

2016

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Results Announcement



Ekuinas shelves plans to list Ilmu

CEO says private equity firm decides to relook strategies for the education group

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KUALA LUMPUR: State-backed private equity firm Ekuiti Nasional Bhd (Ekuinas) has shelved plans to list its consolidated education group, Ilmu Education Group Sdn Bhd.

Ekuinas chief executive officer Syed Yasir Arafat Syed Abd Kadir said it had decided to relook its strategies on Ilmu after finding that the sum of parts valuation of the group was greater than its entire value.

"We are not planning to list Ilmu this year. In fact, after due deliberation, we think listing is not the best way to go.

"After a thorough strategy review, what we found is that the sum of parts valuation is greater than its value as a whole, so we are looking towards employing that strategy," he told reporters during the announcement of its 2016 results.

Syed Yasir Arafat said Ekuinas was still

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looking to divest the education group, and was in the midst of engaging with investors.

"We are looking at crystallising some of our investments under the Ilmu group, the engagement process is ongoing," he said.

However, he did not mention a timeline for the planned divestment.

The group had previously planned to list the education group on Bursa Malaysia this year.

The Ilmu group consists of Unitar International University, Asia Pacific University, Cosmopoint College, Asia Pacific Institute of Information Technology in Sri Lanka, Kuala Lumpur Metropolitan University College, Tenby Educare Sdn Bhd and Asia Pacific Schools.

He said Ekuinas was keen to begin monetising its investments under its Direct (Tranche 1) Fund.

"But we have to ensure we exit responsibly," he said, adding that it did not have a deadline for this.

On another matter, Syed Yasir Arafat said it was in the final stages of acquiring a design and engineering firm.

"We like this sector, and in particular, this company, because of its regional presence and position as a market leader in certain

geographic locations.

"We hope to make an announcement in the next three to four months," he said.

In announcing its results for 2016, Ekuinas said its direct (tranche I) fund had recorded a gross portfolio return of RM466.4mil and a net annualised internal rate of return (IRR) of 9.4%.

Its direct (tranche II) fund, meanwhile, recorded a gross portfolio return of RM331.6mil and a net annualised IRR of 12.7%.

"For the seventh year running, Ekuinas has succeeded in maintaining its IRR above the minimum target of 12% per annum," said Ekuinas chairman Raja Tan Sri Arshad Raja Tun Uda.

The year also saw Ekuinas exiting its maiden investment in Alliance Cosmetics Group, which generated gross proceeds of RM61.8mil with an IRR of 9% and money multiple of 1.5 times the capital invested.

Relooking strategies: (from left) Ekuiti Nasional Bhd (Ekuinas) chairman Raja Tan Sri Arshad Raja Tun Uda, Minister in the Prime Minister's Department Datuk Seri Abdul Rahman Dahlan and Ekuinas CEO Syed Yasir Arafat Syed Abd Kadir sharing a light moment after the announcement of the private equity firm's 2016 financial results in Kuala Lumpur. – Bernama > See page 2