

# Back to the drawing board for Ekuinas' Ilmu asset

EVERYTHING seems to be going against government-owned private equity fund Ekuiti Nasional Bhd (Ekuinas). After the aborted proposed corporate exercise involving its oil and gas (O&G) assets Icon Offshore Bhd and Orkim Sdn Bhd, Ekuinas has abandoned the listing of its education asset.

Ilmu Education Group Bhd's — Malaysia's largest integrated private education group — proposed listing had been in the pipeline for a couple of years as part of the fund's monetising effort.

Ilmu owns and operates six private education institutions — Asia Pacific University, Universiti Tun Abdul Razak (Unitar), Kuala Lumpur Metropolitan University College, Cosmopoint College, Asia Pacific Institute of Information Technology (APIIT) Sri Lanka, Tenby Schools and Asia Pacific Schools (APS).

Talks about Ilmu's possible listing intensified after Ekuinas acquired the remaining stakes in APIIT Education Group, Unitar International University and Tenby Schools for RM363.2 million.

Ekuinas acquired the remaining 49% stake in APIIT Group — comprising APS, Asia Pacific University (APU) of Technology & Innovation and APIIT — and a 37.6% stake in APIIT Sri Lanka for RM315 million in March last year.



Pic by Afif Abd Halim

**After due deliberation, we think listing is probably not the best way to go for Ilmu, says Syed Yasir Arafat**

The fund also acquired the remaining 10% stake in Unitar Capital Sdn Bhd, the owner and operator of Unitar, for RM13 million from minority shareholder Shoraka Square Ltd.

Ekuinas paid Sapura Resources Bhd RM246.99 million for the stakes in APIIT Sdn Bhd, APU Sdn Bhd and APIIT Sri Lanka in March last year.

In 2010, Ekuinas purchased a 51% interest in APIIT Education Group from Sapura for RM102 million.

Ilmu's listing had been dogged by the unfavourable market sentiments. Ekuinas CEO Syed Yasir Arafat Syed Abd Kadir said it was seeking a different route to exit the education business and maximise the value of the firm's investment in Ilmu.

"After due deliberation, we think listing is probably not

the best way to go for Ilmu. After doing a thorough strategy review, we clearly established that some parts were greater than the value as a whole," Syed Yasir Arafat said in Kuala Lumpur on Tuesday.

He did not reveal the details of how Ilmu's assets would be disposed of or the parties who were interested to take over the stakes.

"Yes, we are (currently engaging with investors) for potential divestment, ultimately. That engagement process is ongoing, but we have not finalised the terms of where we are heading," he said. It is not known on the total value of the asset and evaluation for the proposed listing, although Ekuinas had invested over RM575 million in the education assets.

Meanwhile, on the aborted

share purchase agreements with UMW Oil & Gas Corp Bhd (UMW-OG), Syed Yasir Arafat said the larger capitalisation was the reason behind the collapse of the corporate restructuring.

Ekuinas called off the proposed consolidation involving UMW-OG and two of its O&G units — Icon and Orkim last Thursday — citing the exercise required significantly larger capital than initially envisaged.

He said Ekuinas had a "plan B" for Icon's divestment, but declined to disclose details of the plans. Talks about the possible collapse of the multibillion corporate exercise had been circulating in the market for the last couple of weeks, citing shareholding at the various companies would not be sufficient to push the deal through.

Despite the aborted deal, Syed Yasir Arafat said Ekuinas was in "the final stages" of acquiring a design and engineering company.

"We are currently in the final stages of acquiring a design and engineering company which we would classify under services.

"We like this sector and, in particular, the company that we are looking at because of their regional presence. We hope to make an announcement within the next three to four months," he said. — *by ALIFAH ZAINUDDIN*