclude any non-recurring and exceptional items

INVESTMENT PERFORMANCE REPORT

5. Fund Performance

5.1 Ekuinas Direct (Tranche II) Fund

a. Fund Net Assets Value (NAV) as at 31 December 2019

	2018 RM million	Movement RM million	2019 RM million
A. Capital Commitment	1,000.0	-	1,000.0
B. Capital Called	1,065.1	40.8	1,105.9
C. Capital Reinvested	4.8	5.4	10.2
D. Total Capital Contributed (B+C)	1,069.9	46.3	1,116.1
E. Debt Drawdown (Amortised Cost)	85.0	(10.0)	75.0
F. Total Capital Invested (D+E)	1,154.9	36.3	1,191.1
Plus Increases/(Decreases) to Net Assets Value:			
Dividend Income	17.3	0.2	17.5
Net Unrealised Gain on Fair Value of Investments	277.7	84.1	361.8
Realised Gain from Divestments	188.2	3.0	191.2
Net Interest Income	6.9	5.5	12.4
Total Gross Portfolio Return	490.1	92.8	582.9
Organisational Expenses	(195.2)	(31.7)	(226.8)
Capital Distributions to Limited Partners (C+H)*	(552.4)	(20.7)	(573.1)
Net Increase/(Decrease) in Net Assets Value	(257.5)	40.4	(217.1)
G. Net Assets Value	897.4	76.7	974.1
Net Assets Value made up of:			
Investments - at cost	680.6	(20.2)	660.4
Net Unrealised Gain on Fair Value of Investments	277.7	84.1	361.8
Investments carried at Fair Value	958.3	63.9	1,022.2
Plus: Cash Balance	17.0	21.4	38.4
Plus: Working Capital	(77.9)	(8.6)	(86.5)
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	897.4	76.7	974.1
Net Assets Value	897.4	76.7	974.1
H. Capital Distributed	547.6	15.3	562.9
Total Net Assets Value plus Distributed Capital (G+H)	1,445.0	92.0	1,536.9
Gross IRR p.a.	14.0%		13.5%
Net IRR p.a. (before carried interest)	9.8%		9.6%

* Includes deemed distribution for reinvested capital

INVESTMENT PERFORMANCE REPORT

b. Ekuinas Direct (Tranche II) Fund Portfolio Performance as at 31 December 2019

Company	Stake %	Cost of Investment# RM million
Investment:		
ICON	9.6	51.1
ICON*	-	150.0
PrimaBaguz*	100.0	40.0
RV	-	10.0
Coolblog	60.0	45.8
Orkim	95.5	321.8
		618.7
Divestment:		
BKS	100.0	47.2
BKM	20.9	52.6
ICON	7.8	76.6
SF	-	5.0
Tenby	70.0	70.0
Tranglo	60.0	52.8
APIIT Lanka	45.9	20.3
		324.4
Total		943.1

Cost of investment represents amount of committed investment utilised, net of financing

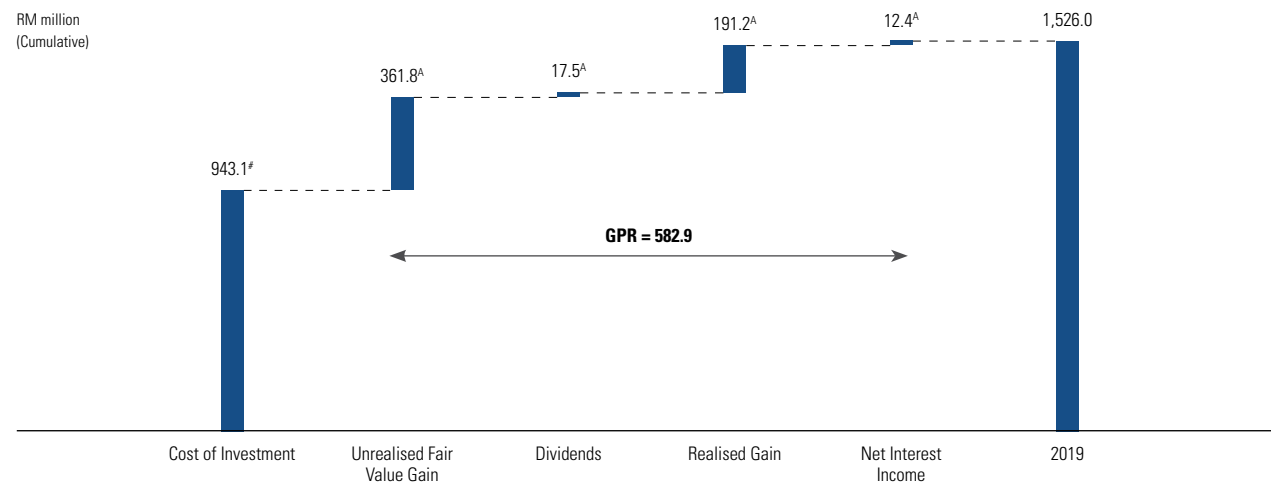
* Realisation was completed in 2020

GROSS PORTFOLIO RETURN		TOTAL PORTFOLIO VALUE
RM582.9 MILLION		RM1.5 BILLION
		IRR %
Dividend Income	Increase in Fair Value	Gross IRR
RM17.5 million	RM361.8million	13.5 % P.A.
Gain on Divestment	Net Interest Income	Net IRR
RM191.2 million	RM12.4 million	9.6 % P.A.

INVESTMENT PERFORMANCE REPORT

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

PORTFOLIO VALUE TO DATE OF RM1,526.0 MILLION

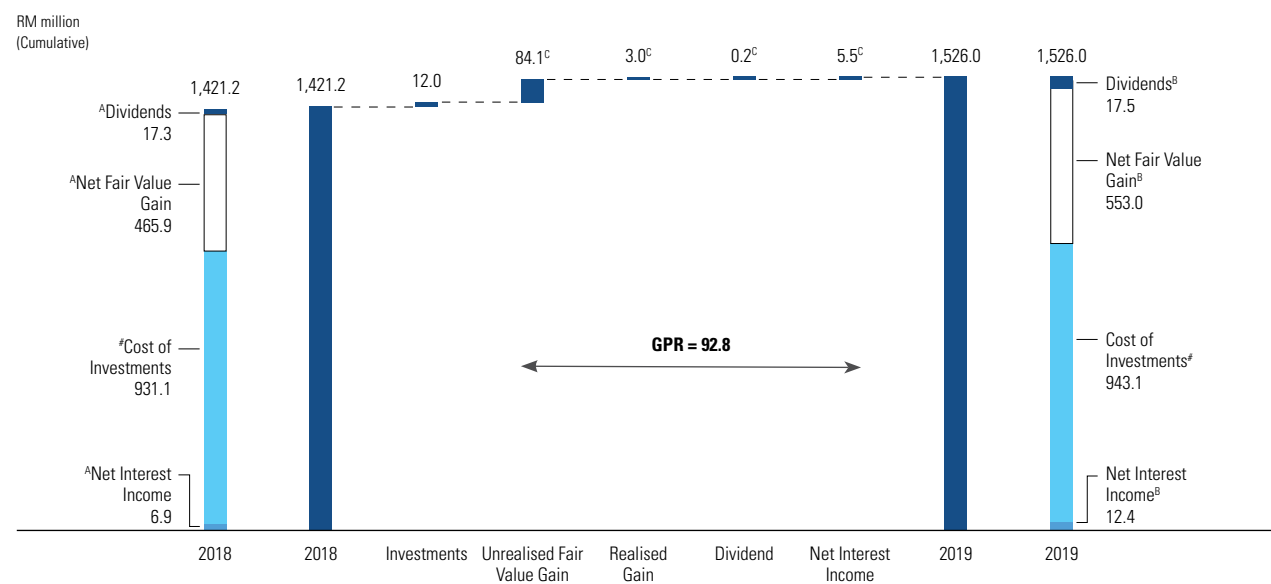


^A These numbers combined make up to cumulative Gross Portfolio Return for 2019 of RM582.9 million

[#] Net of financing

d. Ekuinas Direct (Tranche II) Fund Portfolio Value Movement as at 31 December 2019

GROSS PORTFOLIO GAIN FOR THE YEAR OF RM92.8 MILLION



^A These numbers combined make up to cumulative Gross Portfolio Return for 2018 of RM490.1 million

^B These numbers combined make up to cumulative Gross Portfolio Return for 2019 of RM582.9 million

^C These numbers combined make up to movement for the year of RM92.8 million

[#] Net of financing

INVESTMENT PERFORMANCE REPORT

5.2 Ekuinas Direct (Tranche III) Fund

a. Fund Net Assets Value (NAV) as at 31 December 2019

	2018 RM million	Movement RM million	2019 RM million
A. Capital Commitment	1,500.0	-	1,500.0
B. Capital Called	988.7	6.7	995.4
C. Capital Reinvested	10.8	23.1	33.9
D. Total Capital Contributed (B+C)	999.5	29.8	1,029.3
E. Debt Drawdown (Amortised Cost)	205.0	(15.0)	190.0
F. Total Capital Invested (D+E)	1,204.5	14.8	1,219.3
Plus Increases/(Decreases) to Net Assets Value:			
Dividend Income	50.7	(9.8)	40.9
Net Unrealised Gain/(Loss) on Fair Value of Investments	28.5	(390.0)	(361.5)
Realised Gain/(Loss) from Divestment	(21.0)	183.8	162.8
Net Interest Expenses	(4.7)	(8.0)	(12.7)
Total Gross Portfolio Return	53.5	(224.0)	(170.5)
Organisational Expenses	(181.6)	(16.2)	(197.8)
Capital Distributions to Limited Partners (C+H)*	(127.0)	(23.1)	(150.1)
Net Decrease in Net Assets Value	(255.1)	(263.3)	(518.4)
G. Net Assets Value	949.4	(248.4)	701.0
Net Assets Value made up of:			
Investments - at cost	1,010.1	(8.1)	1,002.0
Net Unrealised Gain/(Loss) on Fair Value of Investments	28.5	(390.0)	361.5
Investments carried at Fair Value	1,038.6	(398.1)	640.4
Plus: Cash Balance	7.3	17.0	24.3
Plus: Working Capital	(61.5)	132.7	71.2
Plus: Uncalled Capital	(35.0)	-	(35.0)
Equals Net Assets Value	949.4	(248.4)	701.0
Net Assets Value	949.4	(248.4)	701.0
H. Capital Distributed	116.3	-	116.3
Total Net Assets Value plus Distributed Capital (G+H)	1,065.7	(248.4)	817.3
Gross IRR p.a.	4.5%		-10.8%
Net IRR p.a. (before carried interest)	N/M[#]		N/M[#]

* Includes deemed distribution for reinvested capital

[#] Not presented as capital is still being deployed

INVESTMENT PERFORMANCE REPORT

b. Ekuinas Direct (Tranche III) Fund Portfolio Performance as at 31 December 2019

Company	Stake %	Cost of Investment [#] RM million
Investment:		
ILMU	-	13.8
Al-Ikhsan	35.0	67.3
ICON*	-	20.0
Davex	100.0	76.5
RV	85.8	133.4
Cosmopoint	90.0	54.7
UNITAR	90.0	109.2
ICON	32.7	100.1
FVG	70.0	52.5
Exabytes	45.4	73.6
		701.0
Divestment:		
ILMU	-	136.2
Medix & PMCare	60.0	79.8
		216.0
Total		917.0

[#] Cost of investment represents amount of committed investment utilised, net of financing

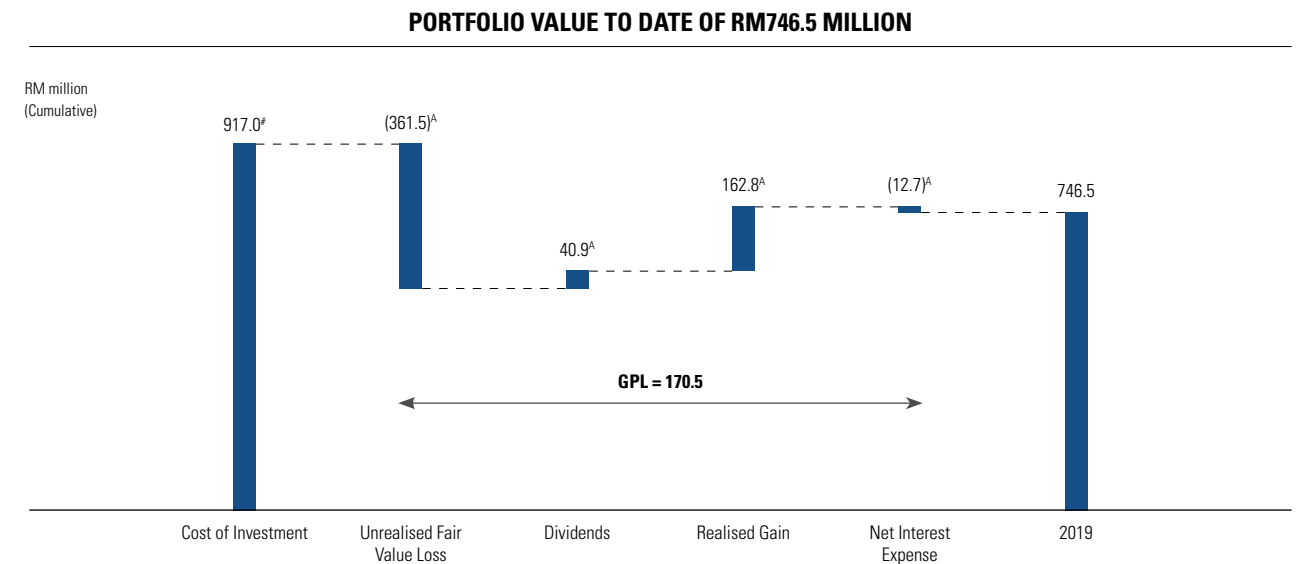
* Realisation was completed in 2020

GROSS PORTFOLIO LOSS		TOTAL PORTFOLIO VALUE	
RM 170.5 MILLION		RM 0.7 BILLION	
Dividend Income	Decrease in Fair Value	IRR %	Gross IRR
RM 40.9 MILLION	RM 361.5 MILLION		-10.8 % P.A.
Gain on Divestment	Net Interest Expense	Net IRR	N/M*
RM 162.8 MILLION	RM 12.7 MILLION		

* Not presented as capital is still being deployed

INVESTMENT PERFORMANCE REPORT

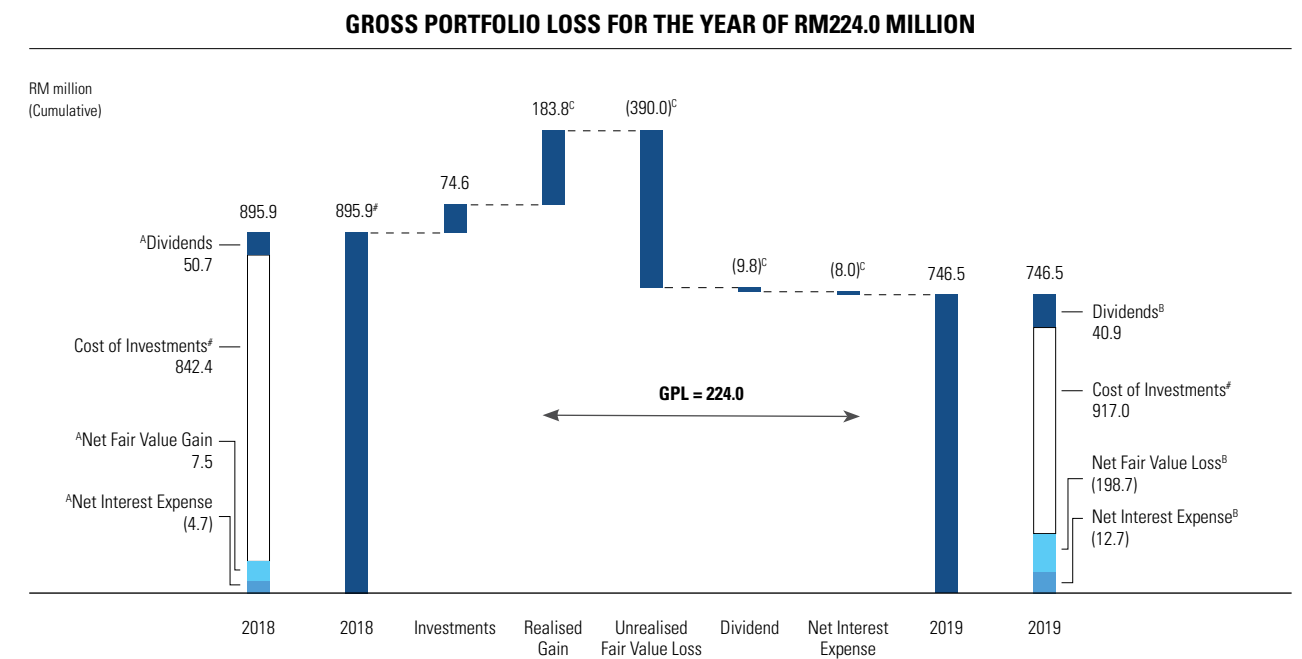
c. Ekuinas Direct (Tranche III) Fund Accumulated Portfolio Value Enhancement



^A These numbers combined make up to cumulative Gross Portfolio Loss for 2019 of RM170.5 million

[#] Net of financing

d. Ekuinas Direct (Tranche III) Fund Portfolio Value Movement as at 31 December 2019



^A These numbers combined make up to cumulative Gross Portfolio Return for 2018 of RM53.5 million

^B These numbers combined make up to cumulative Gross Portfolio Loss for 2019 of RM170.5 million

^C These numbers combined make up to movement for the year of RM224.0 million

[#] Net of financing

INVESTMENT PERFORMANCE REPORT

6. Distribution

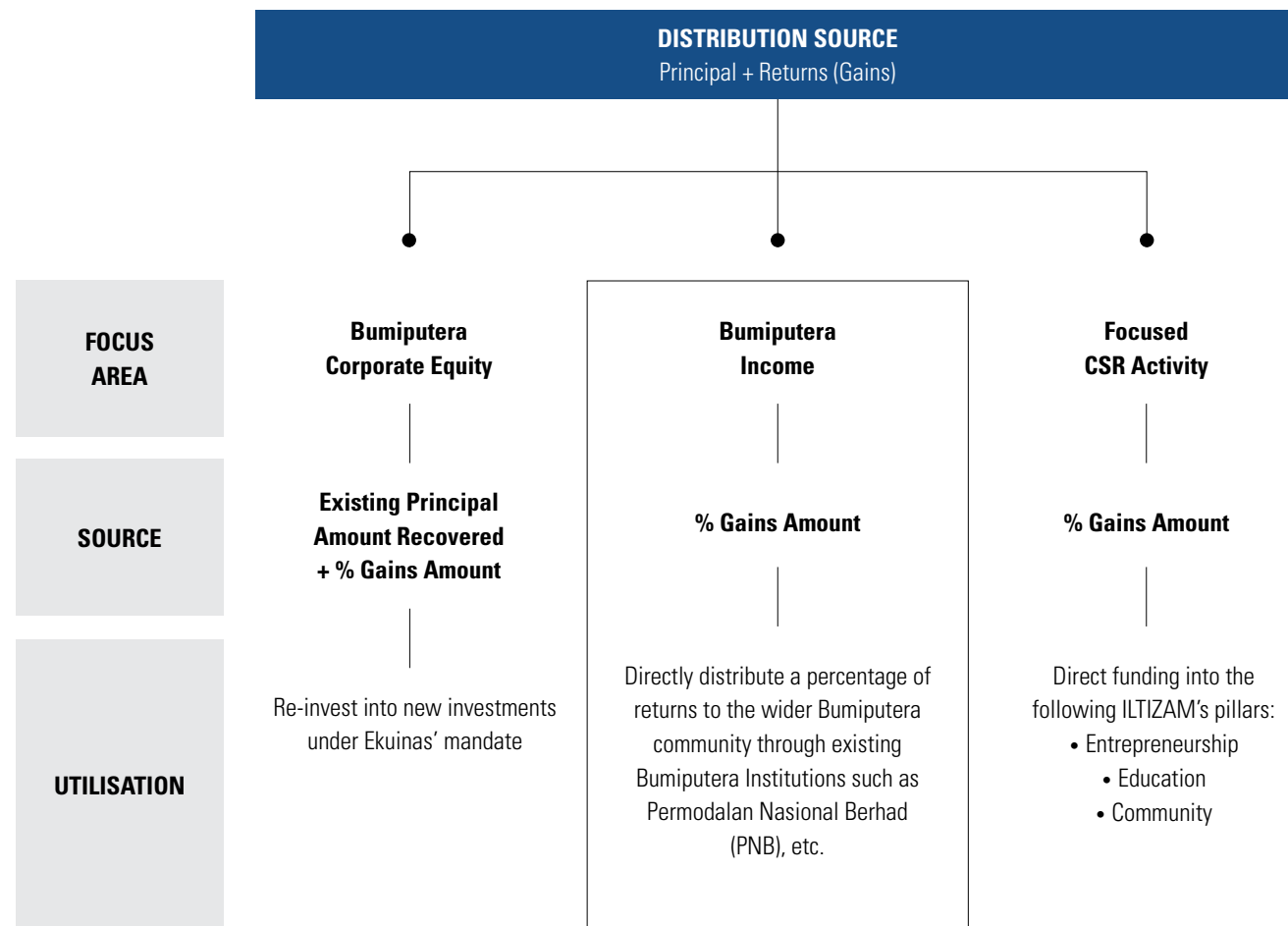
Committed Amount

RM500.0 million

Distributed Amount as at 31 December 2019












RM200.0 million

DISTRIBUTION FRAMEWORK



INVESTMENT PERFORMANCE REPORT

A SNAPSHOT OF OUR PORTFOLIO COMPANIES

<div></div> <div>COSMOPPOINT GROUP</div> <div>Investment type Majority investment in a strong Malaysian company</div> <div>Acquisition date March 2012</div> <div>Ownership 90.0%</div>	<div></div> <div>UNITAR INTERNATIONAL UNIVERSITY</div> <div>Investment type Majority investment in a strong Malaysian company</div> <div>Acquisition date May 2012</div> <div>Ownership 100.0%</div>	<div></div> <div>REVENUE VALLEY SDN BHD</div> <div>Investment type Majority investment in a strong Malaysian company</div> <div>Acquisition date January 2012</div> <div>Ownership 85.8%</div>	
<div></div> <div>ICON OFFSHORE BHD</div> <div>Investment type Majority investment in a strong Malaysian company</div> <div>Acquisition date November 2012, merger of TKS and Omni</div> <div>Ownership 57.4%</div> <div>Partial divestment June 2014</div>	<div></div> <div>DAVEX (MALAYSIA) SDN BHD</div> <div>Investment type Majority investment in a strong Malaysian company</div> <div>Acquisition date December 2017</div> <div>Ownership 100.0%</div>	<div></div> <div>PRIMABAGUZ SDN BHD</div> <div>Investment type Majority investment in a strong Malaysian company</div> <div>Acquisition date November 2013</div> <div>Ownership 100.0%</div> <div><i>Divestment was completed in 2020</i></div>	<div></div> <div>ORKIM SDN BHD</div> <div>Investment type Buy-out of non-core assets of GLC</div> <div>Acquisition date December 2014</div> <div>Ownership 95.5%</div>
<div></div> <div>FLEXI VERSA GROUP SDN BHD</div> <div>Investment type Majority investment in a strong Malaysian company</div> <div>Acquisition date April 2018</div> <div>Ownership 70.0%</div>	<div></div> <div>COOLBLOG DESSERTS SDN BHD</div> <div>Investment type Majority investment in a strong Malaysian company</div> <div>Acquisition date July 2014</div> <div>Ownership 60.0%</div>	<div></div> <div>AL-IKHSAN SPORTS SDN BHD</div> <div>Investment type Investment in a strong Malaysian company</div> <div>Acquisition date July 2016</div> <div>Ownership 35.0%</div>	<div></div> <div>EXABYTES CAPITAL GROUP SDN BHD</div> <div>Investment type Investment in a strong Malaysian company</div> <div>Acquisition date March 2019</div> <div>Ownership 45.4%</div>

INVESTMENT PERFORMANCE REPORT

EDUCATION GROUP



INVESTMENT PERFORMANCE REPORT

INVESTMENT RATIONALE

- Sizeable industry with strong growth potential
- Education groups that have solid performance track record

COSMOPPOINT GROUP

Investment type: Majority investment in a strong Malaysian company	Acquisition date: March 2012	Ownership: 90.0%
------------------------------------------------------------------------------	----------------------------------------	----------------------------

- Established: 1991
- Locations: Kuala Lumpur + 11 colleges nationwide
- Type of education: Tertiary
- Specialises in: Marketable industry-relevant courses that include IT, Business Management, Culinary Arts and Multimedia
- Student population: More than 3,500

UNITAR INTERNATIONAL UNIVERSITY

Investment type: Majority investment in a strong Malaysian company	Acquisition date: May 2012	Ownership: 100.0%
------------------------------------------------------------------------------	--------------------------------------	-----------------------------

- Established: 1997
- Locations: Selangor + 7 independent regional centres
- Type of education: Tertiary and professional certification courses
- Specialises in: Educational programmes at Foundation, Diploma, Bachelor's, Master's and Doctorate levels as well as professional certification to expand the reach of high-quality learning through our conventional and distance learning programmes
- Student population: Approximately 5,000

	2019 Unaudited RM million	2018 Audited RM million	Growth %
Revenue	91.2	95.1	-4.1
EBITDA before EI	4.9	(3.0)	>100.0
Number of students	8,755	9,440	-7.3

EI: Extraordinary items

INVESTMENT PERFORMANCE REPORT

FOOD GROUP



INVESTMENT PERFORMANCE REPORT

INVESTMENT RATIONALE

- Investment in strong F&B brands
- Investment in F&B industry, driven by growth in consumer spending
- Immediate regional presence with outlet operations in Malaysia, Singapore and Thailand
- Experienced management team and opportunity to develop young professional managers

REVENUE VALLEY SDN BHD



Investment type: Majority investment in a strong Malaysian company	Acquisition date: January 2012	Ownership: 85.8%
------------------------------------------------------------------------------	------------------------------------------	----------------------------

- Established: 2002
- Corporate owned outlets: 43
- Franchise outlets: 31
- Type: Casual dining and Quick Service Restaurants (QSR)

COOLBLOG DESSERTS SDN BHD (COOLBLOG)

Investment type: Majority investment in a strong Malaysian company	Acquisition date: July 2014	Ownership: 60.0%
------------------------------------------------------------------------------	---------------------------------------	----------------------------

- Established: 2007
- Total outlets: More than 270 outlets in Malaysia
- Type: Desserts and beverages in a takeaway kiosk concept

PRIMABAGUZ SDN BHD*

Investment type: Majority investment in a strong Malaysian company	Acquisition date: November 2013	Ownership: 100.0%
------------------------------------------------------------------------------	-------------------------------------------	-----------------------------

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

	2019 Unaudited RM million	2018 Audited RM million	Growth %
Revenue	267.5	278.5	-4.0
EBITDA before EI	33.6	27.8	20.9
Number of outlets	348	342	1.8

EI: Extraordinary items

* Divestment was completed in 2020

INVESTMENT PERFORMANCE REPORT

INVESTMENT RATIONALE

- Strong track record of delivering growth
- Platform for building one of the largest local OSV players

Investment type: Majority investment in a strong Malaysian company	Acquisition date: November 2012, merger of TKS and Omni	Ownership: 57.4%	Partial divestment: June 2014
------------------------------------------------------------------------------	-------------------------------------------------------------------	----------------------------	-----------------------------------------

- Icon Offshore Berhad (ICON) is the largest Offshore Supply Vessel (OSV) provider in Malaysia and one of the largest in Southeast Asia in terms of number of vessels
- The company has 30 vessels operating in waters off Malaysia and Brunei. The vessels have had a history of international operations in six countries within Southeast Asia



	2019 Unaudited RM million	2018 Audited RM million	Growth %
Revenue	201.1	199.7	0.7
EBITDA before EI	69.9	64.9	7.7
PAT before EI	(25.4)	(36.1)	29.6

EI: Extraordinary items

INVESTMENT PERFORMANCE REPORT

INVESTMENT RATIONALE

- Strong operational track record
- Solid company with favourable growth dynamics

Investment type: Buy-out of non-core assets of GLC	Acquisition date: December 2014	Ownership: 95.5%
--------------------------------------------------------------	-------------------------------------------	----------------------------

- Malaysia’s leading Clean Petroleum Product (CPP) tanker companies
- Strong track record of growth with 17 vessels under ownership and management and five currently under construction
- Transports CPP from refineries to various oil storage terminals throughout the country and currently has an estimated 40.0% market share



	2019 Unaudited RM million	2018 Audited RM million	Growth %
Revenue	182.0	188.9	-3.7
EBITDA before EI	98.9	103.3	-4.2

EI: Extraordinary items

INVESTMENT PERFORMANCE REPORT

INVESTMENT RATIONALE

- Investment in a leading multi-brand sports retailer in Malaysia with >35% market share
- Opportunities for growth in profitability through operational improvement and sales growth

Investment type: Investment in a strong Malaysian company	Acquisition date: July 2016	Ownership: 35.0%
---------------------------------------------------------------------	---------------------------------------	----------------------------

- Al-Ikhsan is a leading multi-brand sports retailer in Malaysia with 127 corporate-owned outlets. The company retails sports equipment, apparel and footwear from major brands such as Adidas, Nike, Puma, Asics and Lotto
- Al-Ikhsan is the principal owner of the brand AL Sports and markets various sports goods under the trademark AL logo

AL-IKHSAN SPORTS SDN BHD



	2019 Unaudited RM million	2018 Audited RM million	Growth %
Revenue	332.4	285.4	16.5
EBITDA before EI	31.1	24.1	29.1

EI: Extraordinary items

INVESTMENT PERFORMANCE REPORT

INVESTMENT RATIONALE

- Investment into the fast growing luminaire market
- Regional player with strong market presence

Investment type: Majority investment in a strong Malaysian company	Acquisition date: December 2017	Ownership: 100.0%
------------------------------------------------------------------------------	-------------------------------------------	-----------------------------

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

DAVEX (MALAYSIA) SDN BHD



	2019 Unaudited RM million	2018 Audited RM million	Growth %
Revenue	103.4	230.0	> -100.0
EBITDA before EI	(1.0)	35.4	> -100.0

EI: Extraordinary items

INVESTMENT PERFORMANCE REPORT

INVESTMENT RATIONALE

- Strong relationship with large Original Equipment Manufacturers (OEM)
- Diverse manufacturing capabilities with wide regional footprint

Investment type: Majority investment in a strong Malaysian company	Acquisition date: April 2018	Ownership: 70.0%
------------------------------------------------------------------------------	----------------------------------------	----------------------------

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

FLEXI VERSA GROUP SDN BHD



	2019 Unaudited RM million	2018 Audited RM million	Growth %
Revenue	232.9	273.3	-14.8
EBITDA before EI	37.2	41.2	-9.7

EI: Extraordinary items

INVESTMENT PERFORMANCE REPORT

INVESTMENT RATIONALE

- Platform to be the Southeast Asian market leader in the internet hosting and SME cloud space
- Strong future industry growth prospects driven by corporate digitalisation and expansion of the internet economy

Investment type: Investment in a strong Malaysian company	Acquisition date: March 2019	Ownership: 45.4%
---------------------------------------------------------------------	----------------------------------------	----------------------------

- Exabytes was founded in 2001 as an internet hosting company and has since extended its product range to providing cloud solutions
- Market leader in Malaysia and a leading player in Singapore and Indonesia, combined with over 140,000+ active SME customers, 60,000+ hosting accounts and 100,000+ domains under management

EXABYTES CAPITAL GROUP SDN BHD



	2019 Unaudited RM million	2018 Audited RM million	Growth %
Revenue	69.4	55.4	25.3
EBITDA before EI	15.0	9.2	63.0

EI: Extraordinary items

INVESTMENT PERFORMANCE REPORT SUCCESS STORIES

APIIT LANKA

BACKGROUND

Established in 2000, APIIT Lanka is an international collaboration between Asia Pacific University of Technology and Innovation (APIIT Group) and ExpoLanka Holdings PLC that focused on training students in Business Management and Computing / Information Technology. APIIT Lanka also has links to a wide range of reputable universities in the United Kingdom and Australia, making it one of the top private universities in Sri Lanka.



INVESTMENT DETAILS

Ekuinas acquired 83.5% stake in APIIT Lanka Pvt Ltd (APIIT Lanka) in December 2013.

INVESTMENT RATIONALE

1. The investment in APIIT Lanka was a follow-on investment through APIIT Group to expand Ekuinas' education portfolio.
2. APIIT Lanka is a leading provider of private tertiary education in Sri Lanka, offering degrees and postgraduate qualifications awarded by Staffordshire University, UK across various disciplines.

PERFORMANCE

In 2013, Ekuinas saw APIIT Lanka as an opportunity to support its then portfolio company, APIIT Group to expand its presence overseas. The resonance of their focus as an education provider with a strong technology core added to the synergies. In addition to APIIT Lanka's strong brand recall and positioning within the growing Sri Lankan market, the investment in APIIT Lanka also opened the door for the Group to enter a high growth market.

Throughout Ekuinas' ownership, APIIT Lanka went through a successful period of investment review and revalidation of its education provision. After which, it adopted a revised and improved curricula for the degrees offered and obtained approval to offer several new degrees namely, BSc (Hons) Information Systems, BA (Hons) Tourism Management, BA (Hons) Events Management, MSc Islamic Finance and Accounting, MSc Information Systems and LL.M International Business Law.

Given the strength of APIIT Lanka's reputation in Sri Lanka, Ekuinas' strategy to strengthen the business by identifying other parts of Sri Lanka for expansion bore fruit. After much consideration, the new campus in Kandy was launched in 2018 which gave the college a platform to scale its business in several ways from increasing the overall student intake by venturing into a market with high demand for tertiary education to growing the number of programmes offered.

Other value creation initiatives that Ekuinas executed to improve its offerings to students were investment in new equipment, in particular for the School of Computing that is in line with updates in technology, as well as enhance students' employability by making industrial placements mandatory.

Prior to its divestment, APIIT Lanka recorded consistent growth throughout the duration of Ekuinas' investment. It generated a revenue of RM18.2 million and earnings before interest, taxes, depreciation, and amortisation (EBITDA) of RM8.8 million in FY2018, which was an increase of 26.3% and 66.9% from 2013, respectively.

DIVESTMENT DETAILS

In July 2019, Ekuinas, together with its minority partners, divested its entire equity interest in APIIT Lanka based on an enterprise value of approximately RM41.0 million, to BG Investments Pte Ltd (BG Investments). The divestment generated a Gross Internal Rate Return (IRR) of 17.7% and a money multiple of 2.2 times the capital invested.

INVESTMENT PERFORMANCE REPORT SUCCESS STORIES

PrimaBaguz

BACKGROUND

Established in 1987, PrimaBaguz is a manufacturer of premium and high-quality halal meat-based products such as sausages, cold cuts, meatballs, pizza toppings, patties, soup, sauces and gravies. The company works closely and supplies to, many local and global food industry players who are primarily in the quick service restaurants (QSR), hotels, restaurants and caterers (HORECA), and wholesaler industries.

Today, PrimaBaguz produces over 100 products and caters to more than 15 brands and customers in Malaysia and 10 other countries.



INVESTMENT DETAILS

In October 2013, Ekuinas acquired 100% stake in Primabaguz Sdn Bhd (PrimaBaguz) for a total investment of RM40.0 million.

INVESTMENT RATIONALE

PrimaBaguz is the market leader in premium halal processed meat segment and the leading supplier to major quick service restaurants (QSR) such as Subway, Pizza Hut, Domino's Pizza and Burger King.

Through PrimaBaguz, Ekuinas was able to own market share in the significant and growing domestic halal processed food market, and the favourable industry outlook driven by Malaysia's QSR market and the potential for export growth.

PERFORMANCE

Over the investment period, the Value Creation Plan (VCP) focused on specific initiatives that would capitalise on PrimaBaguz's strengths and position as well as transform specific aspects of the business and operations to accelerate the company's advancement and market share.

Under the VCP, PrimaBaguz went through several transformation initiatives including capacity improvements and operational enhancements, diversification of the product manufacturing lines to cater to product customisation required by various clients and strategic supplier partnerships with popular fast food chains, as well as strengthening its management team.

The improvements were fundamental to the fast-tracked expansion of PrimaBaguz's customer footprint locally and regionally which translated to a revenue increase of 75.0% since our entry.

The company's growth trajectory and achievements did not go unnoticed, which was evident by the number of bids Ekuinas received that attracted the interest of a number of local (including Bumiputera parties) and international parties.

DIVESTMENT DETAILS

Ekuinas divested its entire equity stake of 100.0% shareholding in PrimaBaguz to Johnsonville International LLC (Johnsonville), based on the enterprise value of RM175.0 million. The divestment generated an Internal Rate Return (IRR) of 20.8% and money multiple of 3.6 times the capital invested.





INVESTMENT PERFORMANCE REPORT

C) OUTSOURCED PROGRAMME

1. Fund Overview

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

2. Appointed Outsourced Fund Managers (OFMs)

 NAVIS CAPITAL PARTNERS Fund Name Navis Malaysia Growth Opportunities Fund 1, L.P.	 TAEL PARTNERS Fund Name Tael Tijari (OFM) L.P.	 RM CAPITAL PARTNERS (RMCP) Fund Name RMCP One Sdn Bhd	 COPE PRIVATE EQUITY Fund Name COPE Opportunities 3 Sdn Bhd
Fund Size RM301.9 million	Fund Size RM101.0 million	Fund Size RM109.1 million	Fund Size RM80.0 million

INVESTMENT PERFORMANCE REPORT

3. Investment Activities

a. Cumulative Outsourced Programme Investment Activities as at 31 December 2019

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

* Includes follow-on investments

INVESTMENT PERFORMANCE REPORT

4. Fund Performance

4.1 Ekuinas Outsourced (Tranche I) Fund

Fund Net Assets Value (NAV) as at 31 December 2019

	2018 RM million	Movement RM million	2019 RM million
A. Capital Commitment	400.0	-	400.0
B. Capital Called	307.7	-	307.7
C. Capital Reinvested	26.0	3.3	29.4
D. Total Capital Contributed (B+C)	333.7	3.3	337.0
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	333.7	3.3	337.0
Plus Increases/(Decreases) to Net Assets Value:			
Dividend Income	-	-	-
Net Unrealised Gain on Fair Value of Investments	83.6	51.2	134.8
Realised Gain from Divestment	9.9	-	9.9
Interest Income/(Expenses)	-	-	-
Total Gross Portfolio Return	93.5	51.2	144.7
Organisational Expenses	(13.7)	-	(13.7)
General Partner's Incentive	-	(2.1)	(2.1)
Capital Distributions to Limited Partners (C+H)*	(171.9)	(3.3)	(175.2)
Net Increase/(Decrease) in Net Assets Value	(92.2)	45.8	(46.3)
G. Net Assets Value	241.5	49.1	290.6
Net Assets Value made up of:			
Investments - at cost	145.1	(33.5)	111.6
Net Unrealised Gain on Fair Value of Investments	83.6	51.2	134.8
Investments carried at Fair Value	228.7	17.7	246.4
Plus: Cash Balance	-	-	-
Plus: Working Capital	12.9	31.5	44.4
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	241.5	49.1	290.6
Net Assets Value			
H. Capital Distributed	145.9	-	145.9
Total Net Assets Value plus Distributed Capital (G+H)	387.5	49.1	436.6
Gross IRR p.a.			
Net IRR p.a. (before carried interest)	5.7%		7.4%
	4.8%		6.5%

* Includes deemed distribution for reinvested capital

INVESTMENT PERFORMANCE REPORT

4.2 Ekuinas Outsourced (Tranche II) Fund














Fund Net Assets Value (NAV) as at 31 December 2019

	2018 RM million	Movement RM million	2019 RM million
A. Capital Commitment	240.0	-	240.0
B. Capital Called	93.2	1.3	94.4
C. Capital Reinvested	-	-	-
D. Total Capital Contributed (B+C)	93.2	1.3	94.4
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	93.2	1.3	94.4
Plus Increases/(Decreases) to Net Assets Value:			
Dividend Income	-	-	-
Net Unrealised Loss on Fair Value of Investments	(10.9)	(4.7)	(15.6)
Realised Loss from Divestment	(2.3)	-	(2.3)
Interest Income/(Expenses)	-	-	-
Total Gross Portfolio Loss	(13.2)	(4.7)	(17.9)
Organisational Expenses	(5.7)	(0.0)	(5.7)
Capital Distributions to Limited Partners (C+H)*	-	-	-
Net Decrease in Net Assets Value	(18.9)	(4.7)	(23.7)
G. Net Assets Value	74.2	(3.4)	70.8
Net Assets Value made up of:			
Investments - at cost	84.9	0.3	85.2
Net Unrealised Loss on Fair Value of Investments	(11.0)	(4.7)	(15.6)
Investments carried at Fair Value	73.9	(4.4)	69.6
Plus: Cash Balance	-	-	-
Plus: Working Capital	0.3	0.9	1.2
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	74.2	(3.4)	70.8
Net Assets Value			
H. Capital Distributed	-	-	-
Total Net Assets Value plus Distributed Capital (G+H)	74.2	(3.4)	70.8
Gross IRR p.a.			
Net IRR p.a. (before carried interest)	-4.8%		-5.2%
	-6.5%		-6.6%

* Includes deemed distribution for reinvested capital

INVESTMENT PERFORMANCE REPORT

PORTFOLIO COMPANIES UNDER OUTSOURCED PROGRAMME

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

INVESTMENT PERFORMANCE REPORT

D) SOCIAL OBJECTIVE PERFORMANCE

a. Bumiputera Equity Value and Total Economic Value

Total for Portfolio Companies	BUMIPUTERA			Multiple of Ekuinas' Invested Capital	TOTAL COMPANY			Multiple of Ekuinas' Invested Capital
	Ex Ante	As at 31 Dec	Increase in Bumiputera Value		Ex Ante	As at 31 Dec	Economic Value Created	
2019	2,381.4	5,619.8	5,396.6	1.5x	5,715.2	7,756.3	6,870.8	1.9x
2018	2,367.6	4,940.6	4,976.8	1.5x	5,501.1	7,809.9	6,647.3	2.0x

b. Portfolio Companies - Bumiputera Management and Employees

	Bumiputera Headcount	Total Headcount	% Bumiputera to Total Headcount	% Increase in Bumiputera Headcount from Ex Ante
2019				
Management	242	691	35.0%	23.5%
Employees	9,867	17,162	57.5%	14.1%
2018				
Management	241	592	40.7%	24.9%
Employees	10,120	17,325	58.4%	17.3%

E) EKUITI NASIONAL BERHAD - FUND MANAGEMENT COMPANY

Ekuiti Nasional Berhad (Fund Management Company)	2019 RM million	2018 RM million
Total Funds under Management (FuM)	4,140.0	3,140.0
Operating Expenditure (OPEX)	38.6	43.8
Ratio of OPEX to FuM	0.9%	1.4%
Profit After Tax and Zakat (PAT)	12.8	7.3

FOCUSED

We are focused in our quest to achieve our objectives

GOVERNANCE

- 90 Statement on Corporate Governance
- 100 Statement on Risk Management and Internal Control
- 106 Audit and Risk Management Committee Report
- 110 Disclosure Policy

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

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

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

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



Scan this QR code to view the Governance section on Ekuinas website

STATEMENT ON CORPORATE GOVERNANCE

EKUINAS CORPORATE GOVERNANCE FRAMEWORK

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

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

I TO PROMOTE
greater transparency, accountability and responsiveness;

II TO REINFORCE
long term value creation and strike a balance between risks and returns; 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	Internal Systems & Control
Directors’ Roles and Responsibilities	Internal Audit Framework
Stakeholder Management	Risk Management Framework
Accountability and Audit	External Audit Framework

CODE OF ETHICS

DIRECTORS’ CODE OF ETHICS	EMPLOYEES’ CODE OF ETHICS	SERVICE PROVIDER CODE OF CONDUCT
Fraud & Whistleblowing Policy		
Anti Bribery & Anti Corruption (ABC) Policy		
Disclosure & Dealing in Securities		

STATEMENT ON CORPORATE GOVERNANCE

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

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

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

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

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

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

BOARD RESPONSIBILITIES AND LIMITS OF AUTHORITY

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

- i. The acquisition 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.

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

BOARD COMPOSITION AND BALANCE

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

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

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

Appointments to the Board and Re-election of Directors

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

The NRC establishes and reviews the profiles required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors.

STATEMENT ON CORPORATE GOVERNANCE

When an existing Director chooses to retire, or the need for a new Director arises, the NRC will review the range of expertise, skills and attributes on the Board and the composition of the Board. The NRC will then identify Ekuinas’ needs and prepare a shortlist of candidates with the appropriate profile for nomination or re-nomination. Where necessary, the NRC may seek advice from external search consultants.

The NRC’s membership is purely Non-Executive and the majority are Independent Directors. Details on the scope and functions of the NRC can be found on page 93 in the Statement on Corporate Governance.

BOARD COMMITTEES

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

Audit and Risk Management Committee	Investment Committee
Nomination and Remuneration Committee	CSR Committee

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

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

a. Audit and Risk Management Committee (ARMC)
The Audit and Risk Management Committee comprises three Independent Non-Executive Directors namely: Chairman: Tan Sri Dr Rahamat Bivi Yusoff (effective 24 September 2019) Raja Tan Sri Dato’ Seri Arshad Raja Tun Uda (until 24 September 2019) Members: Tan Sri Dato’ Seri Mohamed Jawhar Hassan Datuk Ali Abdul Kadir
Further details on the TOR and summary of activities of the Audit and Risk Management Committee during the financial year are set out on pages 106 to 109 of this Annual Report.

b. Nomination and Remuneration Committee (NRC)
The NRC comprises two 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 (resigned effective 30 June 2019)
There were two (2) meetings held during the financial year and the attendance record is set out in the table on page 95.

STATEMENT ON CORPORATE GOVERNANCE

Terms of Reference

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

a. Main Functions

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

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

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

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

b. Authority

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

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

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

c. Meetings

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

Summary of Activities in 2019

During the financial year ended 31 December 2019, the NRC undertook a number of key activities as listed below:

- Conducted the annual assessment on the composition and independence of the Independent Directors;
- Reviewed and considered the appointment / contract renewal of Senior Management of Ekuinas;
- Deliberated and made recommendation to the Board on the achievement of Ekuinas Key Performance Indicators (KPI) for FYE2018, Bonus Payout and Merit Increment for 2019; and
- Reviewed the Proposed KPI Framework for the FYE 2019.

c. Investment Committee (IC)

The Investment Committee is made up of members of the Senior Management of the Company and at least 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
- reviewing of the quality and reliability of all financial information in respect of all investments.

d. CSR Committee (CC)

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

The key responsibilities and functions of the CC include:

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

e. Risk Management Committee

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

BOARD MEETINGS

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

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

Attendance at Board and Board Committee Meetings

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

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

Notes

1 ARMC – Audit and Risk Management Committee

2 NRC – Nomination and Remuneration Committee

3 IC – Investment Committee

4 CC – CSR Committee

5 Resigned as a Non-Executive Director effective 30 June 2019. The attendance reflects the number of meetings scheduled during the time the Director held office.

6 Appointed as a Non-Executive Director effective 1 August 2019. The attendance reflects the number of meetings scheduled during the time the Director held office.

STATEMENT ON CORPORATE GOVERNANCE

MAINTAINING AN INDEPENDENT, STRONG AND EFFECTIVE BOARD

Independence and Balance of Power

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

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

The Independent Non-Executive Directors, all of whom are well qualified and outstanding individuals, bring to the Board in-depth knowledge in their respective fields. They do not participate in the day-to-day operations and do not engage in any business dealings or other relationships with Ekuinas to ensure that they are capable of exercising judgement objectively and acting in Ekuinas’ best interest. Profiles of the Board members are highlighted on pages 41-47 of this Annual Report.

Annual Independence Assessment for Independent Directors

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

CODE OF CONDUCT

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

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

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

DIRECTORS’ REMUNERATION

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

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

The details on the aggregate remuneration of Directors for the financial year ended 31 December 2019, with categorisation into appropriate components are as follows:

Remuneration	Total Amount (RM)
Salary/Fees	2,472,607
Other remuneration (e.g. Allowances and other benefits)	640,037

STATEMENT ON CORPORATE GOVERNANCE

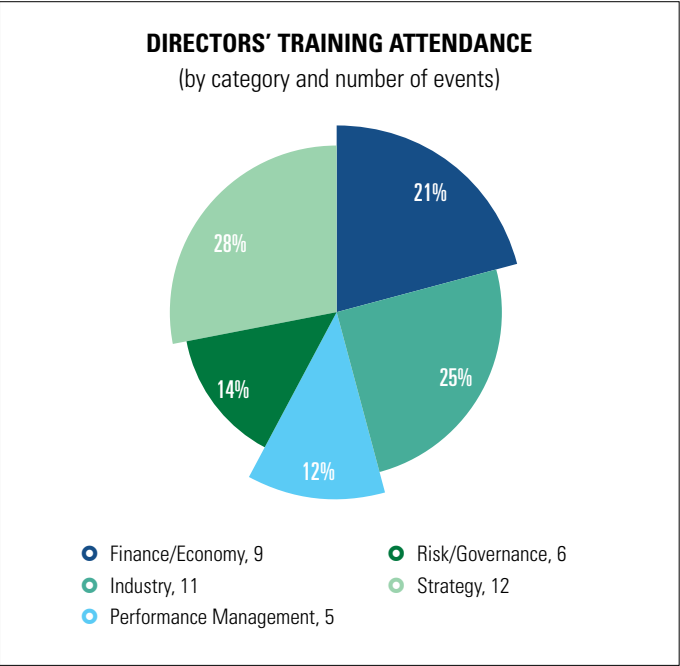
The remuneration paid to Directors during the year, analysed into appropriate ranges is as follows:

Range of remuneration (RM)	Executive Director	Non-Executive Directors
Below RM100,000		2
RM100,000 – RM200,000		4
Above RM1,000,000	1	

DIRECTORS’ TRAINING

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

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 2019 were as follows:



ACCESS TO INFORMATION AND INDEPENDENT ADVICE

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

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

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

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

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

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

INTEGRITY IN FINANCIAL REPORTING

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

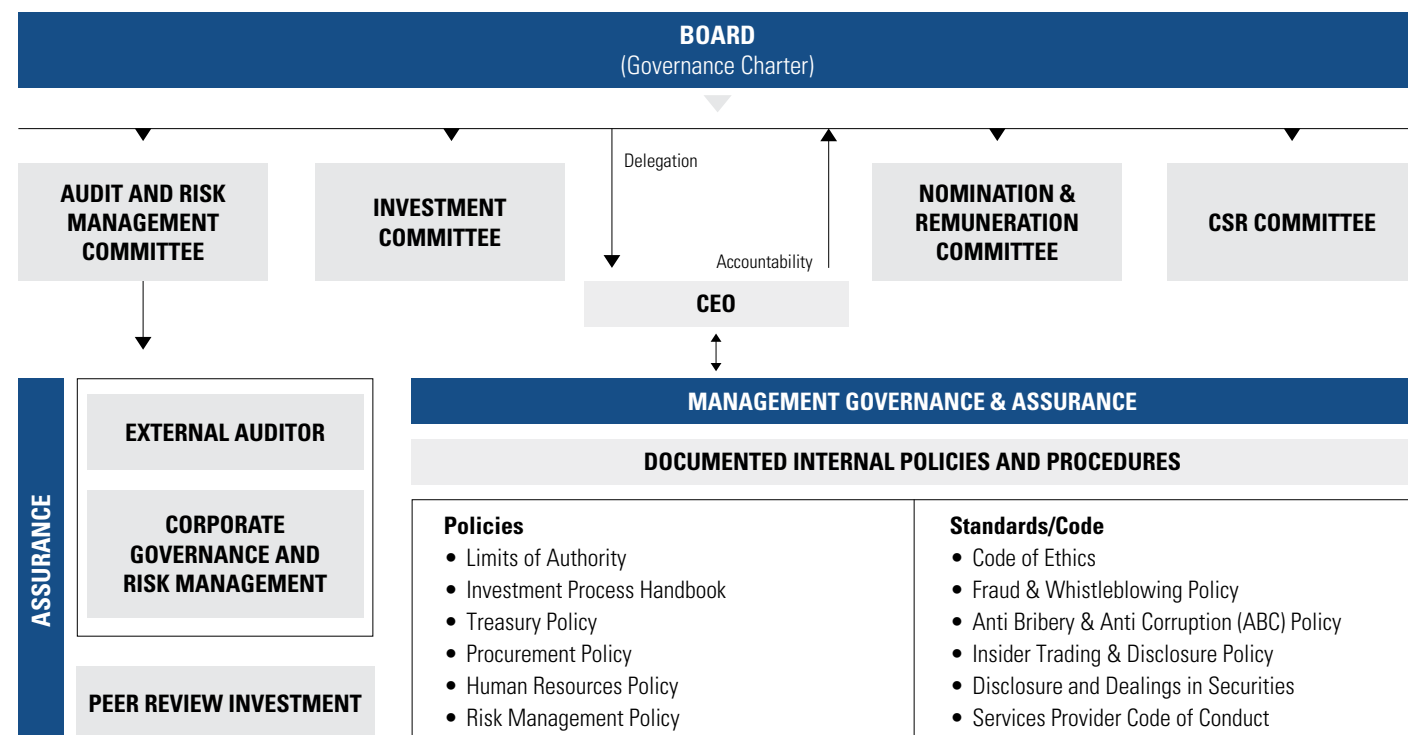
The Audit and Risk Management Committee also meets with the external auditors without the presence of Management, and this is a forum at which the external auditors may raise, among other matters, any concern they may have on the compliance aspect of the financial statements. All accounting standards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

INDEPENDENCE OF EXTERNAL AUDITORS

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

The Board is aware of the potential conflict of interest situation that may arise if the Company's external auditors are engaged to provide other non-audit services to the Company. To mitigate this risk, the Audit and

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



Risk Management Committee reviews the performance, independence and fees of the external auditor. The Company's Annual Report also discloses fees received by the external auditors for non-audit work.

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.

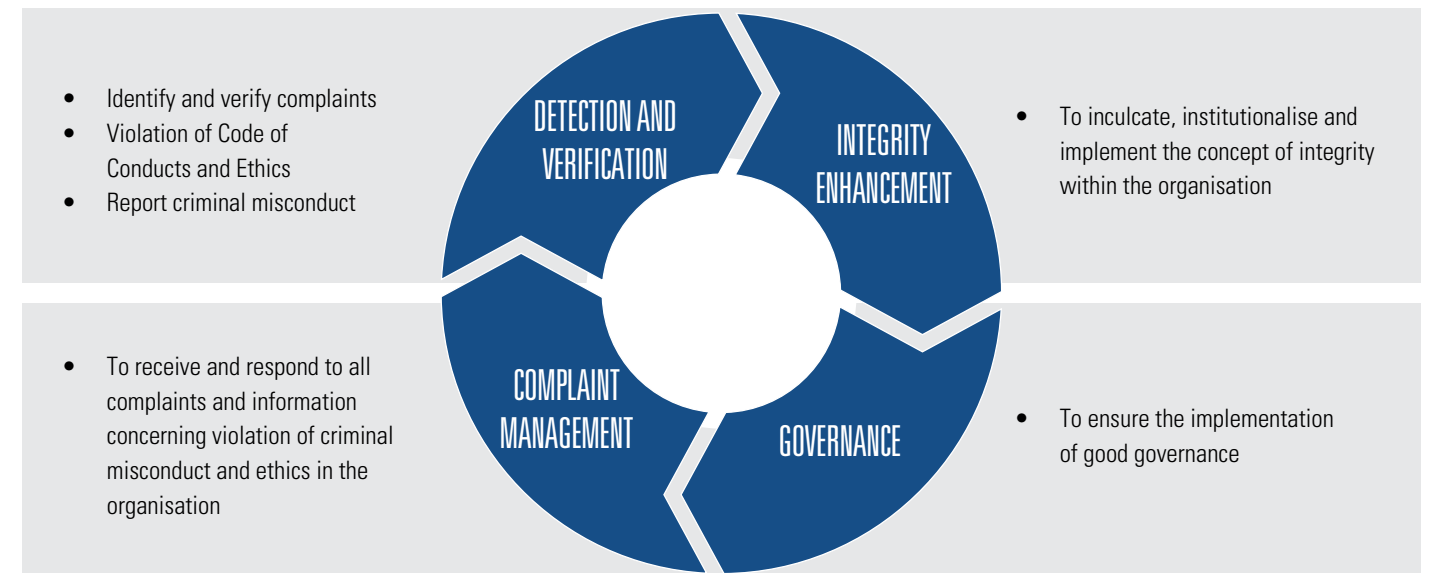
The Statement of Risk Management and Internal Control, which provides an overview of the state of internal controls within the Company, is set out on page 100 of this Annual Report.

Internal Audit Function

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

INTEGRITY AND GOVERNANCE UNIT (IGU)

The board has formalised the establishment of Integrity and Governance Unit (IGU) under the Corporate Governance and Risk Management Department (CGRM) in support of National Anti-Corruption Plan (NACP) to promote greater transparency, accountability and integrity culture. The NACP aims to transform the country towards a nation with integrity and free from corruption. The Board has also approved the appointment of the Head of Corporate Governance and Risk Management (CGRM) as the Integrity Officer for Ekuinas. The IGU is responsible for four key functions as illustrated below and reports quarterly to the Board on matters pertaining to integrity and anti-corruption initiatives:



RELATIONSHIP WITH STAKEHOLDERS

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

information to the stakeholders and general public. The Company is committed to ensure that the general public have convenient access to the information via its website **www.ekuinas.com.my**.

Any query regarding Ekuinas may be conveyed to:

Telephone number : 03-7710 7171

Facsimile number : 03-7710 7173

General Matters

Communications

E-mail: info@ekuinas.com.my

Governance Matters

Corporate Governance & Risk Management

E-mail: governance@ekuinas.com.my

Whistleblowing Channel

Whistleblowing Reports

E-mail: whistleblowing@ekuinas.com.my

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 16 March 2020.

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 (SORMIC) pursuant to paragraph 15.26(b) of Bursa Malaysia’s Main Market Listing Requirements (MMLR). This is to promote good corporate governance and best practices, notwithstanding the fact that the MMLR is not applicable to the Company.

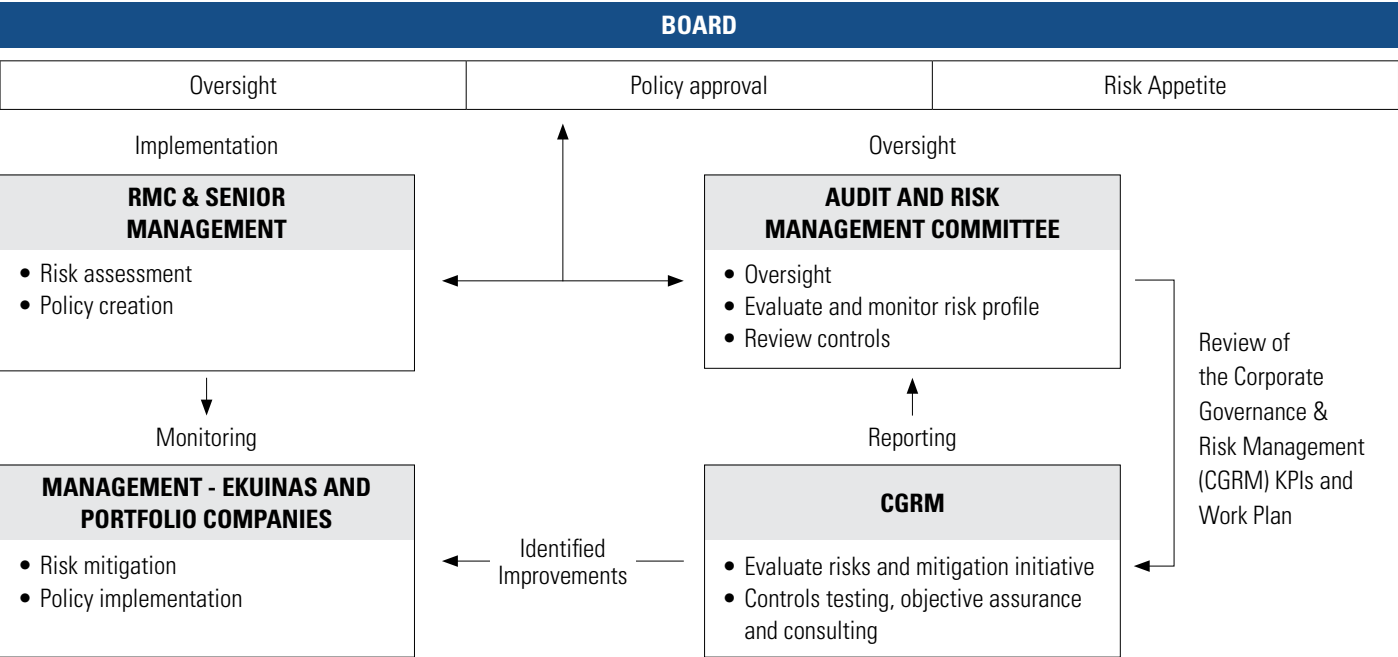
RESPONSIBILITY

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

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

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

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



Risk Management Framework and Policy, the Internal Audit Charter and the Internal Systems and Controls Framework.

Adequacy of Risk Management and Internal Control System

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

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

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

Audit and Risk Management Committee (ARMC)

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

A majority of the ARMC members are Independent Non-Executive members of the Board and 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 assists the Board in discharging its functions with regard to the risk management. While the risk reporting is not purporting to represent every business risk faced by Ekuinas, the objective of the risk reporting is to identify major business risks and outline key steps to mitigate these risks involving Ekuinas as an organisation as well as its portfolio companies.

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

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

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 ARMC and the Board;
- monitor the risk exposure of the Company and portfolio companies and recommend actions where necessary;
- review on a quarterly basis the overall performance of the portfolio companies, initiatives undertaken and major business risks; and
- review any significant risks and exposures that exist and assess the initiatives undertaken by the Management and portfolio companies to mitigate the risks.

In line with the above responsibilities, four (4) RMC meetings were held throughout the financial year 2019. The resulting quarterly Risk Management reports were presented and approved by the ARMC and the Board.

Corporate Governance and Risk Management (CGRM) Department

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

RISK MANAGEMENT AND INTERNAL CONTROL ACTIVITIES

Risk Mitigation Strategies

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Ekuinas' Risks (Company)			
Strategic	Direct Investment	Outsourced Programme	Operational
<ul style="list-style-type: none">External environmentFundingRegulatoryStakeholder	<ul style="list-style-type: none">Deal sourcing and evaluationInvestment performance and managementNon-financial objective	<ul style="list-style-type: none">OFM SelectionOFM PerformanceOFM Management	<ul style="list-style-type: none">Human CapitalTreasuryFinancial Management & ReportingComplianceShared Services
Portfolio Companies' Risks			
Strategic and Market	Business & Financial	Strategic Value Creation	Execution
<ul style="list-style-type: none">External environmentIndustryGovernment & Regulation	<ul style="list-style-type: none">Business operationsCapex and investmentGearing/Debts	<ul style="list-style-type: none">Business ExpansionMergers & Acquisitions	<ul style="list-style-type: none">Human CapitalIT system and processesFinancial Management & ReportingGovernment & Compliance

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

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

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

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

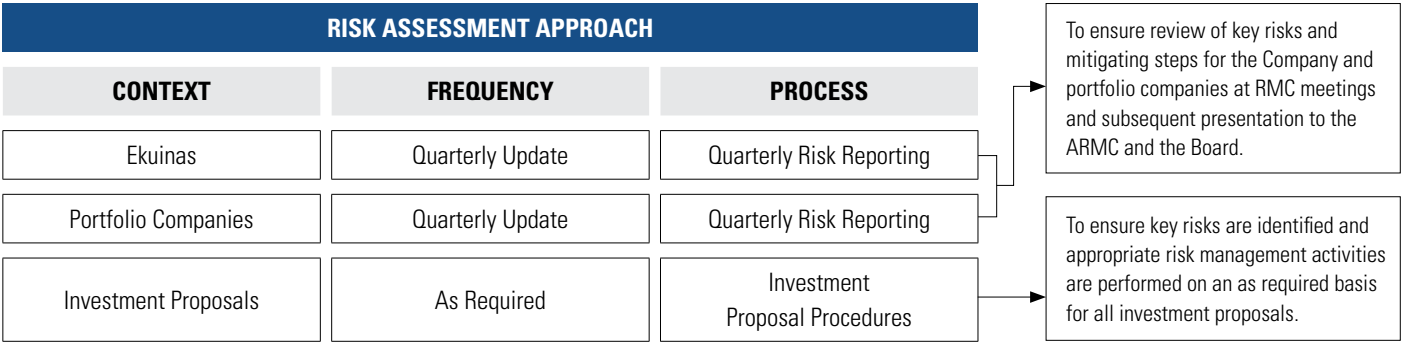
The Investment Framework also incorporates risk management with a rigorous review of risks for all strategic and specific proposal or transactions to ensure risks are identified, analysed, prioritised and managed in a consistent manner. All investments are subject to thorough scrutiny to ensure that 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.

In line with the Strategic Objective 6.2: Greater Corporate Entities Resilience against the Threat of Corruption in the National Anti-Corruption Plan (NACP) and related directive from the Economic Planning Unit, Prime Minister's Department, the Company has introduced an assessment on the Corruption and Bribery Risks as part of the Company's risk management process and reporting. Potential areas where corruption and bribery may occur are identified and risks are mitigated with the existing controls in place and new initiatives such as strengthening the policies relevant to Anti-Bribery and Anti-Corruption matters, conducting briefing for employees and periodic awareness programmes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Reporting

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



Key Internal Control Processes

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

• Board Committees

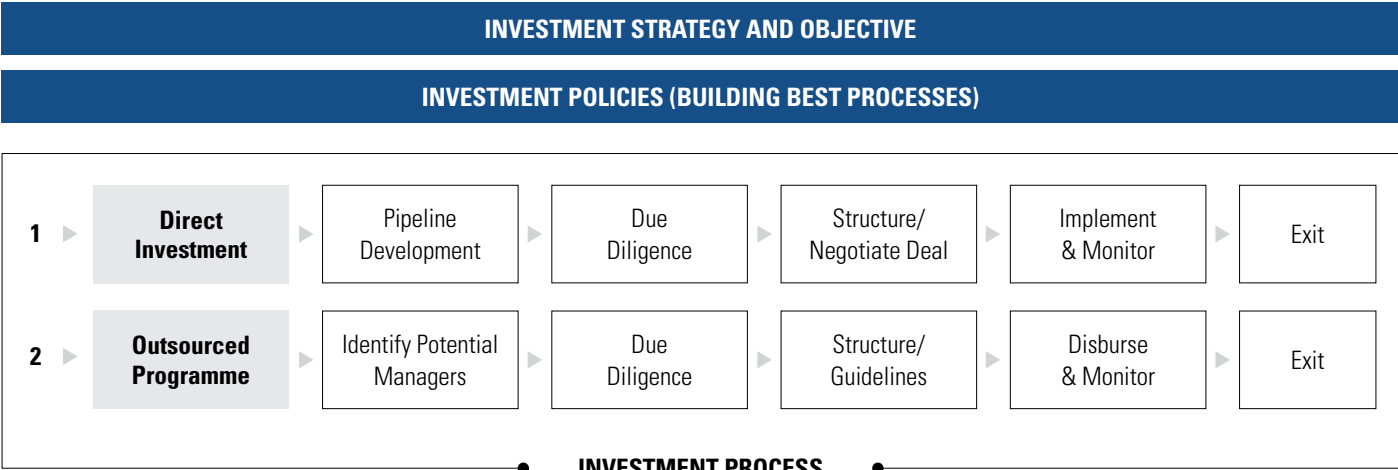
To promote corporate governance and transparency, in addition to the Board, the Company has established the Audit and Risk Management Committee, Nomination and Remuneration Committee, Investment Committee and CSR Committee. These Board Committees are established to assist the Board in providing independent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

• Policies and Standard Operating Procedures (SOP) Framework

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE POLICY AND SOP FRAMEWORK



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

SHARED SERVICES	FINANCE & ACCOUNTING	HUMAN RESOURCES
	Accounting Policies and/or SOP covering: <ul style="list-style-type: none">Fixed Assets (√)Petty Cash (√)Financial Reporting Policy and Procedure (√)Budgeting (√)Payments & Claims (√)Portfolio Investment Fair Valuation Guidelines (√)	HR Policies and/or Procedures covering: <ul style="list-style-type: none">Payroll Management (√)Training & Development (√)Recruitment & Human Capital Planning (√)Performance & Compensation Management (√)Employment Terms Retention Plan (√)Talent Management (√)Employee Relations (√)
	TREASURY	LEGAL
	<ul style="list-style-type: none">Treasury Policy and SOP (√)	<ul style="list-style-type: none">Legal/SOP (√)
	PROCUREMENT & ADMINISTRATION	M.I.S.
	<ul style="list-style-type: none">Procurement Policy and SOP (√)	<ul style="list-style-type: none">IT Policy and SOP (√)
	CORPORATE SOCIAL RESPONSIBILITY (CSR)	COMMUNICATIONS
	<ul style="list-style-type: none">CSR Policy and SOP (√)	<ul style="list-style-type: none">Communications Policy and SOP (√)
	STAKEHOLDER MANAGEMENT	DISCLOSURE POLICY
	<ul style="list-style-type: none">Stakeholder Management Policy and SOP (√)	<ul style="list-style-type: none">Disclosure Policy and Framework (√)

Note: (√) Completed and approved for adoption

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Code of Ethics

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

Service Provider Code of Conduct

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

Documented Limits of Authority

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

Anti-Fraud, Anti-Bribery and Anti-Corruption (ABC) and Whistle Blowing Policy

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

Investment Controls

In most investment cases, Ekuinas’ senior representatives are appointed to the executive management committee and board of the portfolio companies to actively participate in the strategic direction, key decision-making process and major operational areas.

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

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 December 2019.

Based on the procedures performed, they have reported to the Board that nothing has come to their attention that would cause them to believe that the Statement on Risk Management and Internal Control (SORMIC) intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the SORMIC factually inaccurate.

Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide (AAPG) 3 - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. AAPG3 does not require the external auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Company, including the assessment and opinion by the Board and Management thereon.

CONCLUSION

For the financial year under review, based on inquiry, information and assurance provided, the Board is of the view that the risk management and internal control system within the Company is sound and sufficient to safeguard the interests of its stakeholders. There will be continual focus on measures to protect and enhance stakeholders’ value and business sustainability. This statement is made in accordance with a resolution of the Board of Directors dated 16 March 2020.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Ekuinas is pleased to present the report of the Audit and Risk Management Committee (ARMC) for the financial year ended 31 December 2019.

COMPOSITION AND ATTENDANCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC was established in 2010 in line with the Code and Bursa Malaysia MMLR. The committee members were appointed from amongst the Company's Board members and 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	No alternate director can be appointed as a member of the ARMC
-------------------------------------------	------------------------------------	-------------------------------	--------------------------------------------------------------	----------------------------------------------------------------

The composition of the ARMC and the record of their attendance are as follows:

NAME OF DIRECTORS	STATUS OF DIRECTORSHIP	NO. OF MEETINGS ATTENDED	%
Tan Sri Dr Rahamat Bivi Yusoff (Chairman of the Committee effective 24 September 2019)	Independent Non-Executive Director	4/4	100
Tan Sri Dato’ Seri Mohamed Jawhar Hassan	Independent Non-Executive Director	4/4	100
Datuk Ali Abdul Kadir	Independent Non-Executive Director	1/1	100
Raja Tan Sri Dato’ Seri Arshad Raja Tun Uda (resigned effective 24 September 2019)	Independent Non-Executive Director	3/3	100

Meetings of the Audit and Risk Management Committee

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

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Corporate Governance and Risk Management (CGRM) and external auditor's representatives attend the meetings as and when appropriate. The ARMC has also conducted a meeting with the external auditor without the presence of management during the ARMC meeting on 12 March 2019 and 24 September 2019.

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

Terms of Reference

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

Composition of Members

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

- the ARMC must be composed of not less than three (3) members;
- a majority of the members must be independent directors and all members must be non-executive; and
- at least one member of the ARMC:
 - must be a member of the Malaysian Institute of Accountants (MIA); or
 - if s/he is not a member of the MIA, s/he must have at least three (3) years’ working experience and:
 - s/he must have passed the examination specified in Part I of the 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 ARMC;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- in the event that any vacancy in the ARMC results in the non-compliance of the above requirements, the Company must fill the vacancy within three (3) months; and
- the Company Secretary shall act as Secretary to the ARMC.

Scope

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

Authority

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

- to investigate any matter within its terms of reference;
- the resources which are required to perform its duties;
- full, free and unrestricted access to any information, records, properties and personnel of the Company and any other subsidiaries (if any) or sister companies;
- direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- to obtain independent professional or other advice; and
- to convene meetings with the external auditors and internal auditors together with other independent non-executive members of the Board, excluding the attendance of any Executive Directors, at least once a year or whenever deemed necessary.

Meetings

- The ARMC shall meet at least four (4) times in a year to discuss any matters raised by the Auditors in discharging their functions. The quorum for a meeting of the ARMC shall be two (2);
- at least once a year, the whole Board shall meet with the external auditors without the presence of any executive Board member/Chief Executive Officer or Senior Management;
- the Secretary is responsible for the co-ordination of administrative details including calling for meetings, voting and keeping of minutes;
- in addition to the ARMC members, the CFO and the 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 ARMC to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders; and
- the external auditors have the right to appear and be heard at any meeting of the ARMC and shall appear before the ARMC when required to do so by the ARMC.

Duties and Responsibilities

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

a. Board

- To obtain satisfactory response from Management on reports issued by internal and external auditors and report to the Board:
 - Significant findings identified and the impact of the audit findings on the operations;
 - Deliberations and decisions made at the ARMC’s level with focus given to significant issues and resolutions resolved by the ARMC, on a regular basis; and
 - A summary of material concerns and weaknesses in the control environment noted during the year and the corresponding measures taken to address the issues.
- To oversee the function of the CGRM department and report to the Board significant changes in the business and the external environment, which affect key risks;
- To review arrangements established by Management for compliance with any regulatory or other external reporting requirements, by-laws and regulations related to the Company’s operations; and

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- Where the review of audit reports of subsidiaries and any related corporations also falls under the jurisdiction of the ARMC, all the above mentioned functions shall also be performed by the ARMC in co-ordination with the Board of Directors of the subsidiaries and related corporation; and
- To consider other areas as defined by the Board.

b. External Auditors

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

c. Internal Auditors

- To discuss problems and reservations arising from the external audits, and any matter the auditor may wish to discuss;
- To oversee the internal audit function by:
 - Reviewing the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - Reviewing the internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and ensure that appropriate action is taken on the recommendations of the internal audit function;
 - Reviewing any appraisal or assessment of the performance of members of the internal audit function;
 - Determining and recommending to the Board the remit of the internal audit function;
 - Approving any appointment or termination of senior staff members of the internal audit function;

- Informing itself of resignations of internal audit staff members and providing the resigning staff member with an opportunity to submit his reasons for resigning;
- Ensuring an on-going basis that internal audit has adequate and competent resources;
- Monitoring closely any significant disagreement between internal audit and Management irrespective of whether they have been resolved; and
- To consider the major findings of internal investigations and Management’s response.

d. Related Party Transaction

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

Activities

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

- Review and approval of the audit plan of the CGRM department and external auditor, including their scope of work for the financial year prepared by the CGRM department and external auditor respectively;
- Review of the reports for the Company prepared by CGRM and external auditor and consideration of issues and action plans;
- Review of the quarterly and annual reports of the Company, prior to submission to the Board for consideration and approval;
- Review of the proposed key policies and procedures for adoption by the Company, prior to submission to the Board for consideration and approval;
- Review of the Risk Management report presented by the Risk Management Committee on quarterly basis for consideration and approval;
- Meeting with the external auditor without management presence;
- Review of the performance, independence and fees of the external auditor;
- Review of the reports on the ARMC, Statement on Corporate Governance and SORMIC prior to their inclusion in the Company’s Annual Report;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- Review and deliberation of the audit reports, issues and recommendations from the external and internal auditors from the audit conducted during the year;
- Review of the adequacy of resources and competencies of staff within the internal audit function to execute the plan and the results of their work;
- Review and consideration of ad hoc and special reviews conducted by CGRM arising from special requests from Management/ARM; and
- Review and deliberation of the Integrity and Governance Unit (IGU) reports for approval of the Board, prior to submission to Economic Planning Unit, Prime Minister's Department or other government agencies.

Internal Audit Function

The Company has an in-house internal audit function which is carried out by the CGRM department. The CGRM Department reports to the ARMC and administratively to the CEO. The internal audit function has two (2) personnel comprising the Head of CGRM and one (1) internal auditor. Head of CGRM, Muhd Hafiz Muhtar is a Member of the Institute of Internal Auditors Malaysia (IIAM).

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

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

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

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

This report is made in accordance with a resolution of the Board of Directors dated 16 March 2020.

DISCLOSURE POLICY

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

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

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

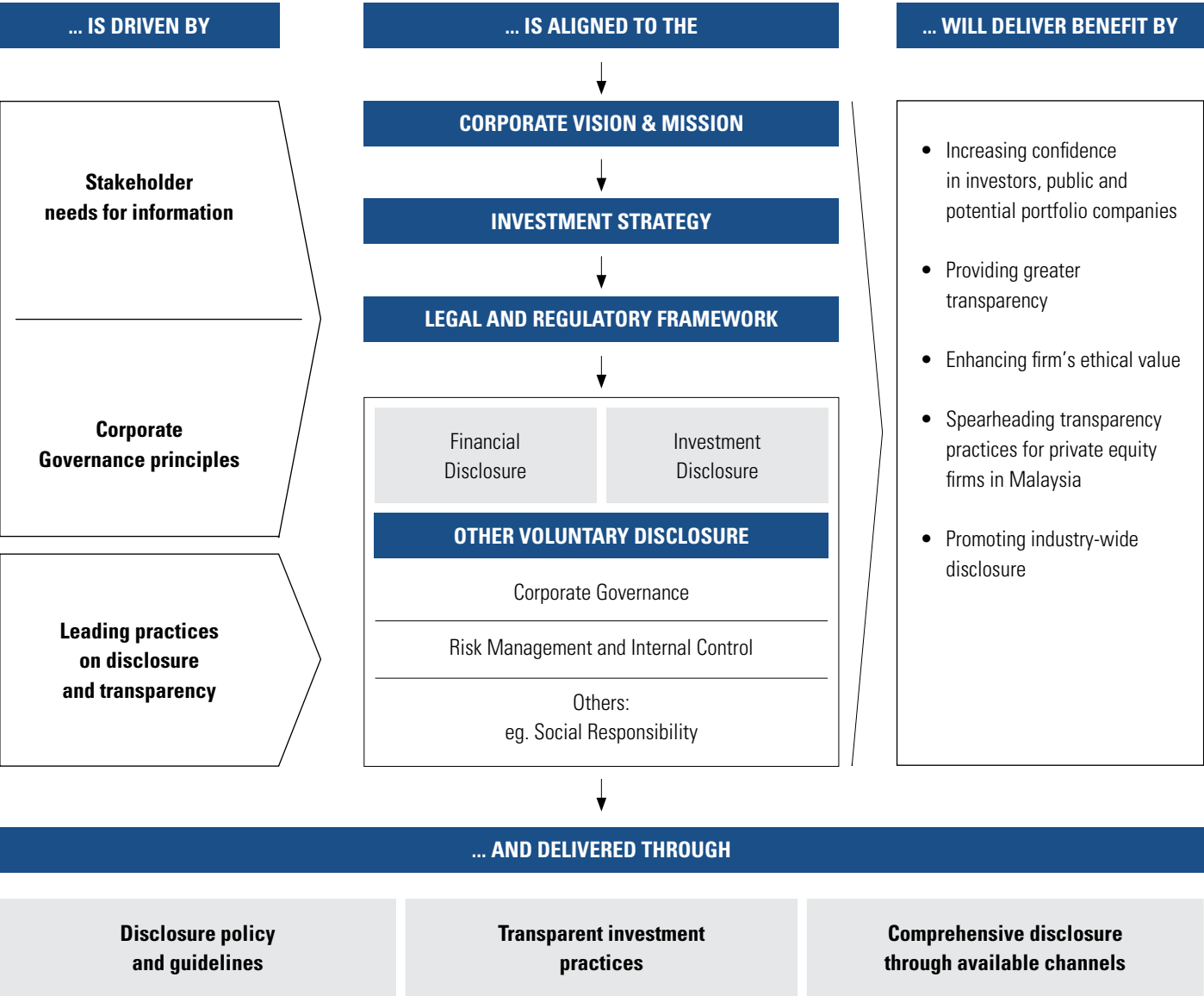
Ekuinas is committed to provide fair and comprehensive disclosure of corporate information, in line with the best practices adopted by global private equity firms. We will comply with all laws and regulations to ensure communications to the public are disseminated according to applicable legal and regulatory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

Our key guiding principles on disclosure are:

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

DISCLOSURE POLICY

EKUINAS DISCLOSURE FRAMEWORK



HUMILITY

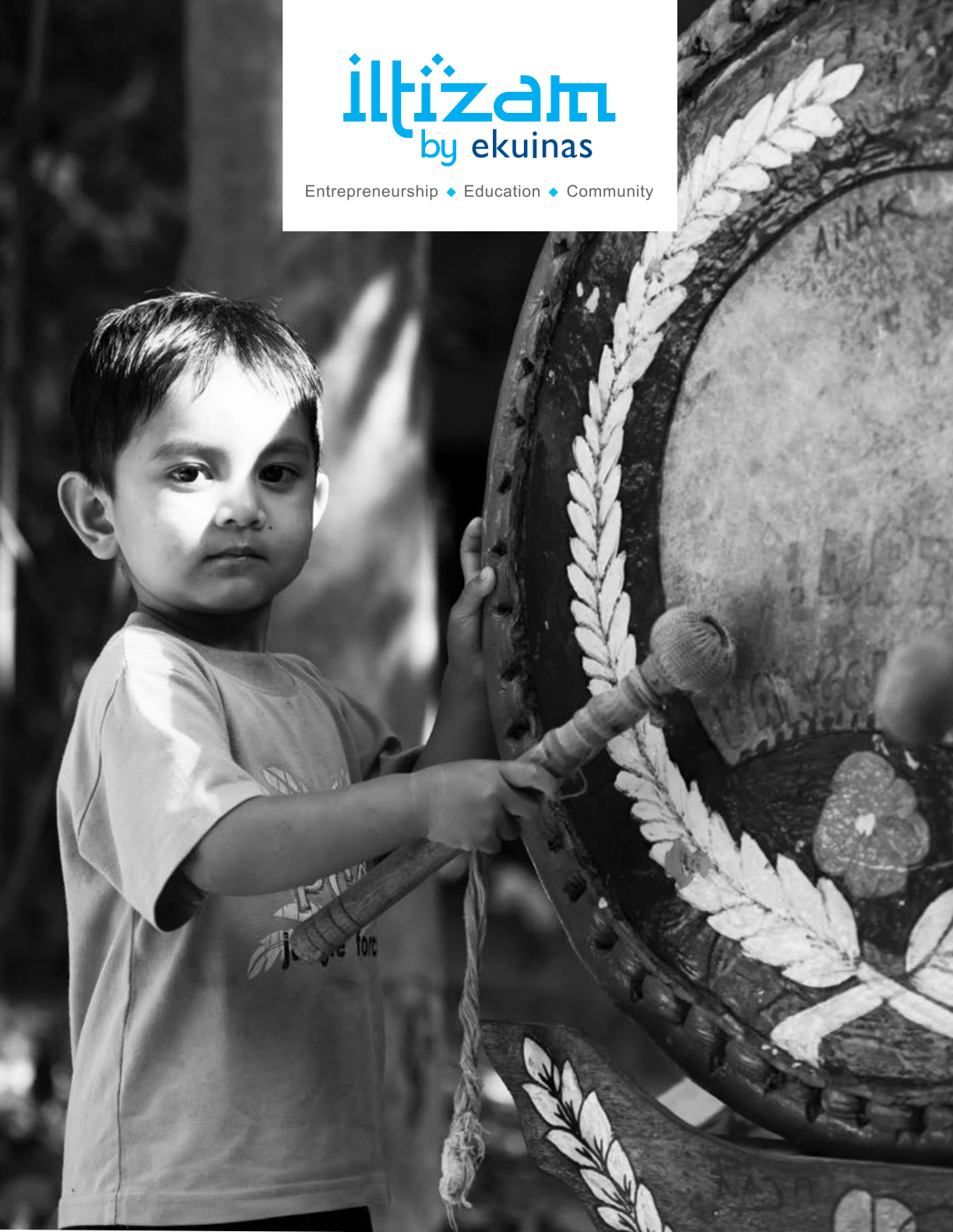
We stay true to our roots and
are cognisant that we serve
a greater purpose

ILTIZAM FOR EKUINAS

- 116 Introduction
- 117 ILTIZAM for Entrepreneurship
- 119 ILTIZAM for Education
- 121 ILTIZAM for Community

iltizam
by ekuinas

Entrepreneurship ♦ Education ♦ Community



OPEN >



ENTREPRENEUR MENTORSHIP PROGRAMME

Formerly known as the Entrepreneur Capacity Building Programme before the establishment of ILTIZAM, it is aimed at building the skills that a micro and small enterprise (MASE) needs to realise its potential and enhance its capability. Essentially, we want to help small Bumiputera entrepreneurs that do not fall under Ekuinas' investment criteria by giving them access to our resources and forging partnerships. These companies were taken through a six-month to one-year engagement process during which key business issues are identified and addressed.



2013

In collaboration with the Boston Consulting Group (BCG):
Bibah Songket



2014

Al Quds Travel Sdn Bhd



2016

- Proquaz Sdn Bhd
- Biz Connexion Sdn Bhd



2017

- Parabox Sdn Bhd
- KinderKaizen by EYTC Group and Resources Sdn Bhd



2018

Raw Denim House

2015

- EightDesigns Sdn Bhd
- Fatihah Frozen Sdn Bhd



2019

Kapten Batik

ENTREPRENEUR MENTORSHIP PROGRAMME COLLABORATIONS

2018

Pemangkin Usahawan Sosial Hebat (PUSH) Programme

In collaboration with MyHarapan and Malaysian Global Innovation and Creativity Centre (MaGIC), the initiative creates micro-franchising opportunities for businesses which are considered as impact driven to scale their business and social impact by providing employment or business opportunities for the B40 communities across Malaysia.



Social Project Challenge

Collaboration with MyHarapan to encourage students from 10 schools across the country to address social issues facing the country using a social enterprise business model.



2019

Social Business Challenge

Collaboration with MyHarapan to encourage members of the community to formulate ideas designed to address and improve the socio-economic livelihood of communities. A programme for the Sabah underprivileged communities was piloted.



ILTIZAM PROFESSIONAL DEVELOPMENT PROGRAMME (PDP)

Formerly known as the Ekuinas Portfolio Company Graduate Trainee Programme (EPCGTP), PDP focuses on graduates from low-income families, mostly from the rural areas, who have been unemployed for more than six months and have not been a part of any management-training programme. Through this programme, they are given the opportunity to learn and develop professional skills in a structured and professional manner by working either at Ekuinas, our portfolio or partner companies.

2012 The Ekuinas Portfolio Company Graduate Trainee Programme (EPCGTP) was introduced with nine trainees.



2013 23 trainees.



2015 59 trainees.



2017 75 trainees.



2019 The 2019 batch saw 76 trainees recruited for the programme. Since inception, more than 80% of our executive trainees managed to secure permanent graduate level employment.



2014 40 trainees.

2016

Following the launch of ILTIZAM, the EPCGTP was renamed as ILTIZAM Professional Development programme (PDP) and accepted 75 trainees.



2018

75 trainees.



EDUCATION EMPOWERMENT PROGRAMME (EEP)

A. Education Fund

2013

RM1.8 million was distributed to 800 students under the Cosmopoint Group Education Fund.

2014

Ekuinas provided scholarships to the Cosmopoint Group amounting to RM1.8 million.

2015

Approximately 1,300 students had received assistance through three schemes: Dana Bestari, Dana Potensi and Dana Sara Diri.

2016

ILTIZAM disbursed RM2.3 million to ILMU Education Fund to provide financial assistance to students from underprivileged backgrounds studying at Kuala Lumpur Metropolitan University College, Cosmopoint College, UNITAR International University and Asia Pacific University (APU).

2017

The programme was renamed as ILTIZAM Education Fund. During the year, a total of RM2.0 million was disbursed to enable 767 students pursue their tertiary education.

Ekuinas also supported UNITAR International University for its sponsorship scheme for students in the Business and Technology Education Council (BTEC).

2018

A total of RM2.0 million was disbursed for 1,616 students to continue their tertiary education.

2019

ILTIZAM disbursed RM2.0 million to assist close to 1,200 students at our institutions in particular those who excel academically but faced financial challenges.



2011-2019

Ekuinas pledged RM1.0 million to a special education trust fund, Yayasan Peneraju Pendidikan Bumiputera (Yayasan Peneraju), that was set up to assist deserving Bumiputera students to fully realise their potential.

Ekuinas, through ILTIZAM continues to support Yayasan Peneraju from 2016 to 2019 with a yearly commitment of RM600,000, which brings the total cumulative amount to RM3.4 million since 2011.

We look to extend our support to Yayasan Peneraju in the future to ensure Bumiputera students will continue to have access to quality education.



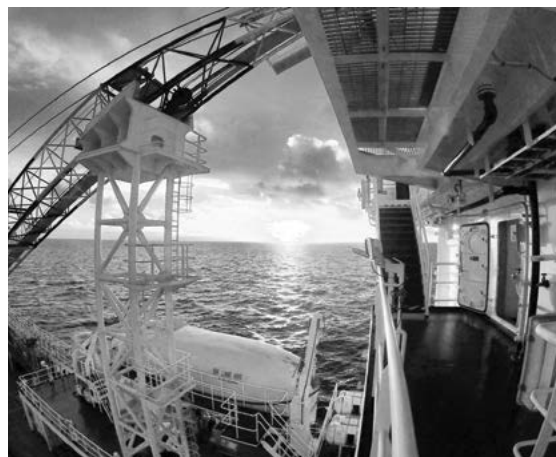
EDUCATION EMPOWERMENT PROGRAMME

B. Oil & Gas Marine Training and Development Programme

In support of the Malaysian marine sector and to address the shortages of Bumiputera senior officers in the industry, we sponsor deserving Bumiputera employees from Icon Offshore Berhad (ICON) and Orkim Sdn Bhd (Orkim) to undergo various levels of training at Akademi Laut Malaysia (ALAM).



2016 RM500,000 was provided to support 10 employees from Icon Offshore Berhad (ICON) and Orkim Sdn Bhd (Orkim) to undergo training at ALAM.



2018 RM600,000 was invested to support 26 candidates from ICON.

2017

RM600,000 was allocated to sponsor 41 candidates from ICON.



2019

RM600,000 was utilised to assist 26 candidates from ICON to be trained at ALAM.

EDUCATION EMPOWERMENT PROGRAMME

C. School Support Programme

Through this programme, Ekuinas assists Sekolah Kebangsaan Bukit Lanjan (Asli) (SKBL) and Sekolah Kebangsaan Tun Abdul Razak (SKTAR). Both of these schools serve the Orang Asli communities.

2015

We began providing assistance to SKBL, a school located in the vicinity of our office that provides primary education to 120 Orang Asli children in the Desa Temuan community.

- Sponsored after-school tuition classes for Year Four to Year Six students in Bahasa Malaysia, English and Mathematics subjects. This is a yearly effort that is still on-going until today.
- Improved the school's library to inculcate reading habit among the Orang Asli students.



2016

ILTIZAM collaborated with Khazanah Nasional Bhd's PINTAR Foundation to formally adopt SKBL.



An educational field trip was organised for SKBL's pupils with their first LRT ride to Petrosains and the Petronas Twin Towers' Skybridge.



2018

SKTAR becomes the second Orang Asli school to be officially adopted by ILTIZAM.



SKTAR and SKBL visited the National Museum, KL City Gallery and the National Science Centre.

2019

ILTIZAM arranged for a special benchmarking visit to Sekolah Kebangsaan Manson in Cameron Highlands for pupils of SKBL and an educational visit to Penang for pupils of SKTAR.

EDUCATION EMPOWERMENT PROGRAMME

D. Back-to-School Programme

This annual initiative helps to provide underprivileged families with the assistance needed to enable their children to continue attending school. The beneficiaries are typically students from households that fall under the B40 classification living in rural areas.



2017 Collaborated with Canggih, Al-Ikhsan and Skuad Senyum, ILTIZAM reached out to 16,000 underprivileged students from over 300 schools across the country.



2018 Collaborated with the Ministry of Education, school district offices and Jabatan Kemajuan Orang Asli (JAKOA) to provide assistance to 2,237 students from 55 schools across 13 states.



2019 Assisted 2,995 students from 44 schools across 14 states.

COMMUNITY ENRICHMENT PROGRAMME



2014 Ekuinas collaborated with a Non-Governmental Organisation (NGO), PUSAKA to preserve the art of making Rebana Ubi.



Ekuinas staff and volunteers from its education portfolio companies responded to a national crisis when six states in Malaysia were hit by floods.



2016 Provided hospital beds and shower trolley for the senior citizens in Rumah Ehsan Warga Emas in Kuala Kubu Bharu.

Contributed hearing aids to patients who suffer from hearing problems through Pertubuhan Membantu Pesakit Parah Miskin.

Provided basic items such as kitchen appliances, music and IT equipment

to Program Pendidikan Khas Integrasi of Sekolah Kebangsaan Klang, to be utilised for the blind students as part of their training programme to acquire relevant life skills.

ILTIZAM supported a show by Tunas Tari Production titled Seven Kingdoms. Three pupils from our adopted school, SKBL took part in the performance and we sponsored meals to the performers, crew and volunteers, as well as purchased bulk tickets to the show.

2017 ILTIZAM collaborated with MyHarapan by sponsoring three social businesses namely Hospital Beyond Boundaries, Al Hikmah Group, and Bluebear, to provide free basic health check and hygiene products to the Orang Asli communities in Kampung Kiala Woh in Tapah, Perak.

COMMUNITY ENRICHMENT PROGRAMME



2018

- ILTIZAM and Institute Onn Ja'afar (IOJ) collaborated on Jom Breakfast programme, a soup kitchen initiative that provides breakfast for underprivileged children and the homeless in Chow Kit, Kuala Lumpur.



- ILTIZAM collaborated with The Batik Boutique to open a new centre. This unit served as both workshop and training centre for underprivileged women who live at the surrounding area of government-subsidised housing flats in Kota Damansara.



- ILTIZAM donated food and non-food items to the underprivileged community during the holy month of Ramadhan for a total of approximately RM160,000, which benefited more than 5,200 individuals.
- ILTIZAM also made financial contributions to Badan Amal Kebajikan Al-Miezan, Persatuan Orang-orang Cacat Anggota Malaysia, Hidayah Centre Foundation, Tabung Thalassaemia Malaysia, Tilawah Al-Quran Programme and Festival Kuantan Kreatif.

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

COMMUNITY ENRICHMENT PROGRAMME



- ILTIZAM supported Jerayawara Pekan Bangsawan Warisan Budaya 2018, a roadshow that celebrated and promoted Teater Bangsawan, which is part of the Malay cultural heritage.

2019

- ILTIZAM sponsored five wheelchairs for disabled persons at Persatuan Kesejahteraan Rakyat Malaysia.

- Sponsored development programme & education activities to help those under the care of Persatuan Orang Pekak Terengganu, to be more independent.

- Supported Program Tilawah Al-Quran Pelajar Pendidikan Khas (OKU) by sponsoring canopy & food for the event at Sekolah Kebangsaan Seksyen 11, Kota Damansara.

- Assisted single mothers and their families who are diagnosed with serious illnesses through Kelab Ibu Tunggal Sentuhan Kasih.

- ILTIZAM disbursed over RM200,000 via the collaboration with 41 organisations during the month of Ramadhan. The contribution in terms of monetary and non-monetary benefitted 7,746 people from B40 classification, communities living in government-subsidies housing (PPR), Tahfiz students and underprivileged communities nationwide.



- Continued the collaboration with the IOJ for the second year to sponsor and serve breakfast for underprivileged students and homeless people in Chow Kit, KL.

- A new collaboration with Pertubuhan Tindakan Wanita Islam Malaysia (PERTIWI) under their program, PERTIWI Soup Kitchen. PERTIWI Soup Kitchen is an outreach project which was set up and managed by PERTIWI, to provide regular meals to the homeless and poor people.



INTRODUCTION

Since its inception, Ekuinas has persistently pursued its objectives to create long-term value with enduring and positive impact socially, particularly for the Bumiputera community. As a responsible corporate citizen and private equity firm with a Bumiputera mandate, Ekuinas' Corporate Social Responsibility (CSR) efforts through ILTIZAM, strive to facilitate continuous social progress through opportunities that will enable individuals, families and communities to thrive and achieve abiding success.

ILTIZAM comprises three pillars: entrepreneurship, education and community. The objectives of ILTIZAM's initiatives are aligned with Ekuinas' overall mission and CSR guiding principles, which are to empower genuine Bumiputera entrepreneurs and directly impact the Bumiputera community.

ILTIZAM'S PILLARS AND PROGRAMMES



In the year that was 2019, ILTIZAM built on the momentum of its programmes and increased the commitment across all three pillars. Each effort within ILTIZAM continues to be underpinned by values of sound governance, transparency and accountability. The Board and CSR Committee oversight not only reinforces the importance of the programme, but also the stewardship that is pivotal to the overall development of the Bumiputera community at large.

Following its five-year mark since the launch of ILTIZAM, Ekuinas took the opportunity to review and further strengthen its governance framework, specifically in improving its standard operating procedures (SOP) and improvements were done with the view to institutionalise best practices to achieve greater efficiency, quality and uniformity of execution.

In 2019, ILTIZAM disbursed RM8.0 million across the three pillars, impacting nearly 12,000 beneficiaries across the country. This brings Ekuinas' total contribution towards its CSR to RM40.0 million since inception.

ILTIZAM's commitment remains, to help those in need to realise their potential – be it through providing aid in the form of education or capacity building for business. We believe we can play a significant role in providing the essential opportunity to enable individuals make the leap towards success. This is the value and commitment that resonates throughout Ekuinas and is reflected in our key performance indicators (KPI) where all staff are required to spend at least a day in one of ILTIZAM's initiatives.

For 2019, we are pleased to report 96.0% participation from Ekuinas' staff contributed their time towards our programmes (2018: 93.0%). The additional resource in the form of staff participation has allowed our programme to flourish further in different areas. For example, in addition to providing mentorship to the entrepreneurs and unemployed graduates, we also included community programmes where staff can easily participate in, such as the Jom Breakfast programme in collaboration with Institut Onn Ja'afar (IOJ). Many volunteered in food packing and distribution of free breakfast and dinner for the underprivileged children and homeless within the Klang Valley area. They were also involved in the distribution of essential grocery items to the urban poor living in government-subsidised housing (PPR) flats.

ILTIZAM FOR ENTREPRENEURSHIP



“

We are lucky to have found ILTIZAM who understood our vision as well as the challenges we were facing. Working with them helped us to improve our business processes which allowed us to continue pursuing our passion in jeans making and also to ensure our business is sustainable.”

Ahmad Safuan Nizam Kamarudin,
Founder of Raw Denim House
(EMP 2018 beneficiary)

Within this ambit, the ILTIZAM Entrepreneur Mentorship Programme (EMP) plays a role in building a robust pipeline of Bumiputera micro and small businesses across the country. This capacity building programme targets unique, high potential and dynamic companies that fall outside of Ekuinas' investment criteria, with the goal of providing both financial and non-financial capacity building support according to the businesses' need.

To qualify for this one-year programme, companies will be assessed through the Micro and Small Enterprise (MASE) diagnostic tool, developed specifically to identify and address key business challenges systematically and objectively. It is through this that we can truly determine the key areas of needs, such as system implementation, financial management and marketing tools/strategies.

KAPTEN BATIK

Kapten Batik is a premium local producer of men's batik shirts. The idea started with the founders' appreciation of batik and the desire

to incorporate the batik-wearing tradition in everyday fashion and making batik shirts synonymous with comfort and effortless style. With this idea in mind, they started making shirts with their '*batik you can wear everyday*' philosophy as the key value proposition whilst using fresh and unique batik designs from different countries.

The brand originally focused on classic slim fit men's shirts made from batik sourced from Kelantan and Terengganu, as well as other countries such as Indonesia and India. Their range of collections has since evolved to incorporate modern and contemporary motifs featuring geometrical and floral themes.

After undergoing the MASE tool, we identified three key business challenges faced by Kapten Batik and formulated an action plan to address them including to strengthen its basic retail SOP such as process optimisation to improve its efficiency in managing stock; visual merchandising and store layout to attract more customers.



ILTIZAM FOR ENTREPRENEURSHIP



Other efforts include building brand awareness and increasing online reach to elevate Kapten Batik from a word-of-mouth to a go-to batik brand. In addition, detailed planning of its marketing and promotional calendar and the execution of high impact digital media marketing campaigns that would translate to an increased popularity of Kapten Batik.

As the project progressed with Kapten Batik, we identified more value creation initiatives that could be done such as securing premium sales channels through Ekuinas' network and a collaboration with EMP's previous participant, Raw Denim House.

As Kapten Batik's business continues to grow and gain popularity, putting in place a roadmap and strategy will ensure that the brand remains true to its promise of offering consistent high quality products and service standards. With these in place, our goals are to ensure Kapten Batik will be able to improve customer purchase experience and continue to differentiate itself from the competitors through its modern and unique designs.

ILTIZAM MENTORSHIP PROGRAMME COLLABORATION

In 2018, ILTIZAM worked with MyHarapan on the Pemangkin Usahawan Sosial Hebat (PUSH) Programme that aimed to produce dynamic, resilient and inclusive entrepreneurs, as well as generate and increase the income of the underprivileged community through apprenticeship. This collaboration continued successfully in 2019 and its success encouraged ILTIZAM to embark on a new programme called the Social Business Challenge (SBC) to pave the way for more social business entrepreneurs to develop.

Driven by the same vigour of the PUSH Programme, it aims to identify the best three social businesses that are ready to enter the next phase which will also indirectly create more job opportunities for the beneficiaries as well as the intended community. The SBC pilot programme was kicked off in Sabah with 58 business submissions and eventually 10 were shortlisted. The top ten businesses will go through a pitching session to a panel of five judges and one will be selected as the winner in December 2020.

“

Through ILTIZAM EMP, we were able to establish adequate systems and processes to ensure we can continue to achieve consistent growth for our business. Throughout the programme, ILTIZAM followed our progress closely, demonstrating a high level of commitment in helping micro and small enterprises like ours. To this day, we continue to maintain a very close relationship with Ekuinas and we highly recommend any micro entrepreneurs or Bumiputera enterprises who are looking to scale their businesses to work with ILTIZAM. ”

Outren Nada Ahmad, CEO of Proquaz Sdn Bhd (EMP 2016 beneficiary)



“

Nurturing our next generation is key to the progress of the community. Corporate support such as ILTIZAM has helped significantly in alleviating the financial burden of parents and allowing the children to continue learning at school. We are grateful for the continuous support that Ekuinas has provided to our school and our community since 2015. We hope to leverage on this assistance to ensure that no students are left behind. ”

Harun Othman, Principal of Sekolah Kebangsaan Bukit Lanjan (Asli) – School Support Programme and Back to School beneficiary



ILTIZAM FOR EDUCATION

Education has been and continues to be the catalyst for social and economic empowerment in communities. It is a fundamental right of an individual and a necessity for any country to develop and thrive. It is therefore, our responsibility to build human capital and upskill our youth in preparation of the rapidly evolving digital and new economy. ILTIZAM's education pillar specifically looks to cater to individuals through a clear and structured path comprising the following:

- i. **ILTIZAM Education Empowerment Programme**
 - a. School Support Programme
 - b. Back-to-School Programme
 - c. Provision of assistance to Yayasan Peneraju Pendidikan Bumiputera
 - d. ILTIZAM Education Fund
 - e. Oil & Gas Marine Training and Development Programme
- ii. **ILTIZAM Professional Development Programme**

ILTIZAM EDUCATION EMPOWERMENT PROGRAMME

In 2019, we continue to increase our commitment in the programmes to support the mandate of developing more Bumiputera talents.

ILTIZAM's journey through education saw it supporting several initiatives targeted at improving education opportunities for communities especially students from disadvantaged backgrounds. Under the ILTIZAM School Support Programme, Ekuinas adopted two schools located within the Orang Asli settlements. During the year, RM120,000 was allocated to two schools namely Sekolah Kebangsaan Bukit Lanjan in Damansara Perdana (SKBL) and Sekolah Kebangsaan Tun Abdul Razak in Kuala Kubu Bharu (SKTAR) for the benefit of 370 pupils.

Some programmes completed for the schools are Kelas Gemilang tuition classes where free tuition classes were provided for subjects such as English, Bahasa Malaysia, Mathematics and Science. As part of the adoption programme under PINTAR Foundation, the teachers from both schools were also given the opportunity to upskill themselves by attending a Leadership Programme by PINTAR.

ILTIZAM FOR EDUCATION

ILTIZAM also organised a special benchmarking visit to Sekolah Kebangsaan Manson in Cameron Highlands for SKBL and an educational visit to Penang for SKTAR. This is to provide the young minds with exposure to different surroundings due to their families' financial situation and explore other forms of educational methods through outdoor learning, which is in line with the 21st century education learning.

As for the nationwide initiative, the Back-to-School programme, ILTIZAM continues to assist underprivileged students to prepare for the new schooling year by providing basic school necessities to ease the burden of the families that typically fall under the B40 classification living in rural areas. The programme benefitted a total of close to 3,000 students from over 44 schools across all 14 states.

ILTIZAM carries on its commitment to improve the quality and quantity of Bumiputera talents. Financial assistance of RM600,000 was provided to Yayasan Peneraju Pendidikan Bumiputera (Yayasan Peneraju) to assist 22 students to pursue their tertiary education at Ekuinas' education institutions. To date, ILTIZAM's total contribution to Yayasan Peneraju amounts to RM3.8 million over the past nine years.

In addition, under the Education Fund, ILTIZAM also provides direct support to deserving Bumiputera students studying at Ekuinas' education institutions such as Cosmopoint College, Kuala Lumpur Metropolitan University College and UNITAR International University. For 2019, we disbursed RM2.0 million to assist close to 1,200 students, in particular those who excel academically but faced financial challenges.

As an O&G producing nation, the demand for senior talents to operate vessels is high, especially for Bumiputera talent, as it is a requirement by the industry for vessel operators to have a crew matrix comprising local employees in different ranks and seniority. Well into its fourth year, ILTIZAM continues to address the issue by accepting 26 Bumiputera crew from Icon Offshore Berhad and Orkim Sdn Bhd through the O&G Marine Training & Development Programme to undergo the programmes at Akademi Laut Malaysia (ALAM).

ILTIZAM PROFESSIONAL DEVELOPMENT PROGRAMME

The ILTIZAM Professional Development Programme (PDP) was formulated to provide on-the-job work experience for unemployed or underemployed Bumiputera graduates from low-income families at Ekuinas' portfolio companies as well as partner companies such as Habib Jewels, Yayasan Peneraju, FashionValet, KAF Investment Group and Dagang NeXchange, to name a few.

The programme positioned itself as a capacity building initiative that provides Bumiputera graduates the skills, capabilities and experience before they enter the workforce. Every year, PDP offers 75 trainees the unique opportunity for one year to learn the essential skills to thrive in any workplace. Furthermore, the trainees are given access to coaching and mentoring sessions targeted at developing a professional attitude.

2019 saw a total of over 1,200 applications, which was then shortlisted to 360 candidates who were assessed across three assessment centres in Kuala Lumpur, Kuala Terengganu and Kota Kinabalu and eventually, 75 were selected and placed at 23 portfolio and partner companies.

To attest to the continued success of the programme, since inception, more than 80% of our graduate trainees managed to secure permanent graduate level employment in various companies and government agencies.

“

Excellence cannot be achieved without proper training and experience. The ILTIZAM PDP was a great stepping-stone for graduates like me to hone my talent and skills in preparation for the working world. Throughout this programme, trainees were equipped with the right knowledge and tools to improve their overall skill sets including English communication, self-development and leadership trainings which are valuable at workplace.”

Syafiq Shamsul (PDP Batch 2015)



The ILTIZAM Community Enrichment Programme represents its third pillar. The focus and efforts are cognisant of ILTIZAM's responsibility to elevate the Bumiputera community through the many programmes under ILTIZAM.

As in previous years, ILTIZAM disbursed over RM200,000 via the collaboration with 41 organisations during the month of Ramadhan. The contribution in terms of monetary and non-monetary benefitted 7,746 people from B40 classification, communities living in PPR, Tahfiz students and underprivileged communities nationwide.

ILTIZAM continued its collaboration with the Institut Onn Ja'afar for Jom Breakfast Programme to sponsor breakfast for underprivileged children and homeless in Chow Kit, Kuala Lumpur area. Another new collaboration was also initiated with Pertubuhan Tindakan Wanita Islam Malaysia (PERTIWI) to sponsor their soup kitchen project that provides regular meals to the homeless and poor around Kuala Lumpur.

ILTIZAM also supported efforts by several Non-Governmental Organisations (NGO) to improve the quality of life of those under their care such as Persatuan Kesejahteraan Rakyat Malaysia, Persatuan Orang Pekak Terengganu, Sekolah Kebangsaan Seksyen 11 in Kota Damansara and Kelab Ibu Tunggal Sentuhan Kasih.



APPRECIATION

We would like to thank our Board members, stakeholders and staff at Ekuinas for their continued support and involvement in the programmes. ILTIZAM has certainly come a long way from the first commencement of the graduate trainee programme in 2012 with an intake of nine and now we have reached out to much bigger and broader communities. Certainly, our achievements would not have been possible without the unwavering support and contribution from all stakeholders.

It remains our mission to continue serving the underprivileged and the underserved, and provide them with the opportunities to realise their potential. It is our hope that all of ILTIZAM's beneficiaries, since the inception, will continue to strive for the best and make the most of the opportunities that have been presented to them to achieve greater success and create a positive impact by giving back to others.



PASSION

We are passionate in our task to
deliver beyond the ordinary

PORTFOLIO REPORTING

- 124 Ekuinas Direct (Tranche II) Fund
- 127 Ekuinas Direct (Tranche III) Fund
- 130 Ekuinas Outsourced (Tranche I) Fund
- 133 Ekuinas Outsourced (Tranche II) Fund
- 136 Notes to the Portfolio Reporting

EKUINAS DIRECT (TRANCHE II) FUND

AS AT 31 DECEMBER 2019

FUND OVERVIEW

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

EKUINAS DIRECT (TRANCHE II) FUND

AS AT 31 DECEMBER 2019

FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2019

	2018 RM million	Movement RM million	2019 RM million
A. Capital Commitment	1,000.0	-	1,000.0
B. Capital Called	1,065.1	40.8	1,105.9
C. Capital Reinvested	4.8	5.4	10.2
D. Total Capital Contributed (B+C)	1,069.9	46.3	1,116.1
E. Debt Drawdown (Amortised Cost)	85.0	(10.0)	75.0
F. Total Capital Invested (D+E)	1,154.9	36.3	1,191.1
Plus Increases to Net Assets Value:			
Dividend Income	17.3	0.2	17.5
Net Unrealised Gain on Fair Value of Investments	277.7	84.1	361.8
Realised Gain from Divestments	188.2	3.0	191.2
Net Interest Income	6.9	5.5	12.4
Total Gross Portfolio Return	490.1	92.8	582.9
Organisational Expenses	(195.2)	(31.7)	(226.8)
Capital Distributions to Limited Partners (C+H)*	(552.4)	(20.7)	(573.1)
Net Increase in Net Assets Value	(257.5)	40.4	(217.1)
G. Net Assets Value	897.4	76.7	974.1
Net Assets Value made up of:			
Investments - at cost	680.6	(20.2)	660.4
Net Unrealised Gain on Fair Value of Investments	277.7	84.1	361.8
Investments carried at Fair Value	958.3	63.9	1,022.2
Plus: Cash Balance	17.0	21.4	38.4
Plus: Working Capital	(77.9)	(8.6)	(86.5)
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	897.4	76.7	974.1
Net Assets Value	897.4	76.7	974.1
H. Capital Distributed	547.6	15.3	562.9
Total Net Assets Value plus Distributed Capital (G+H)	1,445.0	92.0	1,536.9
Gross IRR p.a.	14.0%		13.5%
Net IRR p.a. (before carried interest)	9.8%		9.6%
Carried Interest (RM million)	72.3		87.6
H/B Cash Distributions to Capital Called	0.5		0.5
G/B Net Assets Value to Capital Called	0.8		0.9
(G+H)/B Total Value to Capital Called	1.4		1.4
B/A Capital Called to Committed Capital	1.1		1.1

* Include deemed distribution for reinvested capital

EKUINAS DIRECT (TRANCHE II) FUND
AS AT 31 DECEMBER 2019

INVESTMENT PERFORMANCE

(a) Current Portfolio Summary as at 31 December 2019

Company	Date of Initial Investment	Stake %	Cost of Investment [#] RM million	Fair Value [#] RM million	Gross Portfolio Return RM million
Icon Offshore Berhad	19 November 2012	9.6	51.1	1,010.5	391.7
Icon Offshore Berhad*	1 June 2016	-	150.0		
Primabaguz Sdn Bhd*	27 November 2013	100.0	40.0		
Revenue Valley Group	27 June 2014	-	10.0		
Coolblog Sdn Bhd	24 July 2014	60.0	45.8		
Orkim Sdn Bhd	18 December 2014	95.5	321.8		
Total			618.7		

Gross IRR 13.5% p.a.
Net IRR 9.6% p.a.

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

[#] Cost of investment and fair value represent amount net of financing
^{*} Realisation was completed in 2020

(b) Realisation Summary as at 31 December 2019

Company	Date of Disposal	Stake %	Cost of Investment RM million	Total Realisation RM million
Full realisation				
Burger King Singapore	18 August 2015	100.0	47.2	23.9
Burger King Malaysia	18 August 2015	20.9	52.6	25.1
Lyndarahim Ventures Sdn Bhd	28 March 2016	-	5.0	6.0
Tenby Educare Sdn Bhd	17 January 2018	70.0	70.0	168.4
Tranglo Sdn Bhd	11 October 2018	60.0	52.8	114.9
Asia Pacific Institute of Information Technology Lanka Pvt Ltd	25 February 2019	45.9	20.3	23.4
Partial realisation				
Icon Offshore Berhad	25 June 2014	7.8	76.6	154.0

EKUINAS DIRECT (TRANCHE III) FUND
AS AT 31 DECEMBER 2019

FUND OVERVIEW

Fund Name	Ekuinas Direct (Tranche III) Fund
Vintage Year	2014
Status	Investing
Capital Commitment	RM1.5 billion
Term	5 Years + 2 Years
Investment Period	3 to 5 Years
Legal Form & Structure	One fund manager and one investor. Fund: Ekuinas Direct (Tranche III) Fund Fund Manager: Ekuiti Nasional Berhad Fund's Domicile: Malaysia
Geographical Focus	Malaysia
Investment Focus	Buy-Out and Growth Capital Fund
Industry Focus	- Education - Oil & Gas - Fast Moving Consumer Goods (FMCG) - Retail & Leisure - Healthcare - Services

EKUINAS DIRECT (TRANCHE III) FUND
AS AT 31 DECEMBER 2019

FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2019

	2018 RM million	Movement RM million	2019 RM million
A. Capital Commitment	1,500.0	-	1,500.0
B. Capital Called	988.7	6.7	995.4
C. Capital Reinvested	10.8	23.1	33.9
D. Total Capital Contributed (B+C)	999.5	29.8	1,029.3
E. Debt Drawdown (Amortised Cost)	205.0	(15.0)	190.0
F. Total Capital Invested (D+E)	1,204.5	14.8	1,219.3
Plus Increases/(Decreases) to Net Assets Value:			
Dividend Income	50.7	(9.8)	40.9
Net Unrealised Gain/(Loss) on Fair Value of Investments	28.5	(390.0)	(361.5)
Realised (Loss)/Gain from Divestment	(21.0)	183.8	162.8
Net Interest Expenses	(4.7)	(8.0)	(12.7)
Total Gross Portfolio Gain	53.5	(224.0)	(170.5)
Organisational Expenses	(181.6)	(16.2)	(197.8)
Capital Distributions to Limited Partners (C+H)*	(127.0)	(23.1)	(150.1)
Net Decrease in Net Assets Value	(255.1)	(263.3)	(518.4)
G. Net Assets Value	949.4	(248.4)	701.0
Net Assets Value made up of:			
Investments - at cost	1,010.1	(8.1)	1,002.0
Net Unrealised Gain/(Loss) on Fair Value of Investments	28.5	(390.0)	(361.5)
Investments carried at Fair Value	1,038.6	(398.1)	640.4
Plus: Cash Balance	7.3	17.0	24.3
Plus: Working Capital	(61.5)	132.7	71.2
Plus: Uncalled Capital	(35.0)	-	(35.0)
Equals Net Assets Value	949.4	(248.4)	701.0
Net Assets Value	949.4	(248.4)	701.0
H. Capital Distributed	116.3	-	116.3
Total Net Assets Value plus Distributed Capital (G+H)	1,065.7	(248.4)	817.3
Gross IRR p.a.	4.5%		-10.8%
Net IRR p.a. (before carried interest)#	N/M		N/M
Carried Interest (RM million)	-		-
H/B Cash Distributions to Capital Called	0.1		0.1
G/B Net Assets Value to Capital Called	1.0		0.7
(G+H)/B Total Value to Capital Called	1.1		0.8
B/A Capital Called to Committed Capital	0.7		0.7

* Includes deemed distribution for reinvested capital
Not presented as capital is still being deployed

EKUINAS DIRECT (TRANCHE III) FUND
AS AT 31 DECEMBER 2019

INVESTMENT PERFORMANCE

(a) Current Portfolio Summary as at 31 December 2019

Company	Date of Initial Investment	Stake %	Cost of Investment# RM million	Fair Value# RM million	Gross Portfolio Return RM million
Al-Ikhsan Sports Sdn Bhd	22 July 2016	35.0	67.3	364.5	(333.4)
ILMU Education Group	15 December 2015	-	13.8		
Icon Offshore Berhad*	5 December 2017	-	20.0		
Davex (Malaysia) Sdn Bhd	12 December 2017	100.0	76.5		
Cosmopoint Group	27 December 2017	90.0	54.7		
UNITAR International University	27 December 2017	90.0	109.2		
Revenue Valley Group	27 December 2017	85.8	133.4		
Icon Offshore Berhad	27 December 2017	32.7	100.1		
Flexi Versa Group Sdn Bhd	16 April 2018	70.0	52.5		
Exabytes Capital Group Sdn Bhd	13 March 2019	45.4	73.6		
Total			701.0		

Gross IRR
Net IRR

-10.8% p.a.
N/M**

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

Cost of investment and fair value represent amount net of financing
* Realisation was completed in 2020
** Not presented as capital is still being deployed

(b) Realisation Summary as at 31 December 2019

Company	Date of Disposal	Stake %	Cost of Investment RM million	Total Realisation RM million
Full realisation				
ILMU Education Group	29 December 2017	49.0	95.8	41.2
ILMU Education Group	17 January 2018	30.0	37.5	72.2
PMCare Sdn Bhd	31 January 2019	60.0	21.0	50.3
MediExpress (Malaysia) Sdn Bhd	31 January 2019	60.0	58.8	196.5
ILMU Education Group	25 February 2019	37.6	2.9	18.7

EKUINAS OUTSOURCED (TRANCHE I) FUND

AS AT 31 DECEMBER 2019

FUND OVERVIEW

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

EKUINAS OUTSOURCED (TRANCHE I) FUND

AS AT 31 DECEMBER 2019

FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2019

	2018 RM million	Movement RM million	2019 RM million
A. Capital Commitment	400.0	-	400.0
B. Capital Called	307.7	-	307.7
C. Capital Reinvested	26.0	3.3	29.4
D. Total Capital Contributed (B+C)	333.7	3.3	337.0
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	333.7	3.3	337.0
Plus Increases to Net Assets Value:			
Net Unrealised Gain on Fair Value of Investments	83.6	51.2	134.8
Realised Gain from Divestment	9.9	-	9.9
Total Gross Portfolio Return	93.5	51.2	144.7
Organisational Expenses	(13.7)	(2.1)	(15.8)
Capital Distributions to Limited Partners (C+H)*	(171.9)	(3.3)	(175.2)
Net Increase/(Decrease) in Net Assets Value	(92.2)	45.8	(46.3)
G. Net Assets Value	241.5	49.1	290.6
Net Assets Value made up of:			
Investments - at cost	145.1	(33.5)	111.6
Net Unrealised Gain on Fair Value of Investments	83.6	51.2	134.8
Investments carried at Fair Value	228.7	17.7	246.4
Plus: Working Capital	12.9	31.5	44.4
Equals Net Assets Value	241.5	49.1	290.6
Net Assets Value	241.5	49.1	290.6
H. Capital Distributed	145.9	-	145.9
Total Net Assets Value plus Distributed Capital (G+H)	387.5	49.1	436.6
Gross IRR p.a.	5.7%		7.4%
Net IRR p.a. (before carried interest)	4.8%		6.5%
Carried Interest (RM million)	-		2.1
H/B Cash Distributions to Capital Called	0.5		0.5
G/B Net Assets Value to Capital Called	0.8		0.9
(G+H)/B Total Value to Capital Called	1.3		1.4
B/A Capital Called to Committed Capital	0.8		0.8

* Includes deemed distribution for reinvested capital

EKUINAS OUTSOURCED (TRANCHE I) FUND

AS AT 31 DECEMBER 2019

INVESTMENT PERFORMANCE

Current Portfolio Summary as at 31 December 2019

Company	Ekuinas Commitment RM million	Private Capital Commitment RM million	Total Fund Size RM million	Ekuinas Invested Capital RM million	Investment by Others RM million	Net Asset Value RM million
Navis Malaysia Growth Opportunities Fund I, L.P.						
CIMB National Equity Fund Ltd. P.						
TAP Harimau Fund L.P	400.0	151.9	551.9	111.6	71.8	290.6
Gross IRR						7.4% p.a.
Net IRR						6.5% p.a.

EKUINAS OUTSOURCED (TRANCHE II) FUND

AS AT 31 DECEMBER 2019

FUND OVERVIEW

Fund Name	Ekuinas Outsourced (Tranche II) Fund
Vintage Year	2013
Status	Deployed
Capital Commitment	RM240.0 million
Term	7 Years + 1 Year
Investment Period	3 to 7 Years
Legal Form & Structure	One fund manager and multiple investors. Outsourced to the following funds and fund managers: 1) Fund: RMCP One Sdn Bhd Fund Manager: RMCP Cayman Ltd. Fund’s Domicile: Malaysia 2) Fund: COPE Opportunities 3 Sdn Bhd Fund Manager: CMS Opus Private Equity Sdn Bhd Fund’s Domicile: Malaysia 3) Fund: Tael Tijari (OFM) L.P. Fund Manager: TAEL Tijari Partners Ltd. Fund’s Domicile: Cayman Islands
Investment Focus	Malaysia
Investment Focus by Stage	Minority Growth Capital Fund
Investment Focus by Industry	General except for Ekuinas’ negative investment list

EKUINAS OUTSOURCED (TRANCHE II) FUND
AS AT 31 DECEMBER 2019

FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2019

	2018 RM million	Movement RM million	2019 RM million
A. Capital Commitment	240.0	-	240.0
B. Capital Called	93.2	1.3	94.4
C. Capital Reinvested	-	-	-
D. Total Capital Contributed (B+C)	93.2	1.3	94.4
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	93.2	1.3	94.4
Plus Increases/(Decreases) to Net Assets Value:			
Net Unrealised Loss on Fair Value of Investments	(10.9)	(4.7)	(15.6)
Realised Loss from Divestment	(2.3)	-	(2.3)
Total Gross Portfolio Loss	(13.2)	(4.7)	(17.9)
Organisational Expenses	(5.7)	(0.0)	(5.7)
Net Decrease in Net Assets Value	(18.9)	(4.7)	(23.7)
G. Net Assets Value	74.2	(3.4)	70.8
Net Assets Value made up of:			
Investments - at cost	84.9	0.3	85.2
Net Unrealised Loss on Fair Value of Investments	(11.0)	(4.7)	(15.6)
Investments carried at Fair Value	73.9	(4.4)	69.6
Plus: Working Capital	0.3	0.9	1.2
Equals Net Assets Value	74.2	(3.4)	70.8
Net Assets Value	74.2	(3.4)	70.8
H. Capital Distributed	-	-	-
Total Net Assets Value plus Distributed Capital (G+H)	74.2	(3.4)	70.8

Gross IRR p.a.	-4.8%	-5.2%
Net IRR p.a. (before carried interest)	-6.5%	-6.6%
Carried Interest (RM million)	0.5	0.1
H/B Cash Distributions to Capital Called	-	-
G/B Net Assets Value to Capital Called	0.8	0.7
(G+H)/B Total Value to Capital Called	0.8	0.7
B/A Capital Called to Committed Capital	0.4	0.4

EKUINAS OUTSOURCED (TRANCHE II) FUND
AS AT 31 DECEMBER 2019

INVESTMENT PERFORMANCE

Current Portfolio Summary as at 31 December 2019

Company	Ekuinas Commitment RM million	Private Capital Commitment RM million	Total Fund Size RM million	Ekuinas Invested Capital RM million	Investment by Others RM million	Net Asset Value RM million
RMCP One Sdn Bhd						
COPE Opportunities 3 Sdn Bhd						
Tael Tijari (OFM) L.P.	180.0*	110.1	290.1	85.2	47.9	70.8

Gross IRR -5.2% p.a.
Net IRR -6.6% p.a.

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

NOTES TO THE PORTFOLIO REPORTING

1. NOTES TO THE PORTFOLIO REPORTING

The external auditor, PwC, was engaged by Ekuinas to perform certain procedures on the Portfolio Reporting on pages 124 to 135 for the financial year ended 31 December 2019, and has checked the information on Funds’ Net Assets Value and Investment Performance as at 31 December 2019 included therein to supporting source data, and re-performed computations, where applicable.

EKUITI NASIONAL BERHAD 200901025164 (868265-U)

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

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

www.ekuinas.com.my