

**PRESS RELEASE**  
**18 August 2016**

## **EKUINAS EXITS ALLIANCE COSMETICS GROUP TO FACILITATE CLOSING OF ITS FIRST FUND**

**Key Highlights: -**

- Ekuinas has successfully divested its 20% equity in Alliance Cosmetics Group (ACG) to Navis Capital Partners (Navis), generating gross proceeds of RM61.8 million with a minimum Internal Rate of Return (IRR) of 9% and money multiple of 1.55 times the capital invested, including dividends received. Navis, who undertook the joint investment with Ekuinas in 2010 via a Special Purpose Vehicle, will own 80% of ACG following Ekuinas' divestment.
- The sale of its minority stake to Navis will position Ekuinas on course for the realisation of Ekuinas Direct (Tranche I) Fund whilst Navis' purchase reflects their underlying confidence to further strengthen ACG's performance in the near future.
- This divestment marks Ekuinas' sixth divestment and brings the Company's total realisation proceeds to more than RM1 billion. Ekuinas is nearing the closing of its first fund, Ekuinas Direct (Tranche I) Fund, expected to take place at end 2017 and is now focused on crystallising assets under the maiden fund.

**KUALA LUMPUR, 18 August 2016:** Ekuiti Nasional Berhad (Ekuinas), the government-linked private equity fund management company, today announced the divestment of its entire equity interest of 20% in Alliance Cosmetics Group (ACG) to Navis Capital Partners (Navis), pursuant to the execution of a conditional sale agreement between both parties, for a total consideration of RM61.8 million.

Navis is a Malaysian-based private equity firm with USD5 billion under management as at 2015, which focuses particularly on enterprises with a strong presence in Southeast Asia. Navis was Ekuinas' co-investor in ACG when Ekuinas made its maiden investment in 2010, also Ekuinas' first investment in the Fast Moving Consumer Goods (FMCG) segment.

Ekuinas Chairman, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda said, "We are divesting the stake to our partner, Navis, who has the capacity and historical knowledge of ACG to continue nurturing the company to further strengthen its performance in the near future."

"Despite challenging market conditions throughout Ekuinas' ownership, ACG has successfully expanded into Indonesia and Philippines. Its in-house brand Silkygirl also continues to be one of the leading mass market colour cosmetics and fragrance players in Malaysia, Singapore and Brunei, whilst its team endeavoured to develop new product lines," he added.

ACG was Ekuinas' maiden investment, undertaken jointly with Navis in 2010. Ekuinas' total investment of RM39.9 million translated into an effective 25% equity in a joint SPV that controls 80% of ACG. The divestment generated gross proceeds of RM61.8 million with a minimum Internal Rate of Return (IRR) of 9% and money multiple of 1.55 times of capital invested, including dividends received.

Further to the sale, Navis has agreed that upon their exit of ACG, Ekuinas could potentially receive additional proceeds from the divestment via a sharing mechanism, depending on the final consideration paid and subject to certain thresholds being reached.

Ekuinas Chief Executive Officer, Syed Yasir Arafat Syed Abd Kadir, added, "This divestment exercise is in line with Ekuinas' move to crystallise its investments under Ekuinas Direct (Tranche I) Fund, as part of our prudent investment strategy to secure positive IRR in addition to ensuring the realisation of the Fund is done within the required timeline."

The sale marks Ekuinas' sixth divestment which brings the Company's total realisation proceeds to more than RM1 billion, including the partial divestment of Icon Offshore Berhad, after nearly seven years in operations. Ekuinas is now focused on crystallising assets under the maiden fund, Ekuinas Direct (Tranche I) Fund, as the Company is looking to close it by end 2017.

In April this year, Ekuinas announced its results for the financial year ended 31 December 2015, maintaining its IRR above the minimum target of 12% per annum for the sixth consecutive year. The Ekuinas Direct (Tranche I) Fund recorded a Gross Portfolio Return of RM591.3 million for a gross IRR of 14.8% p.a., while its second fund, Ekuinas Direct (Tranche II) Fund posted a Gross Portfolio Return of RM133.3 million at a gross annualised IRR of 13.0%. Its third tranche and the biggest of all Ekuinas' five funds with a total capital commitment of RM1.5 billion, has had an encouraging start with 15.3% or RM229.8 million committed in FY2015.

In 2014, the returns for Ekuinas Direct (Tranche I) Fund did not only recover the principal amount provided by Government to be utilised for re-investment, Ekuinas also distributed RM200 million to the wider Bumiputera community via Yayasan Pelaburan Bumiputera to more than 10 million unit holders under Permodalan Nasional Berhad (PNB). A third portion from the fund's returns has been allocated for Ekuinas' Corporate Social Responsibilities activities implemented under the brand name **ILTIZAM by Ekuinas**.

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**About Ekuinas**

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

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