

ekuinas
EKUITI NASIONAL BERHAD

DELIVERING POTENTIAL

What's behind our performance
is what will take us forward.
It's solid. Sustainable. Differentiating.

IT'S OUR CULTURE.

We are different. The way we look at things, the way we work, the way we are structured — all express a **strongly aligned set of beliefs and priorities** that exist at our core and drive our results. That is what lies behind our numbers.

/ VISION & MISSION /



- VISION -

To be a world-class Private Equity fund
management company



- MISSION -

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

CULTURE MATTERS.

It is simple logic: Culture drives behaviours. Behaviours drive results. Results matter to everyone. Therefore, culture matters. What is culture, really? It's a system of beliefs shared by a group of people. It is those **beliefs and how strongly they are shared that determine the strength and pervasiveness of a culture**. By these measures, Ekuinas' culture is indeed strong. Ekuinas' employees share six key values, beliefs that are clear and simple: We believe in exceeding expectations. We are commercially-driven and we look to maintain strict commercial discipline to create value. We are merit-based and reward purely based on performance. We believe our success largely depends on the passion we put in our task in view of delivering beyond the ordinary. We are focused in our quest to achieve our objectives and we believe in humility to stay true to our roots and be cognisant that we all serve a greater purpose. Our culture and beliefs are shared across the organisation and they matter because it is what makes us perform.

/ VALUES /

1

COMMERCIALLY DRIVEN

We maintain strict commercial discipline to create value

2

HIGH PERFORMANCE

We strive to exceed expectations

3

MERIT-BASED

We recognise and reward purely based on performance

4

PASSION

We are passionate in our task to deliver beyond the ordinary

5

FOCUSED

We are focused in our quest to achieve our objectives

6

HUMILITY

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

IT'S OUR PEOPLE.

EkuiNAS' team members are the difference. Our people are behind our numbers. One key manifestation of a company's culture is in the collective attitude of its people. **People here thrive in an environment of constant change**, they embrace and harness their capabilities, and above that, they all share a common goal.

Our Human Capital development is about hiring and retrieving the best talents, allowing them to apply their skills and knowledge in an environment that pushes them to be the best of themselves. At EkuiNAS, finding ways to create value for our stakeholders is part of our D.N.A. The key to doing this successfully is attitude, which of course, ties back to our greatest asset, our people.

/ ABOUT US /

Ekuiti Nasional Berhad, or Ekuinas, is a private equity fund management company established by the Government of Malaysia on 1 September 2009 to promote equitable and sustainable Bumiputera economic participation via the creation of Malaysia's next generation of leading companies.

HOW DOES EKUINAS OPERATE?

Based on the Private Equity model of:

- investing in high-growth businesses
- aggressively expanding them
- profitably exiting once they mature or become market leaders

KEY OBJECTIVES

Financial Objectives

Enhance institutional
Bumiputera equity

Target return: Min 12%,
Aspirational 20% IRR per annum

Social Objectives

Enhance individual
Bumiputera participation

- Equity ownership
- Management
- Employment
- Creating value in supply chain

KEY METHODS

Direct Investments

Directly undertake investments
Skewed towards buy-outs and
controlling stake

Outsourced Programme

Outsourced PE Managers
making investments

Must raise external capital

Focused on provision of
growth capital

KEY TARGET GROUPS

Entrepreneurs

Supplement entrepreneurs' risk capital
Enhance their capabilities with
professional oversight

Professional Managers

Opportunities for capable managers
to earn "sweat equity"

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Scan this QR Code to direct you to Ekuinas' official website

01

HIGHLIGHTS





Comprising seven institutions in Malaysia and Sri Lanka, providing end-to-end learning to nearly 35,000 students across 21 campuses and serving K-12 (primary and secondary) and tertiary markets, ILMU aims to create a learning experience that will give an opportunity for students to realise their full potential and deliver an impact in their lives thereafter.

01 HIGHLIGHTS

2015 AT A GLANCE

INVESTMENT
PERFORMANCE

| / DIRECT TRANCHE I / | | |
|------------------------|---------------|---------------|
| GROSS PORTFOLIO RETURN | GROSS IRR | NET IRR |
| RM 591.3 MILLION | 14.8% p.a. | 10.9% p.a. |

| / DIRECT TRANCHE II / | | |
|------------------------|---------------|--------------|
| GROSS PORTFOLIO RETURN | GROSS IRR | NET IRR |
| RM 133.3 MILLION | 13.0% p.a. | 5.7% p.a. |

| / OUTSOURCED TRANCHE I / | | |
|--------------------------|--------------|--------------|
| GROSS PORTFOLIO RETURN | GROSS IRR | NET IRR |
| RM 52.2 MILLION | 6.3% p.a. | 5.0% p.a. |

TOTAL CUMULATIVE
INVESTMENT PORTFOLIO

| / NUMBER OF INVESTMENTS DIRECT AND OUTSOURCED / | |
|--|--|
| <u>TOTAL</u> | |
| 45 | |

| / DIRECT INVESTMENTS / | / OUTSOURCED PROGRAMME / |
|------------------------|--------------------------|
| 26 | 19 |

| / TOTAL COMMITTED INVESTMENT BY EKUINAS / | |
|---|--|
| <u>TOTAL CAPITAL INVESTED</u> | |
| RM 2.8 | |
| B I L L I O N | |

| / TOTAL ECONOMIC CAPITAL DEPLOYED, TOGETHER WITH PRIVATE SECTOR PARTNERS / | |
|---|--|
| RM 3.4 | |
| B I L L I O N | |

01 HIGHLIGHTS

2015 AT A GLANCE

SOCIAL OBJECTIVE PERFORMANCE -
COMBINED DIRECT AND OUTSOURCEDINCREASE IN
BUMIPUTERA EQUITY

RM 3.7

B I L L I O N

1.6x CAPITAL INVESTED

FUND MANAGEMENT
COMPANYTOTAL FUNDS UNDER
MANAGEMENT (FUM)

RM 4.1

B I L L I O N

INCREASE IN TOTAL
SHAREHOLDERS' VALUE

RM 4.7

B I L L I O N

2.1x CAPITAL INVESTED

PROFIT AFTER TAX

RM 26.4

M I L L I O N

INCREASE IN BUMIPUTERA
MANAGEMENT SINCE EKUINAS' ENTRY

12.7%

OPERATING EXPENDITURE (OPEX)

RM 44.1

M I L L I O N

INCREASE IN BUMIPUTERA EMPLOYEES
SINCE EKUINAS' ENTRY

31.5%

RATIO OF OPEX TO FUM

1.1%

01 HIGHLIGHTS

2015 KEY FINANCIAL HIGHLIGHTS

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

| | 2015 RM million | 2014 RM million |
|---|--------------------|--------------------|
| Funds disbursement from YEN during the year | 600.0 | 600.0 |
| Cumulative funds disbursement from YEN | 3,600.0 | 3,000.0 |
| Capital returned to YEN during the year | - | 200.0 |
| Cumulative capital returned to YEN | 200.0 | 200.0 |

2 FUNDS ESTABLISHED

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

3 TOTAL FUNDS UNDER MANAGEMENT

| | 2015 RM million | 2014 RM million |
|--|--------------------|--------------------|
| Direct | 3,500.0 | 3,500.0 |
| Outsourced | 640.0 | 640.0 |
| | 4,140.0 | 4,140.0 |
| Total Funds available for Investments, including private capital | 4,402.0* | 4,427.0 |

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

01 HIGHLIGHTS

2015 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 |
|--------------------------------------|-----------------------|--|--|
| 2015 | | | |
| Ekuias Direct (Tranche I) Fund | 10 | 1,258.2 | 1,380.3 |
| Ekuias Direct (Tranche II) Fund | 13 | 989.3 | 989.3 |
| Ekuias Direct (Tranche III) Fund | 3 | 229.8 | 229.8 |
| Total – Direct | 26 | 2,477.3 | 2,599.4 |
| Ekuias Outsourced (Tranche I) Fund | 15 | 264.0 | 708.4 |
| Ekuias Outsourced (Tranche II) Fund | 4 | 38.2 | 81.8 |
| Total – Outsourced | 19 | 302.2 | 790.2 |
| Total – Direct and Outsourced | 45 | 2,779.5 | 3,389.6 |
| 2014 | | | |
| Ekuias Direct (Tranche I) Fund | 10 | 1,258.2 | 1,380.3 |
| Ekuias Direct (Tranche II) Fund | 11 | 917.3 | 917.3 |
| Total – Direct | 21 | 2,175.5 | 2,297.6 |
| Ekuias Outsourced (Tranche I) Fund | 13 | 245.0 | 678.9 |
| Ekuias Outsourced (Tranche II) Fund | 2 | 20.3 | 50.0 |
| Total – Outsourced | 15 | 265.3 | 728.9 |
| Total – Direct and Outsourced | 36 | 2,440.8 | 3,026.5 |

b. Summary of Cumulative Realisation Activity

| | Total Number of Realisation RM million | Total Realised Amount RM million |
|--|---|-------------------------------------|
| 2015 | | |
| Ekuias Direct (Tranche I) Fund and Ekuias Direct (Tranche II) Fund | 9 | 1,055.2 |
| 2014 | | |
| Ekuias Direct (Tranche I) Fund and Ekuias Direct (Tranche II) Fund | 4 | 954.8 |

01 HIGHLIGHTS

2015 KEY FINANCIAL HIGHLIGHTS

4 SUMMARY OF FUND PERFORMANCE

c. Summary of Cumulative Financial Performance

| | Gross Portfolio Return RM million | Gross Internal Rate of Return (IRR) | Net IRR |
|---------------------------------------|---|---|------------|
| Direct Fund | | | |
| 2015 | | | |
| Ekuinas Direct (Tranche I) Fund | 591.3 | 14.8% p.a. | 10.9% p.a. |
| Ekuinas Direct (Tranche II) Fund | 133.3 | 13.0% p.a. | 5.7% p.a. |
| Ekuinas Direct (Tranche III) Fund* | - | N/M | N/M |
| 2014 | | | |
| Ekuinas Direct (Tranche I) Fund | 677.1 | 19.6% p.a. | 15.3% p.a. |
| Ekuinas Direct (Tranche II) Fund | 148.4 | 31.9% p.a. | 19.3% p.a. |
| Outsourced Fund | | | |
| 2015 | | | |
| Ekuinas Outsourced (Tranche I) Fund | 52.2 | 6.3% p.a. | 5.0% p.a. |
| Ekuinas Outsourced (Tranche II) Fund* | - | N/M | N/M |
| 2014 | | | |
| Ekuinas Outsourced (Tranche I) Fund | 55.0 | 10.6% p.a. | 8.8% p.a. |
| Ekuinas Outsourced (Tranche II) Fund | - | N/M | N/M |

* The financial performance for Ekuinas Direct (Tranche III) Fund and Ekuinas Outsourced (Tranche II) Fund are not presented as the funds are still in early stages of investments.

d. Social Objective Performance – Combined Direct and Outsourced

| | Bumiputera Equity Created | | Total Equity Created | |
|------|---------------------------|---------------------------------|----------------------|---------------------------------|
| | Value RM million | Multiple of Capital Invested | Value RM million | Multiple of Capital Invested |
| 2015 | 3,750.8 | 1.6x | 4,702.7 | 2.1x |
| 2014 | 4,246.2 | 1.9x | 5,517.6 | 2.4x |

01 HIGHLIGHTS

2015 KEY FINANCIAL HIGHLIGHTS

5 EKUITI NASIONAL BERHAD (FUND MANAGEMENT COMPANY)

| | 2015 RM million | 2014 RM million |
|------------------------------------|--------------------|--------------------|
| Total Funds under Management (FuM) | 4,140.0 | 4,140.0 |
| Operating Expenditure (OPEX) | 44.1 | 40.3 |
| Profit After Tax (PAT) | 26.4 | 14.5 |
| Ratio of OPEX to FuM | 1.1% | 1.0% |

6 INDIVIDUAL FUND PERFORMANCES

a. Ekuinas Direct (Tranche I) Fund

| | 2015 RM million | 2014 RM million |
|--|--------------------|--------------------|
| Fund Size | 1,000.0 | 1,000.0 |
| Number of Investments | 10 | 10 |
| Investment Activities | | |
| Committed Investments Undertaken | 1,258.2 | 1,258.2 |
| Total Economic Capital Deployed in Malaysian Economy | 1,380.3 | 1,380.3 |
| Realisation Activities | | |
| Total Number of Realisation | 5 | 3 |
| Total Realised Amount | 846.2 | 800.8 |
| Financial Performance | | |
| (i) Returns | | |
| Gross Portfolio Return | 591.3 | 677.1 |
| Gross Internal Rate of Return (IRR) % | 14.8% p.a. | 19.6% p.a. |
| Net IRR % | 10.9% p.a. | 15.3% p.a. |
| (ii) Balance sheet | | |
| Portfolio Value | 963.4 | 1,077.3 |
| Net Asset Value (NAV) | 798.5 | 910.0 |

01 HIGHLIGHTS

2015 KEY FINANCIAL HIGHLIGHTS

6 INDIVIDUAL FUND PERFORMANCES

b. Ekuinas Direct (Tranche II) Fund

| | 2015 RM million | 2014 RM million |
|--|--------------------|--------------------|
| Fund Size | 1,000.0 | 1,000.0 |
| Number of Investments | 13 | 11 |
| Investment Activities | | |
| Committed Investments Undertaken | 989.3 | 917.3 |
| Total Economic Capital Deployed in Malaysian Economy | 989.3 | 917.3 |
| Realisation Activities | | |
| Total Number of Realisation | 4 | 1 |
| Total Realised Amount | 209.0 | 154.0 |
| Financial Performance | | |
| (i) Returns | | |
| Gross Portfolio Return | 133.3 | 148.4 |
| Gross Internal Rate of Return (IRR) % | 13.0% p.a. | 31.9% p.a. |
| Net IRR % | 5.7% p.a. | 19.3% p.a. |
| (ii) Balance sheet | | |
| Portfolio Value | 813.8 | 642.5 |
| Net Asset Value (NAV) | 954.6 | 300.2 |

01 HIGHLIGHTS

2015 KEY FINANCIAL HIGHLIGHTS

6 INDIVIDUAL FUND PERFORMANCES

c. Ekuinas Direct (Tranche III) Fund

| | 2015 RM million | 2014 RM million |
|--|--------------------|--------------------|
| Fund Size | 1,500.0 | 1,500.0 |
| Number of Investments | 3 | - |
| Investment Activities | | |
| Committed Investments Undertaken | 229.8 | - |
| Total Economic Capital Deployed in Malaysian Economy | 229.8 | - |
| Realisation Activities | | |
| Total Number of Realisation | - | - |
| Total Realised Amount | - | - |
| Financial Performance* | | |
| (i) Returns | | |
| Gross Portfolio Return | - | - |
| Gross Internal Rate of Return (IRR) % | N/M | N/M |
| Net IRR % | N/M | N/M |
| (ii) Balance sheet | | |
| Portfolio Value | - | - |
| Net Asset Value (NAV) | - | - |

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

01 HIGHLIGHTS

2015 KEY FINANCIAL HIGHLIGHTS

6 INDIVIDUAL FUND PERFORMANCES

d. Ekuinas Outsourced (Tranche I) Fund

| | 2015 RM million | 2014 RM million |
|--|--------------------|--------------------|
| Fund Size | 400.0 | 400.0 |
| Number of Investments | 15 | 13 |
| Investment Activities | | |
| Total Committed Investments Undertaken by OFMs | 374.2 | 344.7 |
| - Out of which, Ekuinas' committed investments | 264.0 | 245.0 |
| Total Economic Capital Deployed in Malaysian Economy | 708.4 | 678.9 |
| Financial Performance | | |
| (i) Returns | | |
| Gross Portfolio Return | 52.2 | 55.0 |
| Gross Internal Rate of Return (IRR) % | 6.3% p.a. | 10.6% p.a. |
| Net IRR % | 5.0% p.a. | 8.8% p.a. |
| (ii) Balance sheet | | |
| Portfolio Value | 344.6 | 331.1 |
| Net Asset Value (NAV) | 344.6 | 331.1 |

01 HIGHLIGHTS

2015 KEY FINANCIAL HIGHLIGHTS

6 INDIVIDUAL FUND PERFORMANCES

e. Ekuinas Outsourced (Tranche II) Fund

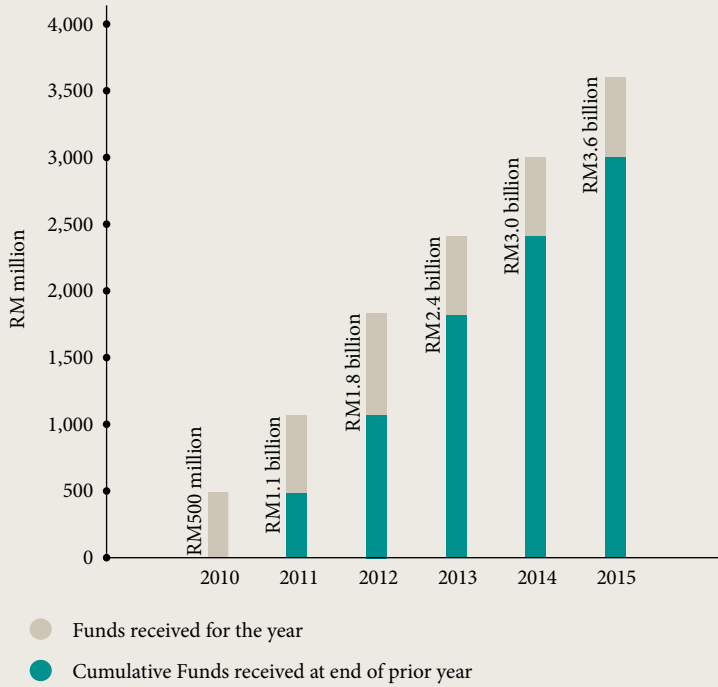
| | 2015 RM million | 2014 RM million |
|--|--------------------|--------------------|
| Fund Size | 240.0 | 240.0 |
| Number of Investments | 4 | 2 |
| Investment Activities | | |
| Total Committed Investments Undertaken by OFMs | 62.8 | 31.0 |
| - Out of which, Ekuinas' committed investments | 38.2 | 20.3 |
| Total Economic Capital Deployed in Malaysian Economy | 81.8 | 50.0 |
| Financial Performance* | | |
| (i) Returns | | |
| Gross Portfolio Return | - | - |
| Gross Internal Rate of Return (IRR) % | N/M | N/M |
| Net IRR % | N/M | N/M |
| (ii) Balance sheet | | |
| Portfolio Value | 33.3 | 14.8 |
| Net Asset Value (NAV) | 33.3 | 14.8 |

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

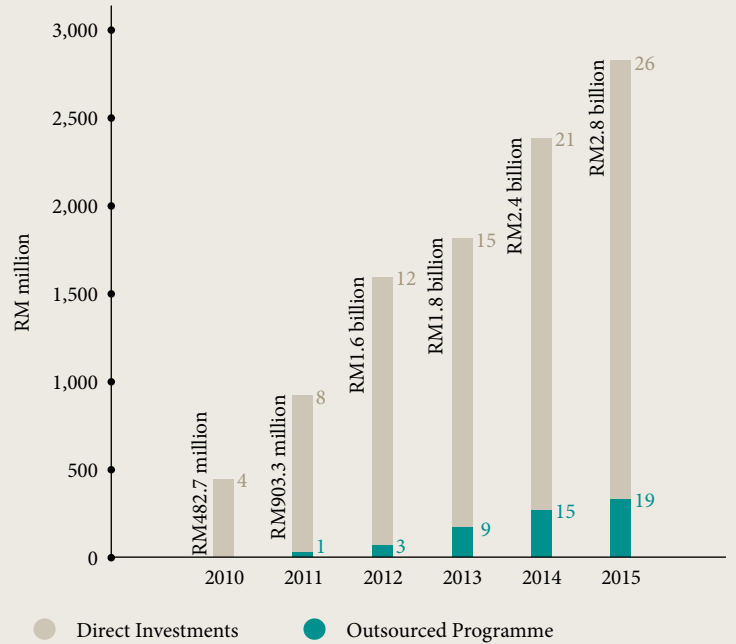
01 HIGHLIGHTS

2010-2015 FINANCIAL HIGHLIGHTS

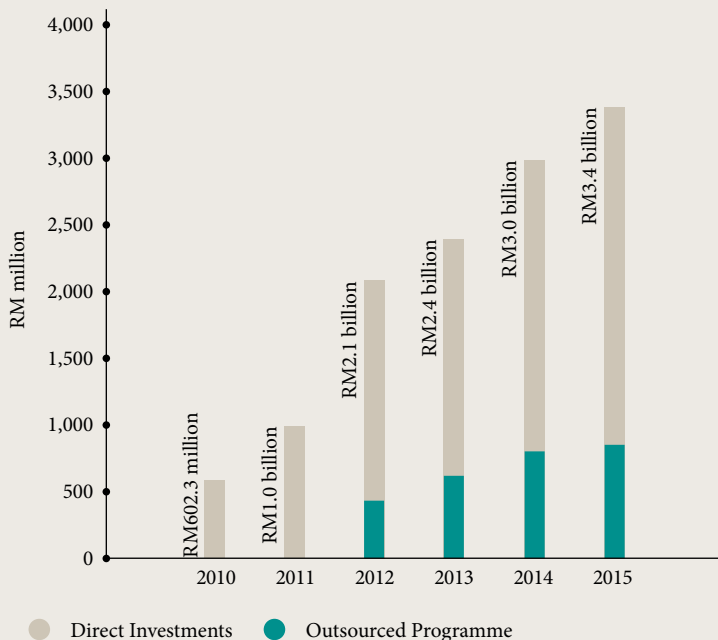
TOTAL FUNDS RECEIVED



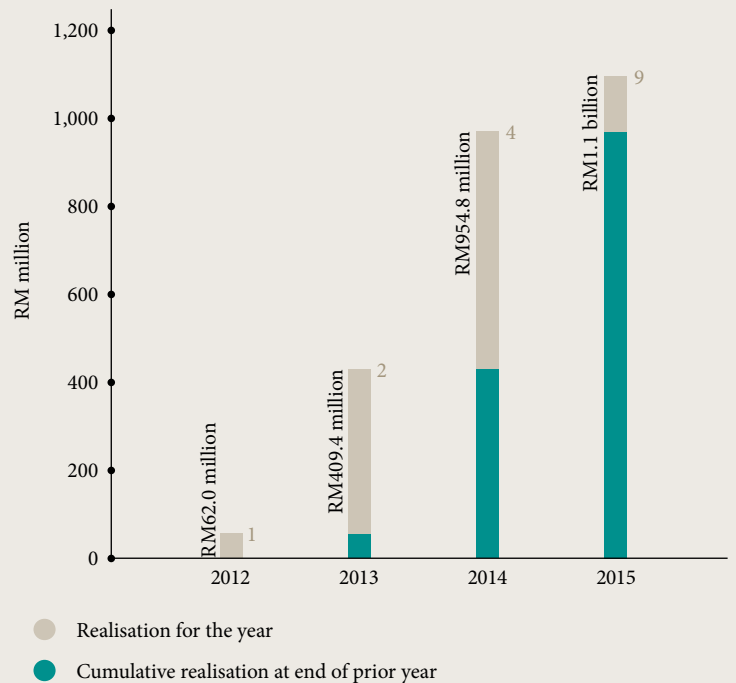
TOTAL NUMBER AND VALUE OF COMMITTED INVESTMENTS



TOTAL ECONOMIC CAPITAL DEPLOYED



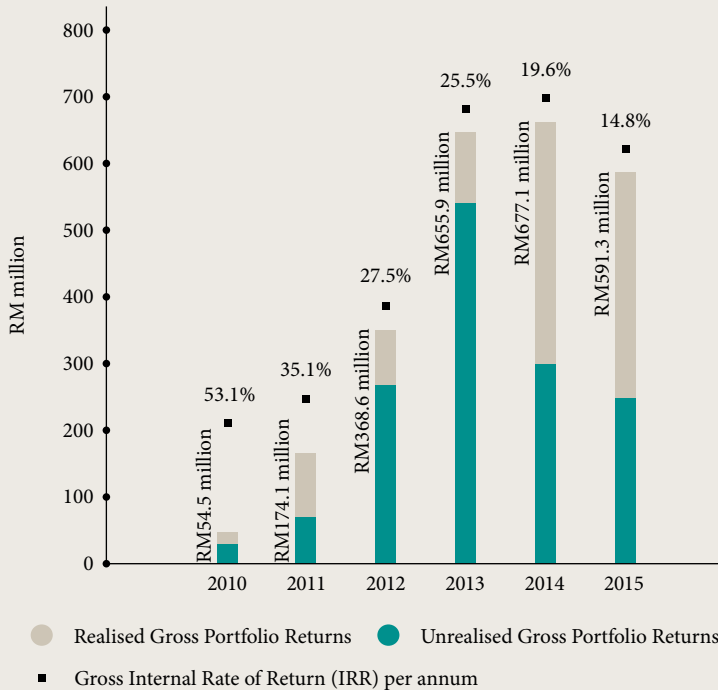
DIRECT INVESTMENTS - TOTAL NUMBER AND REALISATION FROM DIVESTMENTS



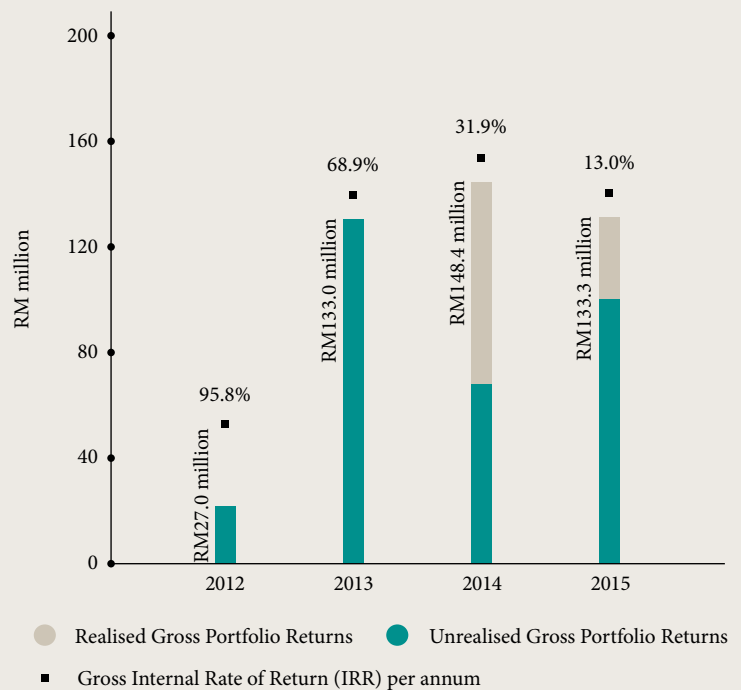
01 HIGHLIGHTS

2010-2015
FINANCIAL HIGHLIGHTS

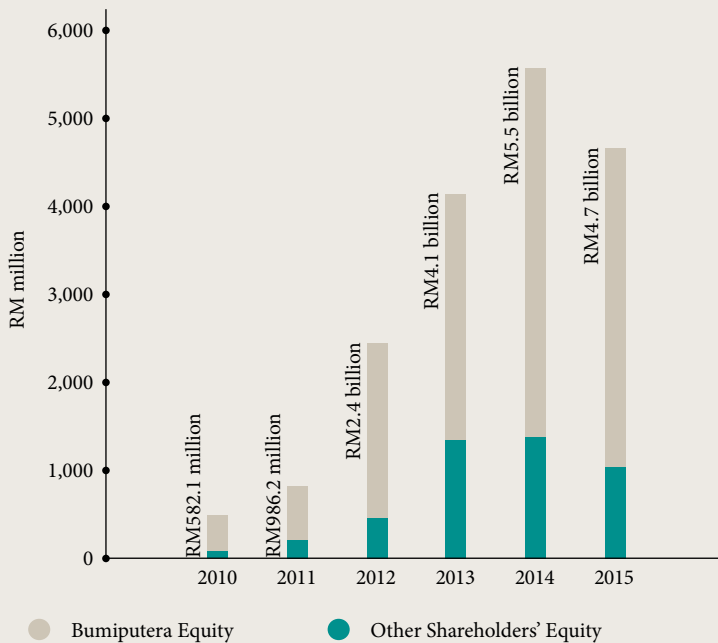
FUND PERFORMANCE – EKUINAS DIRECT (TRANCHE I) FUND



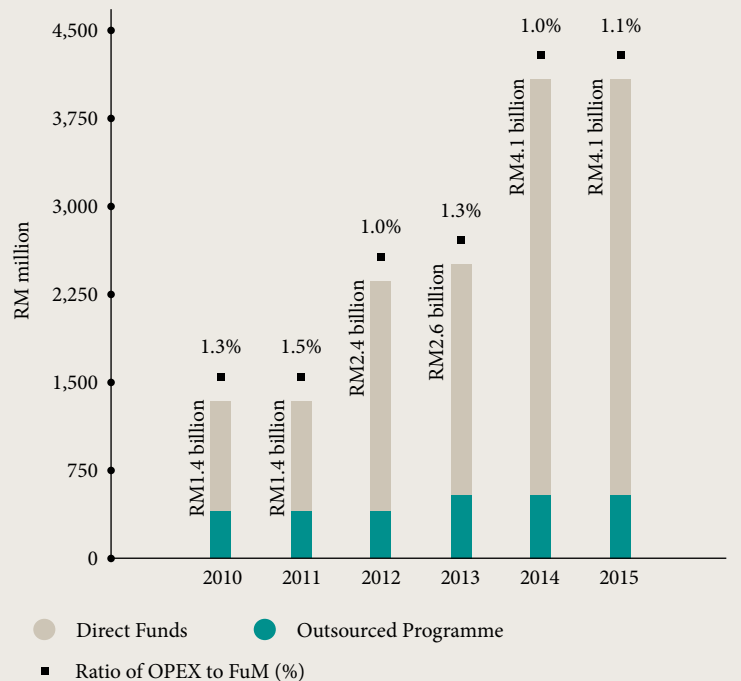
FUND PERFORMANCE – EKUINAS DIRECT (TRANCHE II) FUND



TOTAL BUMIPUTERA EQUITY AND OTHER SHAREHOLDERS' VALUE CREATED



FUNDS UNDER MANAGEMENT AND FUM OPEX RATIO



01 HIGHLIGHTS

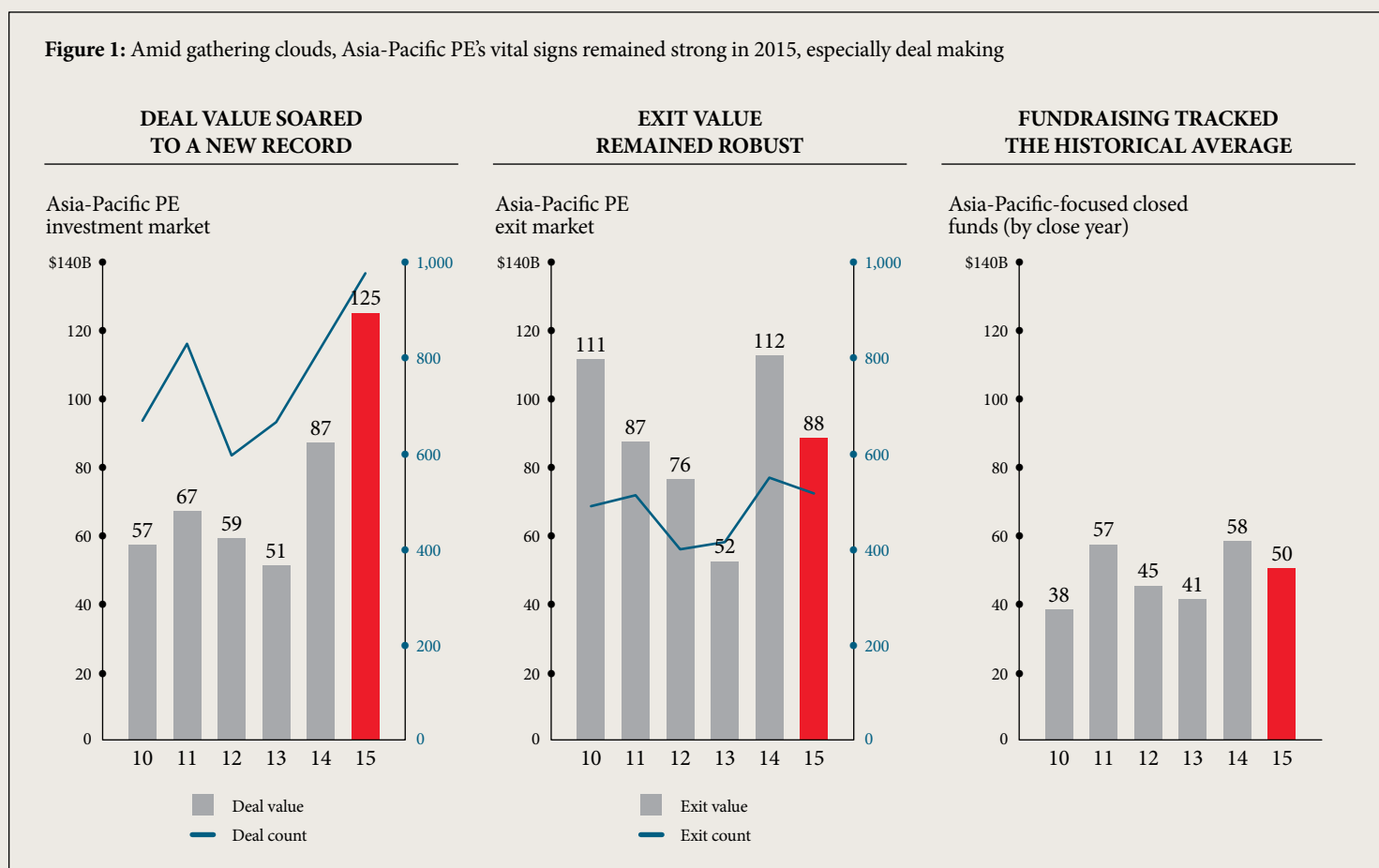
PRIVATE EQUITY MARKET DYNAMICS IN ASIA-PACIFIC AND MALAYSIA

BY BAIN & COMPANY

For global investors, especially those focused on the Asia-Pacific region, the past year has been a sea of instability. Oil prices unexpectedly plunged to record lows, global economic expansion slowed, currencies fluctuated wildly and turbulence in China rocked markets around the world.

Yet amid all this turmoil, the Asia-Pacific private equity industry posted one of its strongest years on record in 2015 (see Figure 1). Investment value soared to an all-time high of \$125 billion, helped by a record 955 transactions. In essence, investors took what the market offered: Megadeals driven by the largest investors dominated the scene across much of the region and investors flocked to the still-vibrant Internet sector, especially in China and India. A large portion of the deal value the mainland also owed to a short-term trend toward public-to-private deals, as U.S. investors bid down Chinese companies traded on U.S. exchanges, creating buyout opportunities.

Figure 1: Amid gathering clouds, Asia-Pacific PE's vital signs remained strong in 2015, especially deal making



Note: Real estate and infrastructure funds are excluded in the three graphs

Sources: AVCJ; Preqin

Asia-Pacific exit value and activity, meanwhile, managed to remain robust, despite a sharp selloff on the Shanghai stock market that disrupted IPO activity in Greater China. And while fundraising slowed slightly in 2015, that was likely a pause to let the market catch up after several years of strong activity. Surveys indicate that investors looking for emerging market exposure continue to view the Asia-Pacific region favorably.

01 HIGHLIGHTS

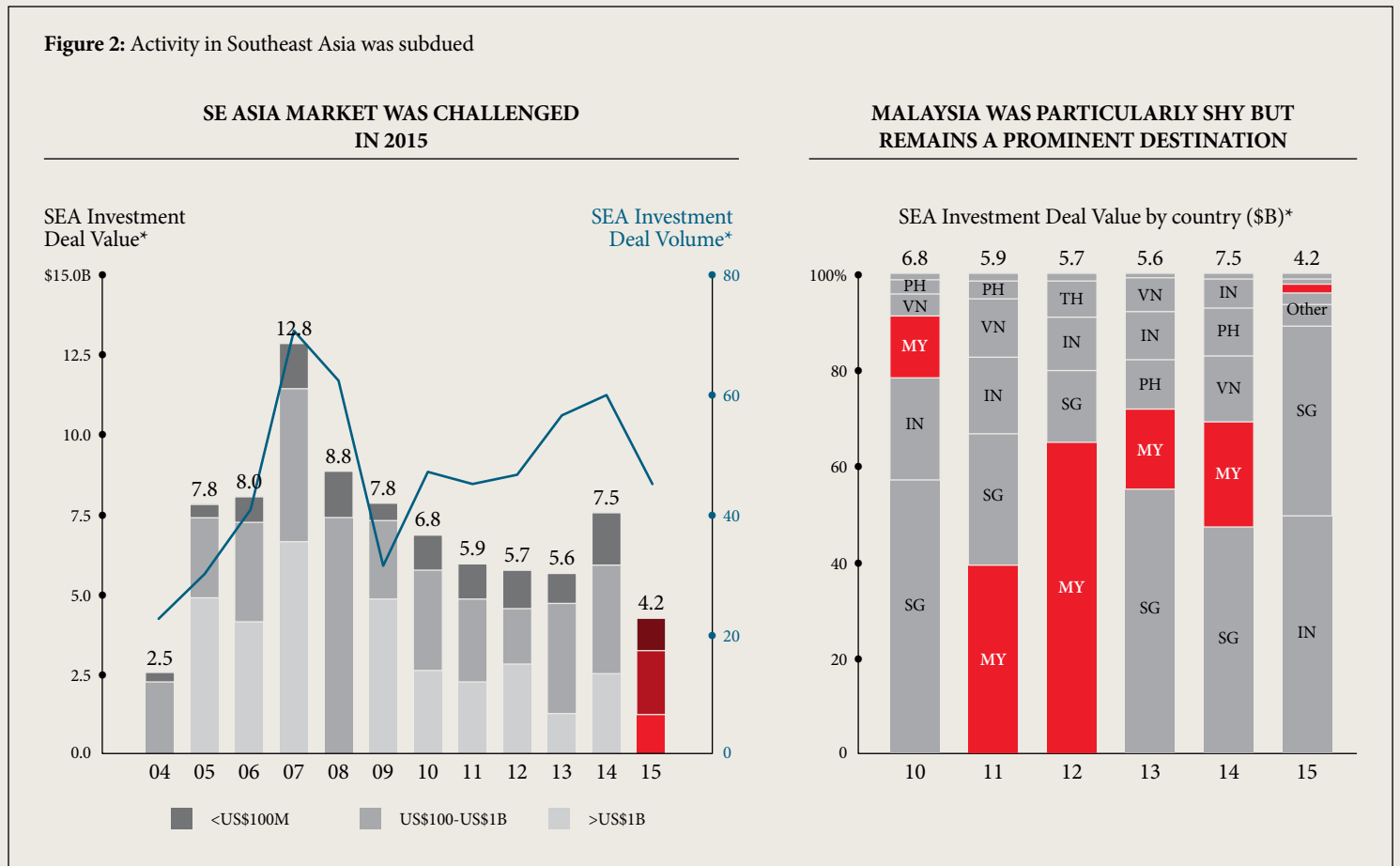
PRIVATE EQUITY MARKET DYNAMICS
IN ASIA-PACIFIC AND MALAYSIA

BY BAIN & COMPANY

Reduced activity in Southeast Asia and Malaysia

While this party played out across much of the region, however, activity in Southeast Asia was subdued — particularly in Malaysia (see Figure 2). At \$4.2 billion, investment value in Southeast Asia was the lowest it has been since 2004 and the average deal size dropped below \$100 million for the first time since 2002. Deal making in Malaysia was especially quiet: After generating 13 deals worth \$1.8 billion in 2014, the Malaysian market produced just three in 2015 for a total of \$59 million. Exit value in Southeast Asia rose slightly to \$6.7 billion. But that was still below the five-year average of \$7.3 billion and most of the volume came from Singapore, which produced a roster of big trade exits.

Figure 2: Activity in Southeast Asia was subdued



Source: AVCJ; (*) excludes real estate and infrastructure

01 HIGHLIGHTS

PRIVATE EQUITY MARKET DYNAMICS IN ASIA-PACIFIC AND MALAYSIA

BY BAIN & COMPANY

Macro challenges

The tepid activity across much of Southeast Asia was certainly not due to a lack of motivation. PE funds focused on the region have mountains of dry powder to spend. According to Bain's 2016 Private Equity Survey, deal making has been by far their No. 1 priority for several years running. But the survey also shows that funds are encountering a slew of challenges in Southeast Asia including the turbulent macro context, a small pool of attractive companies, stiff competition for the relatively few targets and rich valuations that make it difficult to justify purchases.

Investors focused on Malaysia faced an especially difficult year, given the economic shocks that have shaken the prosperous nation. Falling global oil prices have strained government finances by shrinking Malaysia's current account surplus. That has put downward pressure on the ringgit, which lost almost 30% to the US dollar between August of 2015 and January of 2016.

Short term versus long term

All of this is frustrating for PE funds eager to do deals in Southeast Asia. But we believe those willing to take a longer-term perspective will eventually be rewarded by this vibrant set of emerging markets. The Economist Intelligence Unit (EIU) is predicting that real GDP growth across the Southeast Asian markets will remain above 4.3% through 2030. In Malaysia, the mid-term forecast is even better. Although EIU is predicting a slowdown in Malaysia's GDP growth rate this year to 4.3%, it expects growth to exceed 5% from 2016 through 2020.

That suggests that 2015's dearth of activity in Malaysia was an anomaly. With an average of \$1.7 billion in annual deal value over the past five years, PE investments in the country have accounted for 30% of Southeast Asia's total deal value and Malaysia consistently ranks first or second among Southeast Asia markets each year. The country is routinely cited as one of the most attractive in Asia and it benefits from the activity of several powerful government-linked investors, including Ekuiti Nasional Berhad, Khazanah Nasional Berhad and the Employees' Provident Fund of Malaysia.

01 HIGHLIGHTS

PRIVATE EQUITY MARKET DYNAMICS
IN ASIA-PACIFIC AND MALAYSIA

BY BAIN & COMPANY

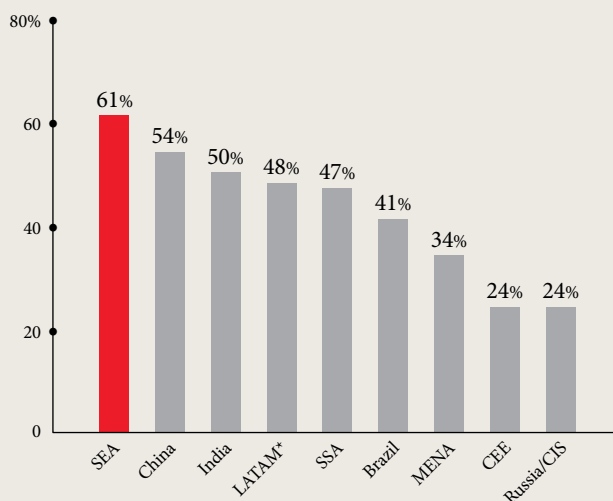
Investors remain enthusiastic

Among limited partners (LPs) generally, Southeast Asia also retains its appeal as a place to put money to work. This is especially true as growth in China tails off and investors look for more vibrant prospects elsewhere. An April 2015 survey of LPs by the Emerging Markets Private Equity Association showed that Southeast Asia is among the most attractive emerging markets in the world and ranked first in terms of expectations for net returns (see Figure 3). PE funds are similarly enthusiastic. According to the Bain survey, 45% of funds place Southeast Asia among the top three most attractive places for new deals in 2016.

Figure 3: Investors remain buoyant on SE Asia's deal markets in the years ahead

**LPS ARE CONFIDENT THEY CAN
ACHIEVE SUPERIOR RETURNS IN SEA...**

Percent of LPs expecting 16%+ net returns
from 2014 vintage funds



**...AND RATE THE REGION HIGHLY POSITIVELY
OVER OTHER PLACES**

LPs' views on the attractiveness of Emerging Markets for GP
Investment over the next 12 months
Top 5 markets only

| Rank | 2013 | 2014 | 2015 |
|----------------------------|------------|------------|------------|
| 1 = More attractive | SSA | LATAM* | LATAM* |
| 2 | SEA | SEA | SEA |
| 3 | LATAM* | SSA | SSA |
| 4 | China | China | India |
| 5 = Less attractive | Turkey | Brazil | China |

Source: EMPEA global LP private equity survey 2015 (*) excluding Brazil

01 HIGHLIGHTS

PRIVATE EQUITY MARKET DYNAMICS
IN ASIA-PACIFIC AND MALAYSIA

BY BAIN & COMPANY

Winning in turbulence

Expectations, of course, are one thing. Delivering results is another. While investors can take comfort in the fact that PE has historically outperformed other asset classes — and will continue to do so — we believe slower global growth and other factors will likely put pressure on PE returns around the world in coming years. In Southeast Asia, GDP growth should improve from current levels, but the region remains turbulent and the heady growth experienced before the global financial crisis will likely stay in the rearview mirror. Fierce competition and rising multiples, meanwhile, make it increasingly difficult to find good companies at a fair price. Given that interest rates have nowhere to go but up, it is also likely that the cost of leverage will eventually increase.

What this means is that creating consistent long term value will depend on a PE fund's ability to sharpen its execution in every phase of the game — finding value at entry, adding value during hold and ensuring a growth story at exit. Increasingly competitive conditions will also favor those funds that can outperform on all these dimensions. The data show clearly that LPs are steadily gravitating to the top-tier funds in the Asia-Pacific market that have proven they generate consistent, above market results.

Looking at the most successful funds in this difficult environment, we find the winners focus on three key areas (see Figure 4).

- **They have storm-proofed their portfolios** by dialing up their focus on portfolio activism, investing heavily in the people and capabilities needed to maximize the value of their highest-potential companies and generate the most compelling growth stories upon exit.
- **They are sourcing from a position of strength** by targeting the most resilient sectors, sharpening due diligence to gain the clearest downside perspectives, and devising early, robust strategies for margin improvement, incremental revenue growth and exit planning.
- **They are building a battle-ready organization** to devote more talent and resources to fixing companies — in many cases, shoring up turnaround and margin improvement skills. They are also adding depth to investment committee processes by including specialists and others in the portfolio review process while creating stringent guidelines to focus resources where they matter most.

Figure 4: PE funds will need to be well equipped to thrive in tumultuous times

| CREATING A STORM-PROOFED PORTFOLIO | SOURCING FROM A POSITION OF STRENGTH | BUILDING A BATTLE-READY ORGANIZATION |
|--|--|--|
| <p>Re-evaluate risks, determine sensitivities and realign the value-creation plan to the 'New Normal'</p> <p>Prioritize resources to double down on winners</p> <p>Relentlessly focus on top 3-5 initiatives by aligning management incentives with business objectives</p> <p>Develop clear and early exit plans</p> | <p>Go deep and outbid only on companies with fundamentals you believe in</p> <p>Devote due diligence to finding clear potential for margin improvement and incremental growth</p> <p>Push harder on down-side scenarios</p> <p>Focus on sectors that will hold up during a downturn or that have a strong growth trajectory ahead</p> | <p>Sharpen systems to nurture, retain and attract top talent</p> <p>Develop new capabilities to support transformation, margin improvement and turnaround</p> <p>Strengthen processes, to improve decision making and provide early warnings</p> <p>Develop stringent guidelines on how to prioritize time and resources between investments</p> |

01 HIGHLIGHTS

PRIVATE EQUITY MARKET DYNAMICS IN ASIA-PACIFIC AND MALAYSIA

BY BAIN & COMPANY

A new normal

We have little doubt conditions for PE investment will improve in Malaysia and the rest of Southeast Asia. But given the heavy competition for a small pool of promising companies in the region, we are equally confident the winners will be those funds that can raise their game when it comes to execution. The Asia-Pacific PE market is transitioning to a new normal — a period of more moderate growth when investment returns will rely less on riding a steady macroeconomic tailwind and more on a fund's ability to find good companies and make them better. Increasingly, that means the best funds will organize themselves to take a more activist approach, marshalling the talent and capabilities to proactively add value to their portfolio companies. Investors in Southeast Asia have plenty of funds to choose from. It is only natural that they will gravitate to the best.

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ABOUT BAIN & COMPANY

Bain & Company is the management consulting firm that the world's business leaders come to when they want results. Bain advises clients on strategy, operations, technology, organization, private equity and mergers and acquisition, developing practical insights that clients act on and transferring skills that make change stick. It is the leading consulting partner to the private equity (PE) industry and its stakeholders. Its services span every step of the PE value chain, from fund strategy, deal generation, due diligence, post-acquisition work and exit planning. Bain & Company often aligns its incentives with clients by linking its fees to their results. Bain clients have outperformed the stock market 4 to 1. Founded in 1973, Bain has 53 offices in 34 countries, and its deep expertise and client roster cross every industry and economic sector. For more information, visit: www.bain.com.

We would like to extend our deepest gratitude to Bain & Company for contributing their article "Private Equity Market Dynamics in Asia-Pacific and Malaysia" to give our readers a brief overview of the private equity market conditions in Malaysia and the region.

01 HIGHLIGHTS

CHAIRMAN'S STATEMENT

DEAR STAKEHOLDERS,

2015 marked the sixth year in Ekuinas' journey as a government-linked private equity firm pursuing its mandate of promoting equitable and sustainable Bumiputera economic participation. However, it was also a very challenging year for us. The business environment experienced greater uncertainty and volatility. Global economic growth slowed, currencies weakened and the price of commodities, led by crude oil, fell significantly.

Yet, in the face of these factors, we made progress towards achieving our goals. I am very pleased to be able to share this review of the Company's progress, its important achievements as well as challenges for the past year.

DELIVERING IN A DIFFICULT ENVIRONMENT

For the financial year ended 31 December 2015, we had anticipated a softer economic landscape and heightened volatility across equity markets at the start of the year and moved to implement appropriate defensive strategies. Capital was deployed in an even more thoughtful and prudent manner and only when we believed that values of the selected portfolio companies were truly compelling.

Correspondingly, our investment rate slowed to RM338.7 million in FY2015 (2014: RM605.8 million). The slower rate is reflective of a changing investment landscape and the need to balance returns with safety and stability. Doing so ensures that our funds are able to weather these turbulent times and remain well positioned to take advantage of future investment opportunities.

As with all investments, private equity has inherent risk. Although Ekuinas has acquired a broadly diversified portfolio of companies, our individual businesses were subject to short-term cyclical market forces even when its long-term growth story remains intact. We have always emphasised the importance of measuring Ekuinas' financial performance on a fund or portfolio basis. Much like any other private equity entity, Ekuinas has always focused on generating returns for its overall funds as opposed to generating returns from individual investments.



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

Our investments are not immune to adverse economic conditions but they are progressing well in fulfilling our quest to develop Malaysia's next generation of leading companies. Ekuinas Direct (Tranche I) Fund continues to be in realisation mode and Ekuinas Direct (Tranche II) Fund was fully committed at the end of FY2015.

Ekuinas Direct (Tranche III) Fund is the largest of all Ekuinas' five funds with a total capital commitment of RM1.5 billion. Established in November 2014, this fund has had an encouraging start with 15.3% or RM229.8 million committed in FY2015.

In terms of performance, Ekuinas continues its track record of making returns that surpass its minimum long-term target of 12.0% p.a. Our fully invested fund, the Ekuinas Direct (Tranche I) Fund made a gross portfolio return of RM591.3 million in FY2015. This translates to a gross Internal Rate of Return (IRR) of 14.8% p.a. and a net IRR of 10.9% p.a. During the better economic conditions of 2014, this fund achieved a gross return of RM677.1 million, i.e. a gross IRR of 19.6% p.a. and a net IRR of 15.3% p.a.

Prices for Brent Crude, a global benchmark for oil, plunged to an 11-year low at the end of 2015. This had an adverse impact on the O&G industry and on our portfolio companies namely Icon Offshore Bhd and Orkim Sdn Bhd. As a result, the performance of Ekuinas Direct (Tranche II) Fund was affected. Nevertheless, this fund generated a gross portfolio return of RM133.3 million which translates to a gross IRR of 13.0% p.a. and a net IRR of 5.7% p.a. which is marginally below our minimum long term target (FY2014: gross portfolio return of RM148.4 million, gross IRR of 31.9% p.a. and net IRR of 19.3%).

We are especially pleased to report that despite a deteriorating macroeconomic environment, Ekuinas made five direct investments and four outsourced investments amounting to a total commitment of RM338.7 million in FY2015 (FY2014: RM605.8 million).

01 HIGHLIGHTS

CHAIRMAN'S STATEMENT

We see great potential for our FY2015 investments to become market leaders in their respective industries. Two of these companies – MediExpress (Malaysia) Sdn Bhd and PMCare Sdn Bhd – mark our maiden entry into the healthcare sector. These companies are third-party administrators (TPA) that manage medical claims. They are ideal candidates for our “Buy and Build” strategy, whereby complementing and synergistic companies are merged to create a larger market leading company.

At the end of FY2015, Ekuinas had 45 investments in its investment portfolio and a total commitment value of RM2.8 billion. Together with co-investments from our private equity partners in the private sector, this translates to a total deployment of about RM3.4 billion into the Malaysian economy.

STRATEGIC DECISIONS TAKEN

Ekuinas' broadly diversified portfolio of businesses provided numerous opportunities for value creation even during challenging economic environments. For example, ILMU Education Group (ILMU) – a leading integrated multi brand education group serving all student segments in the tertiary and K-12 (primary and secondary) markets – was able to increase its student intake during FY2015. We had earmarked 2015 as a possible period to divest ILMU but conditions in the equity market were not conducive for a listing exercise. We will resume our search for the right home for ILMU when we evaluate our divestment options in the future. In the meantime, ILMU continues to grow with its range of offerings, including exploring future expansion opportunities into pre-school and vocational education.

We also continued the restructuring of our F&B Portfolio by exiting the Quick Service Restaurant (QSR) segment in FY2015. Divestment of the Burger King franchise represents a negative gross IRR of 29.1% and divestment of San Francisco Coffee represents a negative gross IRR of 5.7%. While the investment loss is disappointing, it does not necessarily represent a permanent loss of value for our portfolio.

Restructuring and refocusing on specific segments secures the foundation of our F&B portfolio. We can now concentrate our resources, ideas, expertise and efforts on the casual dining and dessert franchise segments. This puts our F&B portfolio in a better position to forge ahead in the coming years.

EKUINAS CONTINUES ITS TRACK RECORD OF MAKING RETURNS THAT SURPASS ITS MINIMUM LONG-TERM TARGET OF 12% P.A. OUR FULLY INVESTED FUND, THE EKUINAS DIRECT (TRANCHE I) FUND MADE A GROSS PORTFOLIO RETURN OF RM591.3 MILLION IN FY2015. THIS TRANSLATES TO A GROSS INTERNAL RATE OF RETURN (IRR) OF 14.8% P.A. AND A NET IRR OF 10.9% P.A.

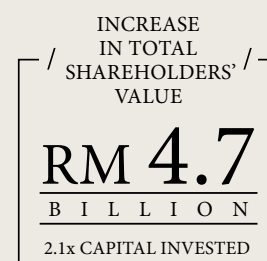
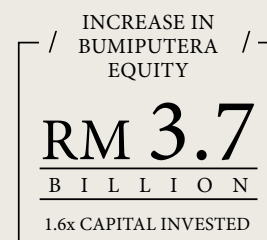
BUMIPUTERA ECONOMIC OWNERSHIP AND TALENT

As a private equity company, Ekuinas plays a vital role in providing businesses with the capital to realise their growth potential and to invest in transformational changes to their operations to support their long-term ambitions.

As we help our portfolio companies to grow, the momentum carries through, manifesting in greater Bumiputera economic participation. In FY2015, we increased Bumiputera equity by RM3.7 billion or 1.6 times capital invested (2014: RM4.2 billion, 1.9x). Total equity for shareholders of our portfolio companies increased by RM4.7 billion which is equivalent to 2.1 times the invested capital (2014: RM5.5 billion, 2.4x). The lower increase in equity ownership is a reflection of the challenging business environment last year.

The talent pool of managers and employees in Ekuinas' portfolio continued to increase during this period. To date, 485 managers and 15,177 employees were employed across our portfolio companies since our entry. Bumiputerans accounted for 31.1% and 51.6% respectively. This represents an increase of 12.7% Bumiputera managers and 31.5% Bumiputera employees since Ekuinas' involvement in the companies (2014: 9.4% and 18.3%).

At the industry level, Ekuinas continues to act as catalyst in the growth of Malaysia's private equity players via our Outsourced Programme. As mentioned, four outsourced investments were made in FY2015. This brings the Outsourced Programme portfolio to 19 investments and a total committed investment of RM437.0 million, out of which Ekuinas contributed RM302.2 million.



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CHAIRMAN'S STATEMENT

ILTIZAM: OUR COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

As a government-linked private equity fund management company, social objectives are embedded in our business model and our key performance indicators (KPIs). Nevertheless, corporate social responsibility (CSR) activities are undertaken to encourage the spirit of altruism within Ekuinas.

A defining event took place in FY2014, when we were able to pledge RM500 million from profits made to the broader Bumiputera community, out of which, RM200 million was disbursed at end 2014. This is a realisation of our efforts to positively impact those that we may not reach in our normal course of business. It also paved the way for a formal CSR programme to be established within Ekuinas.

We chose a name for our CSR programme that signifies commitment, determination and will, and we believe that we have found the ideal brand name in **ILTIZAM**, launched in February 2016. This represents our commitment to help small Bumiputera entrepreneurs, students, young graduates and communities to realise their potential. **ILTIZAM** is based on three pillars: Entrepreneurship, Education and Community.

In the past five years, Ekuinas had contributed RM13.0 million towards its CSR activities. We expect to invest an additional RM18.0 million over three years to **ILTIZAM** in order to reach more individuals and communities who have demonstrated the willpower, spirit and determination to reach for their dreams.

WELCOMING A NEW CEO

On 29 February 2016, Dato' Abdul Rahman Ahmad retired as Ekuinas' CEO. He was instrumental in the establishment of Ekuinas and in guiding its development over the past six years. Under Dato' Abdul Rahman, Ekuinas proved that it is possible for a private equity firm to achieve both social and financial objectives.

His legacy is a company built on a strong foundation of ethics and integrity. Dato' Abdul Rahman led a relentless pursuit of its objectives and enforced a disciplined and professional investment approach. He has also secured the future of Ekuinas by developing a team of professionals who are fully capable of executing Ekuinas' mandate. On behalf of the Board, management and staff of Ekuinas, I would like to record my gratitude to Dato' Abdul Rahman for his enormous contribution and wish him the very best in his future endeavours.

The Board of Directors handpicked Syed Yasir Arafat Syed Abd Kadir as the new CEO of Ekuinas effective March 1, 2016. Syed Yasir was a founding member of Ekuinas and has served with distinction as the Managing Partner (Investments) for the past six years. We are confident that Syed Yasir's background is an asset for Ekuinas and that his skill and experience will bring the Company to the next level.

On behalf of the team at Ekuinas, I warmly welcome Syed Yasir and look forward to working with him to build on past successes and to take Ekuinas into its next phase of evolution.

ACKNOWLEDGEMENTS

The Board of Directors would like to thank the Government of Malaysia for continuing its commitment to private equity by providing RM600.0 million to Ekuinas in FY2015. This brings total disbursements to RM3.6 billion or 72.0% of the RM5.0 billion allocated under the Ninth and Tenth Malaysian Plan.

We extend our deepest appreciation to our valued trustees at Yayasan Ekuiti Nasional (YEN) for their continued support and guidance. We are fully conscious that we are the custodians of your trust and we intend to strive even harder to deliver on our mandate and to exceed your expectations.

We would also like to thank all parties involved in our journey, i.e. our stakeholders and partners as well as the management team and employees of our portfolio companies. We are truly grateful for your support and we look forward to continuing our close working relationship in the coming year.

I would also like to personally thank the Board of Directors at Ekuinas for their commitment, dedication and willingness to share their wisdom and expertise. Your contributions are invaluable and instrumental in all Ekuinas' accomplishments.

Finally, I would like to thank the Senior Management team and every Ekuinas employee. You have built Ekuinas' reputation for performance, integrity and insight. I am sure that all of you will continue to contribute towards a bright future for the company.

SUMMARY AND OUTLOOK

Our performance in FY2015 reaffirms our commitment towards building a private equity firm that can withstand economic downturns and deliver the best possible returns on invested capital. Moving forward, we will continue to preserve the value of our portfolio companies and crystallise our investments when conditions are right.

Often, the most compelling investment opportunities can be found during challenging economic times. Ekuinas has a target investment of RM480.0 million for FY2016 and we will continue to make strategic acquisitions at the right price.

I firmly believe that Ekuinas' approach creates long-term value for our portfolio companies and stakeholders, and positively impacts the country's economy and society as a whole. We look forward to successfully executing our vision and mission in 2016.

RAJA TAN SRI DATO' SERI ARSHAD RAJA TUN UDA
Chairman

01 HIGHLIGHTS

CHIEF EXECUTIVE OFFICER'S REVIEW



Syed Yasir Arafat Syed Abd Kadir
Chief Executive Officer (*effective 1.3.2016*)

**IN THE NAME OF ALLAH, THE MOST GRACIOUS, THE MOST MERCIFUL.
PRAISE BE TO ALLAH AND PEACE BE UPON PROPHET MUHAMMAD S.A.W.,
HIS FAMILY AND COMPANIONS.**

Ekuiinas' investment strategy reflects our need to generate a healthy return on investment and the need to balance that with our commitment towards social objectives. This puts us in a unique position with regard to the role we need to play during economic downturns. Our intellectual and financial capital, conservative investment approach, robust risk controls and market experience have all contributed to our ability to withstand the headwinds of a depressed market environment.

Our solid foundations allow us to retain our outward focus and to continue to invest in high potential businesses and transforming them into future market leaders. As a private equity firm, our success depends on whether our portfolio companies are able to thrive in any business climate.

2015 has been a very challenging year for the global and local economy, and particularly for the Oil & Gas (O&G) industry that faced a markedly more bearish environment at the end of 2015 and in 2016. During the past year, global economic activity remained subdued as economic growth slowed and currencies weakened in emerging markets. Meanwhile, recovering developed economies had to grapple with deflationary pressures and softening consumer demand.

The unexpected sharp decline in energy prices is perhaps the most significant event for the year. The price of a barrel of oil declined in the past three consecutive years and plunged by almost 40.0% in 2015, hitting an 11-year low. This led a rout in global commodities and almost every commodity traded at a cyclical low.

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CHIEF EXECUTIVE OFFICER'S REVIEW

DIRECT &
OUTSOURCED
INVESTMENTS
IN 2015

Total Committed
Investment of

RM 338.7
M I L L I O N

Direct Investment
RM301.8 million

Outsourced Programme
RM36.9 million

TOTAL REALISED
PROCEEDS

RM 1.4
B I L L I O N

from dividend income,
interest income and
divestment activities

In Malaysia, authorities proactively mitigated the impact of lower oil prices with an appropriate set of policies such as the introduction of the Goods and Services Tax (GST) on 1 April 2015. As a result, for the financial year ended 31 December 2015, gross domestic product (GDP) expanded by 5.0%. This is lower than 6.0% growth recorded in 2014 but higher than generally expected. However, the introduction of GST affected the overall consumers' sentiments particularly in the retail sector, which experienced a sales decline of 11.9% in 2Q2015 from a year ago.

The situation was further exacerbated by the decline of the ringgit vis-à-vis a rising US dollar which had affected the bottom line of many smaller and mid-sized enterprises (SME). This is especially evident among companies that procure raw materials from foreign markets. Profit margins are further eroded if the SME sells predominately in the local market. According to the World Bank, the ringgit depreciated by 20.5% between January 2015 and 8 December 2015.

The economic disruptions of 2015 have changed the investing landscape in which we operate. Now there is a greater focus to balance returns with safety and stability. I am pleased to say that our portfolios are principally structured to preserve invested capital while striving to deliver on returns.

After six years of operations, Ekuinas has built a reputation for performance, integrity and innovation as well as a solid financial position. We are well positioned for the volatile environment that surrounds us today and ready to take advantage of compelling new investments that arise out of market downturns. Furthermore, our track record of creating robust market leaders makes Ekuinas a valued partner for companies looking to develop in a changing economic climate.

OUR PERFORMANCE

Ekuinas responded to the macroeconomic environment in sensible ways that have enabled the Company to face present challenges and to realise future opportunities. I am pleased to report that we are able to continue delivering on our mandate to enhance Bumiputera economic participation while growing Malaysian businesses into market leaders.

Our fund performance in FY2015 highlights the stability of our diversified investing approach and the resilience of our portfolio companies. Despite deteriorating economic conditions, we continued to commit our capital and expertise towards identifying the high potential Malaysian companies as well as towards protecting and building the value of our investments.

On behalf of the team at Ekuinas, I would like to thank the Government of Malaysia for their RM600.0 million disbursement to the Company during the financial year under review. With the Government's annual allocation to Ekuinas since 2009, Ekuinas has closed on more than RM2.8 billion of investments. More importantly, realised proceeds of RM1.4 billion have been generated from dividend income, interest income and divestment activities. This gives us an extremely solid balance sheet and strong liquidity.

In FY2015, we made direct and outsourced investments worth RM338.7 million (FY2014: RM605.8 million). This includes RM301.8 million in our direct investments and RM36.9 million invested via the Outsourced Programme.

A notable highlight was our maiden investment into the healthcare sector. We acquired a majority stake in MediExpress (Malaysia) Sdn Bhd and PMCare Sdn Bhd. During the year, three follow-on investments were also made in ILMU Education Group (ILMU), Orkim Sdn Bhd and San Francisco Coffee.

At the end of its sixth year of operations, Ekuinas positively impacted the Malaysian economy by investing in a total of 45 investments with a total committed capital of approximately RM2.8 billion. Together with external capital from private sector partners, this brings overall economic capital deployment to RM3.4 billion.

As a commercially-run private equity fund management company, Ekuinas has established a tradition of cost-effectiveness and operational efficiency. The Company made a commendable profit after tax of RM26.4 million in FY2015 (FY2014: RM14.5 million). As in the preceding year, operations remain cost effective at only 1.1% of total Funds under Management of RM4.1 billion (FY2014: 1.0% of RM4.1 billion).

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CHIEF EXECUTIVE OFFICER'S REVIEW

STRATEGIC TRANSACTIONS AND VALUE-ENHANCING ACTIVITIES

As a government-owned private equity firm, we have a role as stewards of private capital in the public interest. We endeavour to put our investment capital to work with the aspiration to grow high potential companies, create jobs and build a capable and professional talent pool while sowing the seeds of strong future financial returns.

Our involvement allows our portfolio companies to launch new business initiatives, make synergistic acquisitions, upgrade their operations and generate cost-saving efficiencies in their business processes. In short, we provide them with the capital, expertise and operational support to enhance the value of their business and to maximise their potential.

1. Investing in healthcare

The healthcare sector is one of Ekuinas' six target sectors for investment and the third party medical claim administrator (TPA) industry forms a fast growing healthcare subsector, estimated at RM100.0 million and expected to grow 10.0% p.a. to reach RM156.0 million by 2019. For this reason, Ekuinas made its maiden entry into this sector by investing in MediExpress Group (MediExpress) and PMCare Sdn Bhd (PMCare) with a total investment of RM79.8 million, acquiring a 60.0% equity stake in both companies.

Consisting of MediExpress (Malaysia) Sdn Bhd and Health Connect Sdn Bhd, MediExpress is a TPA that serves insurers and SMEs. Similarly, PMCare is a leading Bumiputera TPA provider that serves the corporate market.

MediExpress currently has more than one million members across a network of 3,000 clinics and 150 hospitals while PMCare caters to over 600,000 members and a network of 3,000 medical providers across the country. Both companies generated combined revenues of more than RM50.0 million in FY2014.

We recognise that combining both these pre-eminent companies will give the resulting business significantly greater scale and enhanced opportunities for value creation. This merger will create the largest TPA provider in the country with a 40.0% market share and more than two million members. Our investment will allow both entities



to leverage on their combined strengths and expand their reach, benefit from cost efficiencies, and upgrade their operations with a new technology platform.

We are optimistic on the outlook for the healthcare sector and remain positive on the resilience and potential of the TPA market.

2. Finding resilience in the O&G industry

In 2015, Ekuinas provided additional capital to support our portfolio company, Orkim Sdn Bhd in its RM70.0 million acquisition of three additional clean petroleum product (CPP) tankers. The result is the creation of the largest CPP transportation provider in the country with an estimated market share of nearly 30.0%.

We believe that the current low-oil-price environment was an opportune time to inject fresh capital and realise Orkim's full potential as a leading downstream petroleum transportation and logistics group. Besides our capital, our ideas and expertise enable Orkim to choose its most appropriate strategy to fully exploit the upside that low-oil prices may afford.

As an investment, increasing exposure in Orkim bolsters the resilience of Ekuinas' portfolio, as this downstream company is now in a better position to withstand the impact of depressed oil prices and to capitalise on opportunities for revenue and profit growth.

/ TPA
INDUSTRY /

Expected to grow

10.0%

PER ANNUM

to reach

RM156.0 million

by 2019

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CHIEF EXECUTIVE OFFICER'S REVIEW

3. Building a specialised F&B leader

In FY2015, we continued the restructuring of our F&B portfolio. Divesting the Quick Service Restaurant (QSR) business was an important step in driving our strategy forward as it allows us to fully focus on the casual dining and dessert franchise segment. The highly competitive QSR business requires a significant amount of effort and capital as well as operational capabilities. Its outlook is, however, uncertain given depressed consumer spending, making divestment the most rational path to take.

Divesting the Burger King franchise and San Francisco Coffee translated to a negative gross IRR of 29.1% and 5.7% respectively. It is important to note that markdowns of individual investments do not necessarily reflect the final performance of our funds. The actual return made by a private equity fund is based on the overall performance of its portfolio.

Our broadly diversified portfolio of businesses provides numerous avenues for value creation. For example, Revenue Valley Group introduced new products and grew its revenue by a sizeable amount of 20.2% in FY2015 despite an environment of lower consumer spending after the implementation of the Goods and Services Tax (GST). Revenue Valley is a leading group of popular restaurant brands such as Manhattan Fish Market, Tony Roma's and New York Steak Shack.

4. Growing in a challenging private education market

The ILMU Education Group Sdn Bhd (ILMU), our education portfolio launched in September 2015, validates our commitment towards producing a market leader in the private education industry. We believe that education is the heart of a knowledge-intensive future and graduates play a critical role in creating wealth for an economy. ILMU speaks of our aspirations to produce graduates that meet the needs of employers while supporting Malaysia's academic and economic goals.

Education has a reputation as a 'recession-proof' industry and has proven to be a resilient portfolio for Ekuinas. In FY2015, we continued to build our stake in ILMU with an additional investment commitment of RM150.0 million. With seven private education institutions, which offer end-to-end learning to nearly 35,000 students, ILMU is well-positioned as one of the largest integrated private education groups in the country. Furthermore, ILMU's diversified holdings in tertiary and K-12 (primary and secondary) institutions serving all student segments puts it in a good position to maximise on growth opportunities when household spending recovers.

Despite the challenges of a highly competitive private education industry, ILMU managed to increase its student intake; turn a loss-making K-12 private institution into a reputable profit-making entity, now known as Asia Pacific Smart School; build extra capacity; introduce new education programmes and grow its revenue base. Our investment in Asia Pacific Institute of Information Technology (APIIT) Sri Lanka performed particularly well on the back of latent demand for top-tier higher education in the island country. APIIT Sri Lanka grew its revenue by 9.8% in FY2015.

Meanwhile, our strategic turnaround plan for Cosmopoint College is on track and I am pleased to report that Cosmopoint is experiencing an increasing number of student enrolments and a lower number of student attritions.

In FY2015, ILMU posted gross revenue of RM431.2 million and an EBITDA of RM110.7 million, an increase of 4.5% and 25.5% from FY2014 respectively. There were plans to crystallise the value of ILMU via an initial public offering (IPO). However, we felt that market conditions were not ideal for a listing exercise in 2015. Together with the management team at ILMU, we remain focused on strengthening ILMU's operations to achieve its value creation plans. Moving forward, we will continue to monitor the market and consider various divestment options to crystallise the full value of ILMU.

5. Fostering innovation in an industry pioneer

Significant progress has been made for Ekuinas' investment in Tranglo Sdn Bhd (Tranglo), our foray into the technology, media and telecommunication (TMT) industry. Tranglo recorded a marginal increase of 0.9% from revenue made in the preceding year, strategic initiatives have been put in place to fulfil unmet consumer demand.

As a mobile transaction gateway services provider, Tranglo's relevance to customers depends on innovations that anticipate and fulfil their needs. An exciting development is a new product which provides qualified subscribers with advance airtime, launched last year. Consumer response has been extremely encouraging and this product managed to enter two new markets namely Indonesia and Philippines in 2015. In 2016, we expect Tranglo's innovation to penetrate another two to three new markets.

Another innovative development is its new app, Treatsup, scheduled for launch in 2016. This first-of-its-kind application allows users to top up the credit lines for their mobile phones or to share airtime with their friends. Users will also be able to redeem free air points with points that are derived from performing certain functions. We believe that these new innovations provide significant potential for Tranglo in the rapidly expanding cross-border TMT industry.

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CHIEF EXECUTIVE OFFICER'S REVIEW

PROACTIVELY NAVIGATING THROUGH A DOWNTURN

Despite our substantive efforts to maximise the potential of our portfolio companies and their respective long-term growth story, our investments are subject to market forces. As a group, Ekuinas direct investments registered a 2.2% decrease in revenue in FY2015 (FY2014: increase 6.2%). The low-oil-price environment adversely impacted the performance of Icon Offshore Bhd (ICON) and dragged down combined earnings of our portfolio companies. A negative Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) of 12.1% was recorded during this period.

It is helpful for our stakeholders to know how our investments performed when the impact of depressed oil prices are excluded. EBITDA would have grown at 6.8% in FY2015 if the lower value of ICON were to be excluded. This demonstrates that while our individual investments are not immune to the downturn in the O&G industry, most of our portfolio companies managed to grow their earnings during this challenging environment.

As before, Ekuinas remains conscious of the need to protect the value of our investments. In early 2015, we counselled the management teams at our portfolio companies to plan for a leaner environment and to consider their response to 'worst-case' business scenarios. I believe this effort has strengthened the financial health of our portfolio companies and fortified their resilience during challenging times.

Moving forward, we must ensure that we are able to anticipate changes in the market and position our portfolio accordingly. Although the outlook is uncertain and risks persist, it is also an exciting time for the Company. Historically, the best time to uncover and create value is during an economic downturn. We are hopeful that our active portfolio management strategy and the implementation of various value-creation strategic initiatives will bond well for our portfolio companies in the coming year.

...WHILE OUR INDIVIDUAL INVESTMENTS ARE NOT IMMUNE TO THE DOWNTURN IN THE O&G INDUSTRY, MOST OF OUR PORTFOLIO COMPANIES MANAGED TO GROW THEIR EARNINGS DURING THIS CHALLENGING ENVIRONMENT.

KEY FINANCIAL MEASURES

Despite the climate of low asset values, Ekuinas Direct (Tranche I) Fund managed to surpass our minimum target of 12.0% internal rate of return (IRR) with a gross portfolio return of RM591.3 million, which translates to a gross IRR of 14.8% p.a. and a net IRR of 10.9% p.a. in 2015 (FY2014: gross portfolio return of RM677.1 million; gross IRR of 19.6% p.a.; net IRR of 15.3% p.a.).

Ekuinas Direct (Tranche II) Fund registered a gross portfolio return of RM133.3 million at a gross IRR of 13.0% p.a. and a net IRR of 5.7% p.a. (FY2014: gross portfolio return of RM148.4 million; gross IRR of 31.9% p.a.; net IRR of 19.3% p.a.). While this is a decrease from the preceding year, the decline in gross profit is far less than what it could have potentially been given the disruptive impact of lower oil prices on the O&G industry and the wider economy. We believe that strategic measures implemented by our portfolio companies have and will continue to mitigate the adverse impact of deteriorating economic conditions. While these companies are still subject to cyclical market forces, they are in a better position to weather present challenges and realise future opportunities.

Ekuinas' early recognition of potential issues led us to implement defensive portfolio strategies. Our overall exposure to the O&G industry was reduced from 43.0% in FY2014 to 40.0% in FY2015. Furthermore, we increased our investments in defensive sectors such as healthcare and education. The positive performance of our funds is testimony to the strength of our diversified portfolios, made-up of strong and nimble businesses that have been able to perform well in different market cycles.

01 HIGHLIGHTS

CHIEF EXECUTIVE OFFICER'S REVIEW

Besides direct investments, Ekuinas also manages an Outsourced Programme with six external private equity firms known as Outsourced Fund Managers (OFMs). We have committed RM640.0 million to two Outsourced Funds in this programme. Our partners' contribution of RM262.0 million to this programme brings the total capital available for investment to RM902.0 million.

Recognising that asset values could still be on the high side, only four new outsourced investments were made in FY2015. Ekuinas contributed RM36.9 million to committed investments of RM61.3 million undertaken by the OFMs. At the end of 2015, this programme has a cumulative total investment undertaken of RM437.0 million and a total of 19 investments, out of which Ekuinas has contributed RM302.2 million.

SERVING THE WIDER BUMIPUTERA COMMUNITY

For Ekuinas, creating value means more than delivering a return on investment. It is also about making a positive impact on the needs of society. We believe that striving towards achieving our financial objectives will enable us to accomplish our desired social objectives to positively and meaningfully impact the wider Bumiputera community.

We are pleased to have further contributed towards a more inclusive economic model for Malaysia and look forward to enhancing Bumiputera economic participation across various dimensions in 2016.

Ekuinas continues to make further progress in the development of companies participating in Skim Jejak Jaya Bumiputera (SJJJ) programme. Together with Unit Peneraju Agenda Bumiputera (TERAJU), Ekuinas provides holistic advisory services in this programme intended to grow more market leading Bumiputera-controlled public listed companies.

More information on SJJJ can be found in the Stakeholder Interests section of this report.



INTRODUCING ILTIZAM, A CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

In the past six years, Ekuinas employees have consistently volunteered for corporate social responsibility (CSR) activities over and above their professional duties. Our efforts to assist the wider community have proven to be effective and the decision was made to formalise Ekuinas' CSR programme and so, a dedicated CSR department was established in early 2015.

ILTIZAM, Ekuinas' structured and focused CSR programme, was launched in early 2016 – inspired by the willpower, spirit and determination of those who strive to achieve change and impactful transformation. Focusing on three pillars: Entrepreneurship, Education and Community, ILTIZAM demonstrates our commitment to continue to positively impact the community in which we live.

01 HIGHLIGHTS

CHIEF EXECUTIVE OFFICER'S REVIEW

ENTREPRENEURSHIP

Under the Entrepreneur Mentorship Programme, we help micro and small businesses which do not yet fit Ekuinas' investment criteria of medium-sized companies to achieve their full potential. The programme brings together experienced business owners and professionals to mentor promising entrepreneurs within a structured environment using innovative tools to help them further strengthen their business and reach their full potential.

Bibah Songket

Bibah Songket was chosen as the pilot company for Ekuinas' CSR programme in 2013. Several employees had volunteered to help strengthen Bibah Songket's operations in the areas of finance, inventory, sales and marketing, and also in raising the company's profile via media activities.



Al-Quds Travel

This leading travel agency in Kota Bharu specialises in Islamic tourism for both domestic and international destinations. Under the Entrepreneur Mentorship Programme, Ekuinas implemented a comprehensive information technology (IT) system to strengthen the company's financial management and support its growing business needs.



EDUCATION

Ekuinas is mandated to create Malaysia's next generation of leading companies whilst promoting equitable and sustainable Bumiputera economic participation. We believe that one of the ways to achieve this goal is through investing in education and human capital, with a focus on the underserved to realise their potential.

Professional Development Programme (PDP)

Focuses on developing and nurturing local graduates to enhance their employability through work placements at Ekuinas portfolio companies.



COMMUNITY

Reaching out to the wider community, Ekuinas provides various philanthropic grants to empower practitioners in local arts, culture and heritage, as well as help those from disadvantaged backgrounds to improve their quality of life in a sustainable way.

Sekolah Kebangsaan Bukit Lanjan

Ekuinas partners with Sekolah Kebangsaan Bukit Lanjan (SKBL) in Damansara Perdana, to create a conducive environment for everyday discovery and learning, where the Orang Asli children may grow and discover their true potential.



Over the past years, Ekuinas has already invested more than RM13.0 million for its corporate social responsibilities. We hope to invest an additional RM18.0 million in ILTIZAM's programmes over the next three years. Please refer to the section on Stakeholder Interests for more details on ILTIZAM and its programmes.

HEARTFELT APPRECIATION

I would like to take this opportunity to reiterate my commitment towards delivering on Ekuinas' objectives. The Government of Malaysia has entrusted Ekuinas with capital to invest and we are committed to delivering a performance worthy of this trust.

On behalf of Ekuinas, I would like to thank the Government of Malaysia, the Board of Trustees at Yayasan Ekuiti Nasional and the Minister in the Prime Minister's Department responsible for Ekuinas, as well as the Distribution Section of the Economic Planning Unit, Prime Minister's Department (EPU).

It is an honour for me to write this review as the second CEO in Ekuinas' history. I would like to thank the Board of Directors and Dato' Abdul Rahman Ahmad, Ekuinas' first CEO and my predecessor, for their trust and confidence in me and I will strive to do better.

I also extend my deepest gratitude to all business partners, stakeholder groups and to the dynamic, professional and capable team at Ekuinas and our portfolio companies. I look forward to working together with you in the coming year and I am confident that together, we will drive Ekuinas towards success in its next exciting phase of growth.

SYED YASIR ARAFAT SYED ABD KADIR

Chief Executive Officer

A group of people in a meeting, with a woman in the center looking at a device.

02

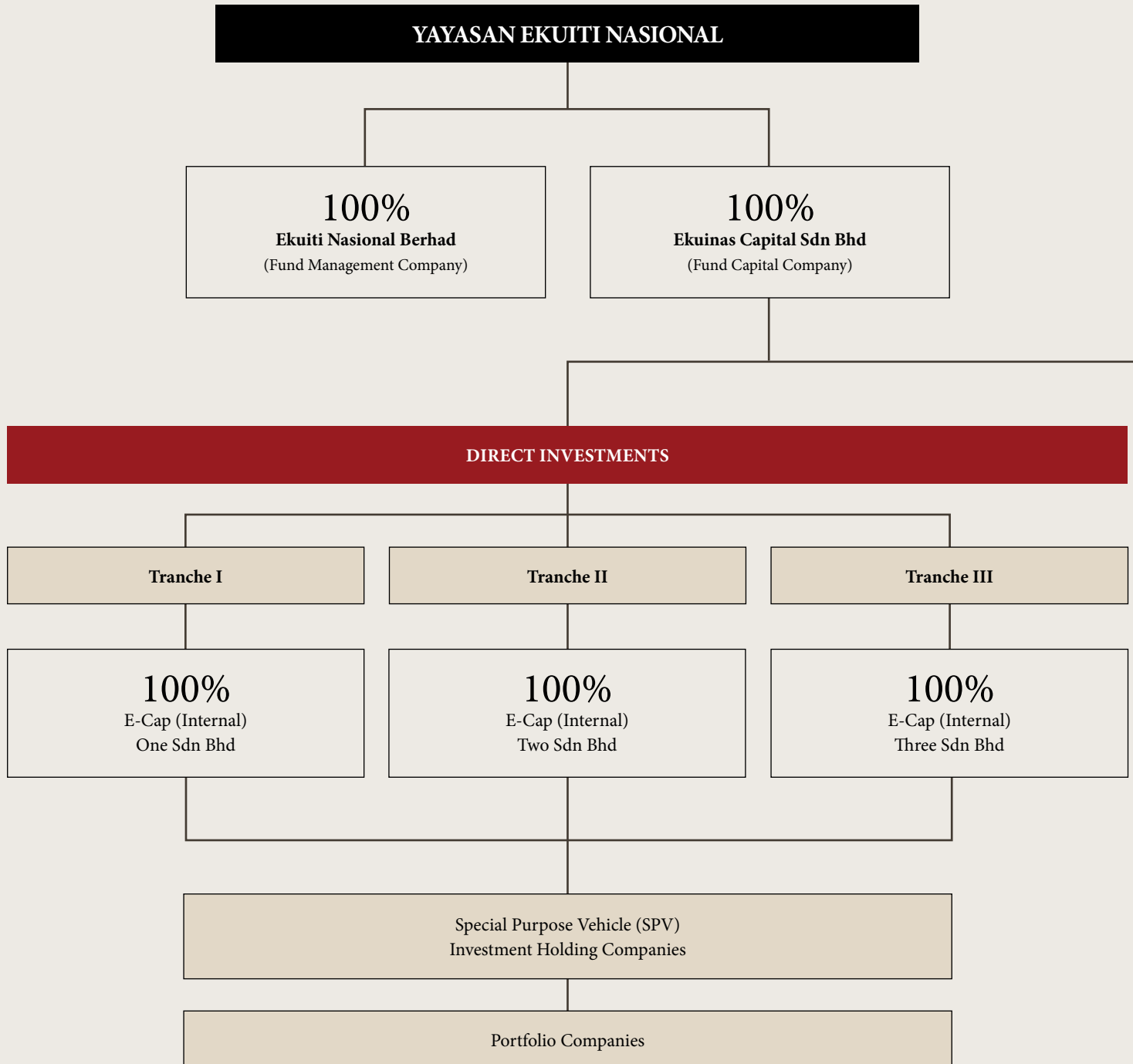
LEADERSHIP



Constituting the largest allocation in Ekuinas' total investment portfolio, the Oil & Gas portfolio now consists of Icon Offshore Berhad, the largest offshore support vessel company in Malaysia with 33 vessels, and Orkim Sdn Bhd, one of Malaysia's largest Clean Petroleum Product tanker companies at nearly 30.0% market share.

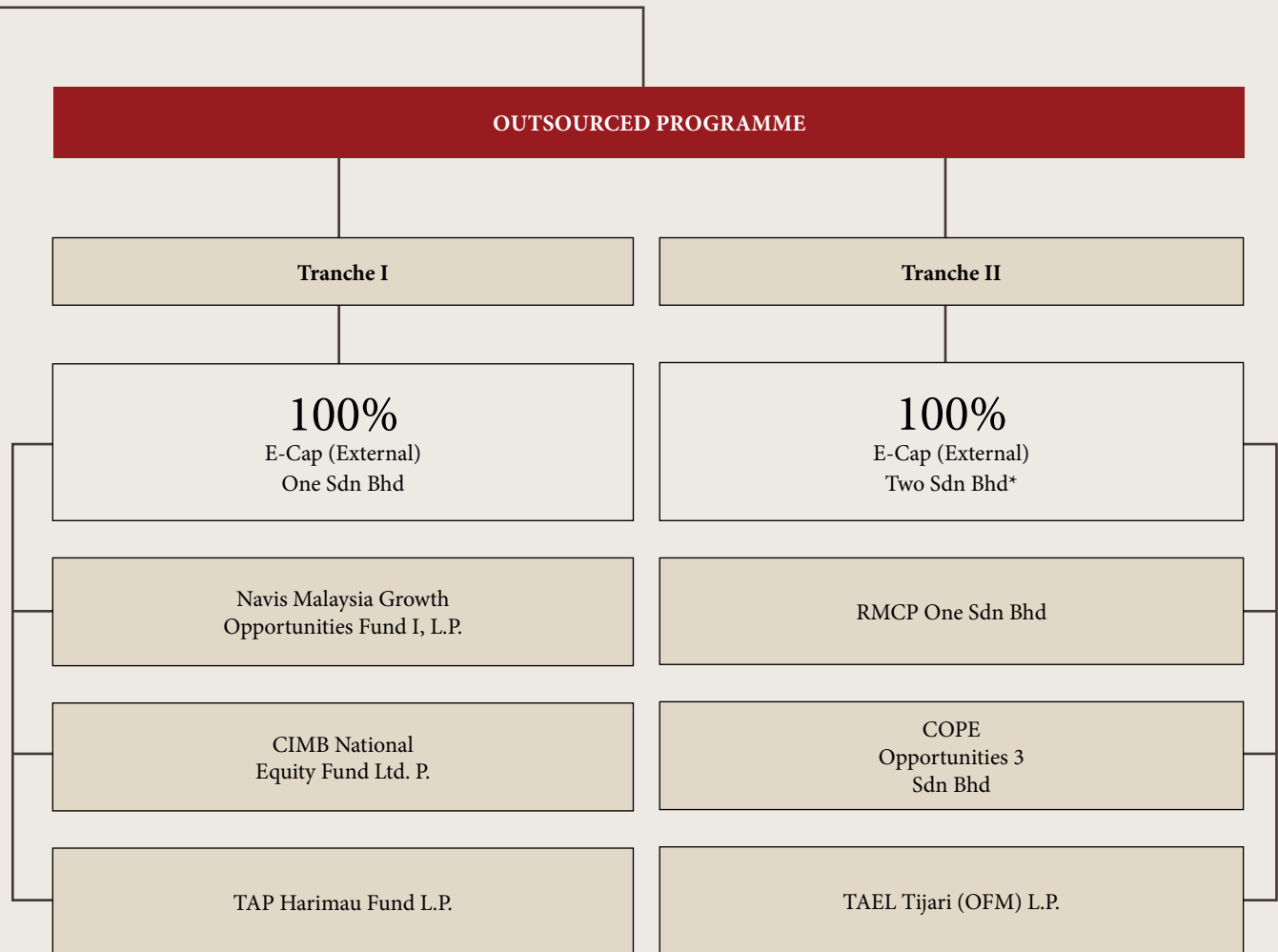
02 LEADERSHIP

CORPORATE STRUCTURE



02 LEADERSHIP

CORPORATE STRUCTURE



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

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

**Tan Sri Dato' Seri
Mohamed Jawhar Hassan**

**Tan Sri Mohamed
Azman Yahya**

**Datuk Seri
Dr. Rahamat Bivi Yusoff**

Datuk Noriyah Ahmad

Datuk Ali Abdul Kadir

Johan Mahmood Merican

**Dato' Abdul Rahman
Ahmad**
*(Chief Executive Officer
until 29.2.2016)*

**Syed Yasir Arafat
Syed Abd Kadir**
*(Chief Executive Officer
from 1.3.2016)*

BOARD COMMITTEES

Audit and Risk Management Committee

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda
(Chairman)
Tan Sri Dato' Seri Mohamed Jawhar Hassan
Datuk Noriyah Ahmad
Johan Mahmood Merican

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
Johan Mahmood Merican

Investment Committee

Tan Sri Mohamed Azman Yahya
(Chairman)
Datuk Ali Abdul Kadir
Dato' Abdul Rahman Ahmad *(until 29.2.2016)*
Syed Yasir Arafat Syed Abd Kadir
Mazhairul Jamaludin
Nik Johaan Nik Hashim

CSR Committee

Datuk Noriyah Ahmad
(Chairman)
Dato' Abdul Rahman Ahmad *(until 29.2.2016)*
Syed Yasir Arafat Syed Abd Kadir
(alternately Mazhairul Jamaludin)
Nik Johaan Nik Hashim
Suridah Jalaluddin *(until 31.12.2015)*

COMPANY SECRETARY

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

AUDITOR

PricewaterhouseCoopers
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 (868265 U)
Level 13, Surian Tower
No. 1, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya, Selangor

MANAGEMENT COMMITTEE

Dato' Abdul Rahman Ahmad
Chief Executive Officer until 29.2.2016

Syed Yasir Arafat Syed Abd Kadir
Chief Executive Officer from 1.3.2016

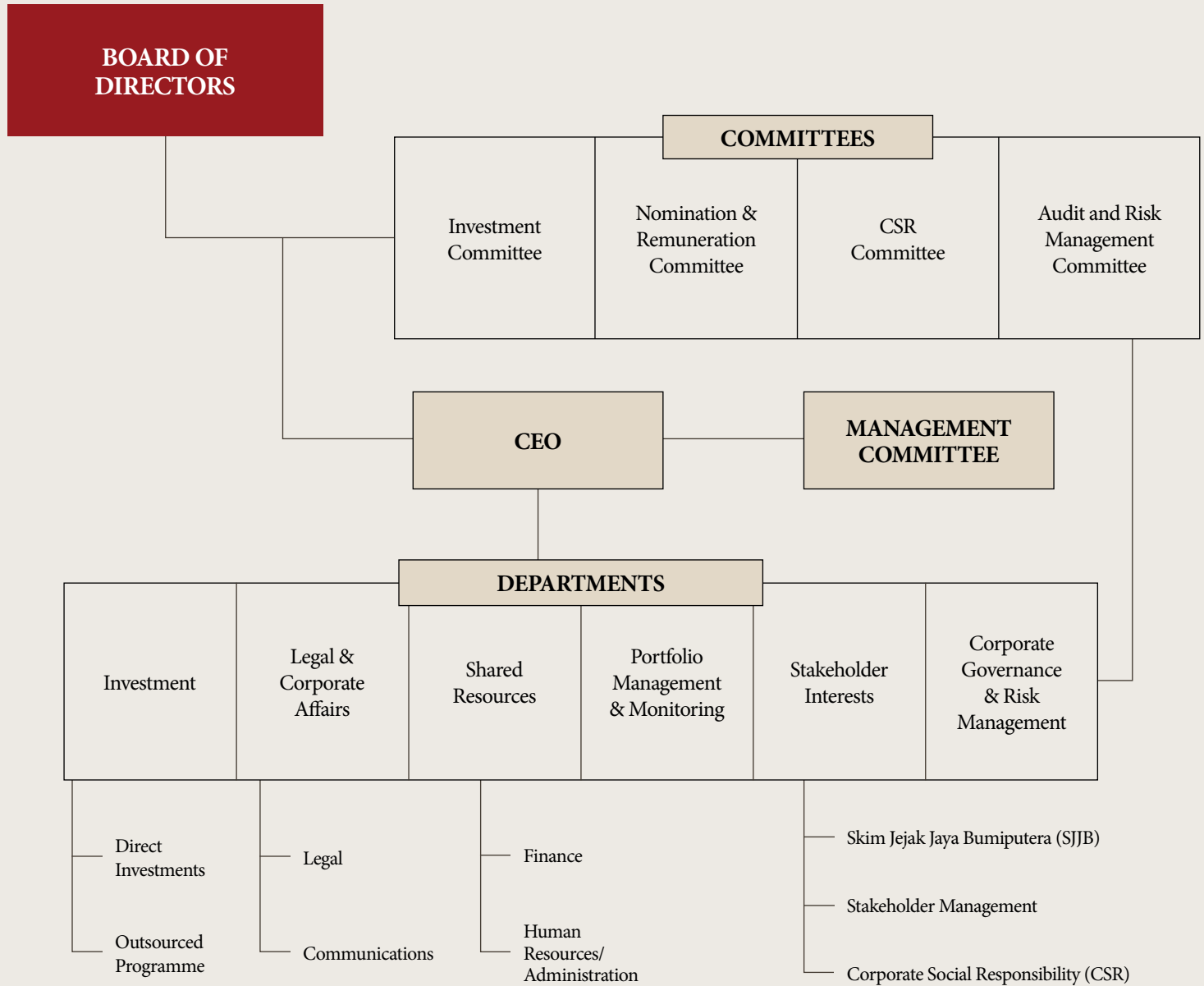
Mazhairul Jamaludin
*Chief Financial Officer/
Senior Director, Investment/Outsourcing*

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

Suridah Jalaluddin
*Senior Director, Investment/Shared Services
(until 31.12.2015)*

02 LEADERSHIP

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 also the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee.

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

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

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

02 LEADERSHIP**BOARD OF DIRECTORS****DATO' ABDUL RAHMAN AHMAD**

Director and Chief Executive Officer (until 29 February 2016)

Dato' Abdul Rahman Ahmad was a Director and the Chief Executive Officer of Ekuiti Nasional Berhad (Ekuinas) since inception until 29 February 2016. He led the Management Committee and was a member of the Investment Committee.

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

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

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

02 LEADERSHIP

BOARD OF DIRECTORS



**TAN SRI DATO' SERI
MOHAMED
JAWHAR HASSAN**

Independent Non-Executive Director

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

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

Tan Sri Dato' Seri Jawhar is a member of the Operations Review Panel of the Malaysian Anti-Corruption Commission.

He was also the 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 Dato' Seri Jawhar was also Member, Economic Council Working Group and Member, Advisory Panel, Malaysian Anti-Corruption Commission. He is former Co-Chair of the Council for Security Cooperation in the Asia Pacific (CSCAP) and is an Expert and Eminent Person of the ASEAN Regional Forum (ARF).

02 LEADERSHIP

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 Khazanah Nasional Berhad, Ranhill Holdings Berhad, Scomi Group Berhad and AIA Group Limited. Tan Sri Azman serves as member of The Capital Market Advisory Group of the Securities Commission and the Special Economic Committee of the Prime Minister's Department. He is a director of Sepang International Circuit Sdn. Bhd. and Chairman of Motorsports Association of Malaysia.

Prior to venturing in business, Tan Sri Azman was appointed by the Malaysian government to set up and head Pengurusan Danaharta Nasional Berhad, the national asset management company and became its Chairman until 2003. He was also Chairman of the Corporate Debt Restructuring Committee (CDRC) set up by Bank Negara Malaysia to mediate and assist in debt restructuring of viable companies until its closure in 2002.

His previous career includes auditing with KPMG in London, finance with the Island & Peninsular Group and investment banking with Bumiputra Merchant Bankers and Amanah Merchant Bank.

He holds a first class Honours Degree in Economics from the London School of Economics and Political Science, and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW), the Malaysian Institute of Accountants (MIA) and a fellow of the Malaysian Institute of Banks.

02 LEADERSHIP

BOARD OF DIRECTORS



DATUK SERI DR RAHAMAT BIVI YUSOFF

Non-Executive Director

Datuk Seri Dr Rahamat Bivi Yusoff joined as a Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas) on 19 October 2011, when she was appointed the Director-General of the Economic Planning Unit, Prime Minister's Department of Malaysia (EPU).

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

Datuk Seri Dr Rahamat is also a member of the Board of Director in other agencies such as Malaysia Thailand Joint Authority (MTJA), Federal Land Development Authority (FELDA), Malaysia Deposit Insurance Corporation (PIDM) and MRT Corporation Sdn. Bhd. She is also a council member of Iskandar Regional Development Authority (IRDA), Sabah Economic Development & Investment Authority (SEDIA), Sarawak Corridor of Renewable Energy (RECODA) and East Coast Economic Region Development Council (ECERDC).

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

02 LEADERSHIP

BOARD OF DIRECTORS



**DATUK
NORIYAH AHMAD**

Independent Non-Executive Director

Datuk Noriyah Ahmad is an Independent Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas), a member of the Audit and Risk Management Committee and the Chairperson of CSR Committee.

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

She started her career in Government as Assistant Director, Social Services Section, EPU before holding various positions in the Ministry of Federal Territory, Klang Valley Planning Unit, INTAN, Ministry of Domestic Trade and Consumer Affairs and Ministry of Energy, Communications and Multimedia. In 2003, she served in EPU as Director, Distribution Section

and was promoted to Deputy Director General I in 2005. Datuk Noriyah was appointed as the Director General in 2009 and retired in October 2011.

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

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

02 LEADERSHIP

BOARD OF DIRECTORS



**DATUK ALI
ABDUL KADIR**

Independent Non-Executive Director

Datuk Ali Abdul Kadir was appointed as an Independent Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas) on 1 October 2015. He is also a member of the Investment Committee.

Datuk Ali currently holds the following positions; Chairman of Jobstreet Corporation Berhad, ENRA Group Berhad and Privasia Technology Berhad, and Board Member of Labuan Financial Services Authority, Glomac Berhad and Citibank Berhad. He was also a member of the Advisory Panel of Companies Commission of Malaysia's Academy and University Malay's Business and Accounting Faculty.

Datuk Ali was formerly the Chairman of the Securities Commission of Malaysia. He was also the Executive Chairman and Partner of Ernst & Young and its related firms. His previous international roles included Chairman of the International Organisation of Securities Commissions' (IOSCO) Asia Pacific Regional Committee and the Islamic Capital Market Working Group, and a member of the Executive Committee.

A Fellow at the Institute of Chartered Accountants in England and Wales (ICAEW), Datuk Ali is also member of the Malaysian Institute of Certified Public Accountants (MICPA) as well as the Malaysian Institute of Accountants (MIA). He is also Honorary Advisor to ICAEW City Chapter, Honorary Fellow of the Institute of Chartered Secretaries and Administrators (UK) and the Malaysian Institute of Directors. He was awarded the Lifetime Achievement Award by ICAEW and the President's Award by MICPA.

02 LEADERSHIP**BOARD OF DIRECTORS**

**JOHAN MAHMOOD
MERICAN**

Non-Executive Director

Johan Mahmood Merican was appointed as a Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas) on 1 October 2015. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

Johan was appointed the Chief Executive Officer of Talent Corporation Malaysia Berhad (TalentCorp) since its establishment on 1 January 2011. He was previously the Principal Private Secretary to the Minister in the Prime

Minister's Department of Malaysia and has over 20 years of experience in public policy development, corporate finance and accountancy in both the public and private sectors in Malaysia and the United Kingdom.

Trained as a chartered accountant, he holds a first class Honours Degree in Economics from the University of Cambridge and is an Associate of the Institute of Chartered Accountants in England and Wales (ICAEW).

02 LEADERSHIP

BOARD OF DIRECTORS



**SYED YASIR ARAFAT
SYED ABD KADIR**

Director and Chief Executive Officer (effective 1 March 2016)

Syed Yasir Arafat was the Managing Partner, Investment at Ekuinas since inception and has assumed the role of Chief Executive Officer (CEO) effective 1 March 2016. As CEO, he leads the Management Committee and is a member of the Investment Committee.

He was previously the Country Manager (ING Wholesale Banking) overseeing both ING Corporate Advisory (Malaysia) Sdn Bhd and ING Bank (Labuan) operations in Malaysia. He was with ING Corporate Advisory (Malaysia) Sdn Bhd for 9 years, starting as VP Corporate Finance specialising in areas of mergers and acquisitions, equity and equity-linked

fund raising, debt fund raising and financial advisory for some of Malaysia's leading companies in banking, plantations, automotive, telecommunications and property, among others.

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

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

02 LEADERSHIP

SENIOR MANAGEMENT



1 **DATO' ABDUL RAHMAN AHMAD's** profile is presented on page 45.



2 **SYED YASIR ARAFAT SYED ABD KADIR's** profile is presented on page 52.



3 **MAZHAIKUL JAMALUDIN** is the Chief Financial Officer (CFO) and Senior Director, Investment/ Outsourcing of Ekuinas as well as a member of the Investment Committee and Management Committee. Mazhairul heads Ekuinas' Outsourced Programme and is one of the Senior Directors in charge of Ekuinas' education portfolio, ILMU Education Group (ILMU). As CFO, Mazhairul is also primarily responsible for financial management, portfolio reporting and treasury. He also sits on several Investment Committees and Advisory Boards of Ekuinas' Outsourced Fund Managers.

Mazhairul was previously the Financial Controller and Senior Vice President, Commercial Services, MultiChannel TV, at ASTRO, a Malaysian cross-media group with significant presence in DTH (Direct-to-Home) TV Services, commercial radio and TV programming.



Prior to that, he was Vice President of Financial Accounting and Management Reporting at Celcom, one of the country's premier mobile telecommunication companies, and has also served at Arthur Andersen and Ernst & Young.

Mazhairul received a BA (Hons) degree in Accounting & Finance from Lancaster University, United Kingdom, and is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) as well as member of the Malaysian Institute of Accountants (MIA). He currently serves as a member of the Professional Accounts in Business (PAIB) Committee of the MIA and sits on the board of Cradle Fund Sdn Bhd as an Independent Non-Executive Director.



4 **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 coverage on 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.

5 **SURIDAH JALALUDDIN** was Senior Director, Investment/Shared Services at Ekuinas and was the alternate director to Dato' Abdul Rahman Ahmad on the board of portfolio company Alliance Cosmetics Group. Suridah oversaw all shared services functions covering the areas of human capital, administration, management of information system (MIS), communications and corporate social responsibility (CSR). Suridah retired from her role on 31.12.2015.

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

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

03

PERFORMANCE





Regional player Alliance Cosmetics Group offers a complete range of high quality colour cosmetics which are perfect for unleashing confidence in their discerning customers in Malaysia, Singapore, Brunei and Indonesia.

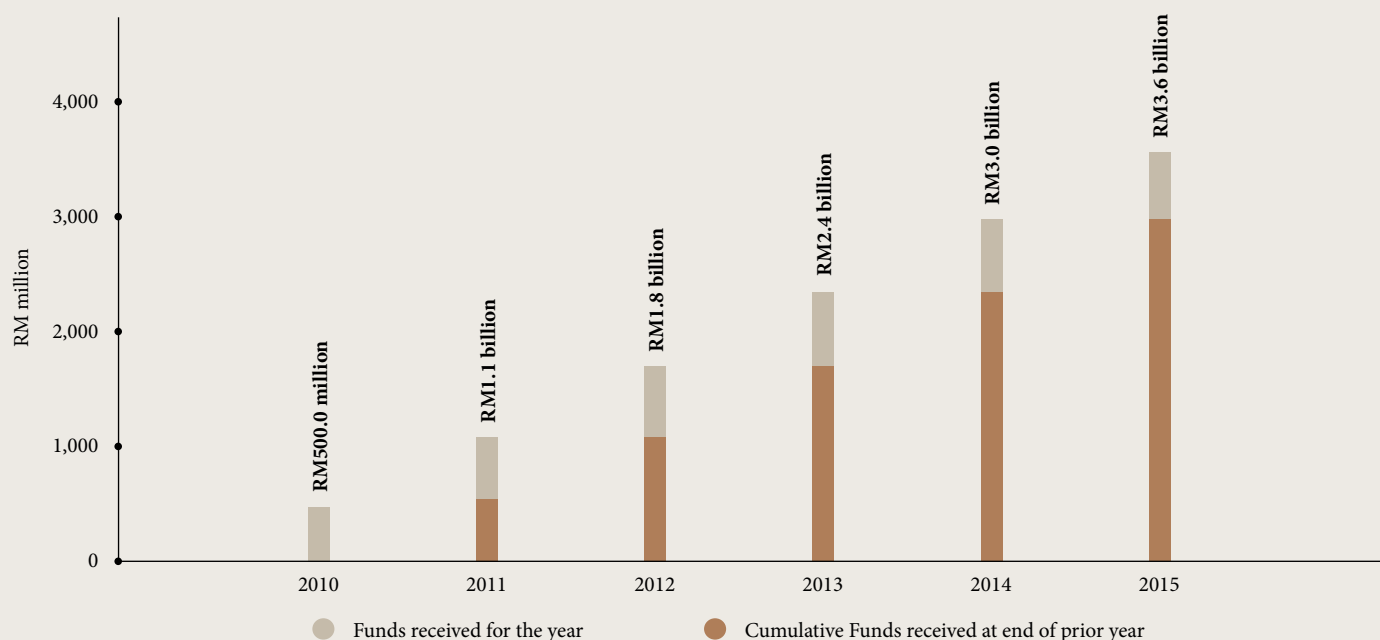
03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

A. OVERALL

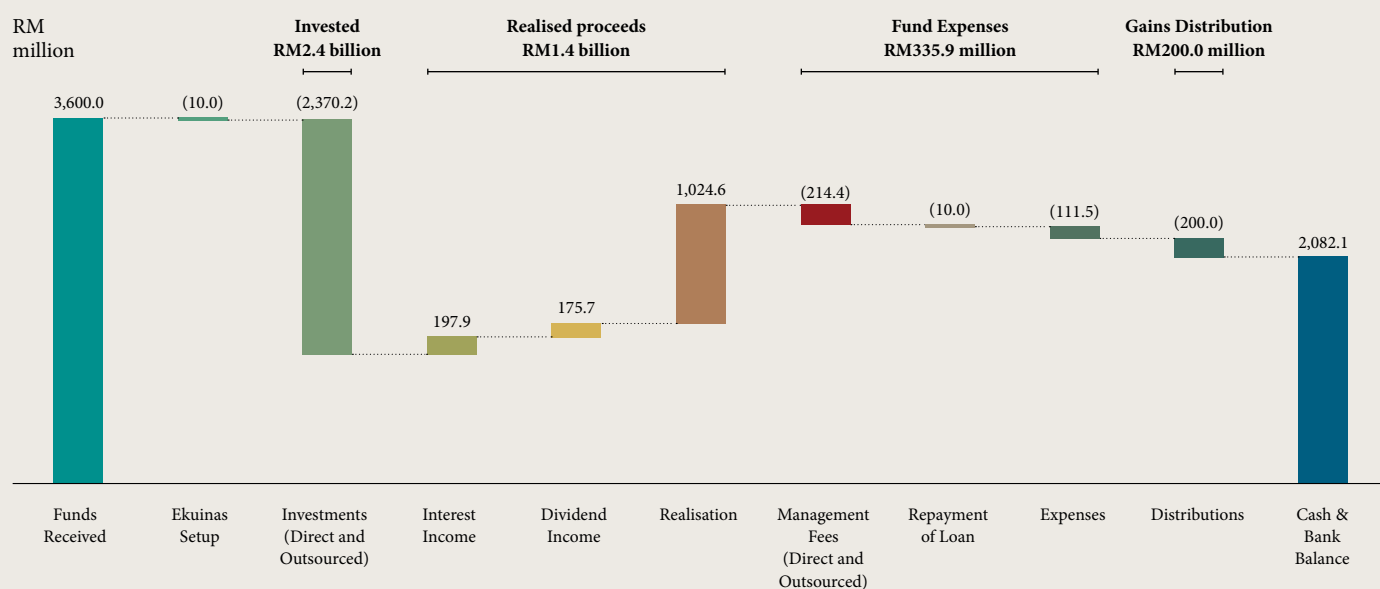
1. Funds Received

TOTAL CUMULATIVE FUNDS RECEIVED OF RM3.6 BILLION : RM600.0 MILLION RECEIVED IN 2015



2. Funds Utilisation

INVESTED CAPITAL OF RM2.4 BILLION : RM1.4 BILLION ALREADY REALISED



03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

B. DIRECT INVESTMENTS

1. Funds Overview

| EKUINAS DIRECT (TRANCHE I) FUND | | EKUINAS DIRECT (TRANCHE II) FUND | | EKUINAS DIRECT (TRANCHE III) FUND | |
|---|----------------------------|-------------------------------------|--|--------------------------------------|-----------|
| Vintage Year 2010 | | Vintage Year 2012 | | Vintage Year 2014 | |
| Status | Fully deployed | Status | Fully committed | Status | Investing |
| Capital Committed RM1.0 billion | | Capital Committed RM1.0 billion | | Capital Committed RM1.5 billion | |
| Term | 5 years + 2 years + 1 year | Term | 5 years + 2 years | | |
| Investment Period | | 3 years to 5 years | | | |
| Legal Form & Structure One Fund Manager and One Investor | | | Geographical Focus Malaysia | | |
| Investment Focus Buy-Out and Growth Capital Fund | | | Industry Focus Education, Oil & Gas, FMCG, Retail & Leisure, Healthcare and Services | | |

2. Investment Activities

a) Direct Investment Activities for 2015

| RM million Portfolio Company | Sector | Stake | Committed Investment | Committed Investment by Others | Total Economic Capital Deployed |
|--|--------------|--------|-------------------------|--------------------------------------|--|
| Follow-on investments: | | | | | |
| 1 Lyndarahim Ventures Sdn Bhd (SF) | Retail – F&B | N/A | 2.0 | - | 2.0 |
| 2 Orkim Sdn Bhd (Orkim) | Oil & Gas | N/A | 70.0 | - | 70.0 |
| New investments: | | | | | |
| 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 |
| Total for the year | | | 301.8 | - | 301.8 |

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

b) Cumulative Direct Investment activities as at 31 December 2015

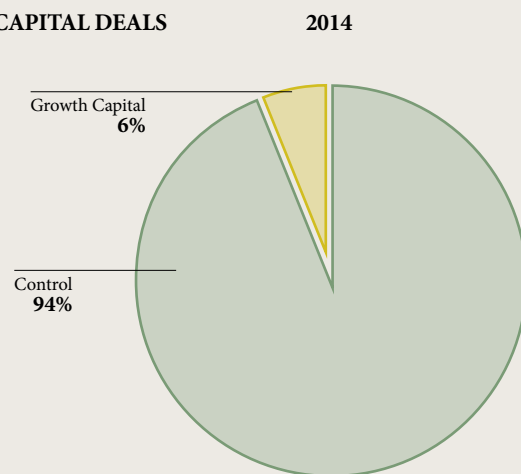
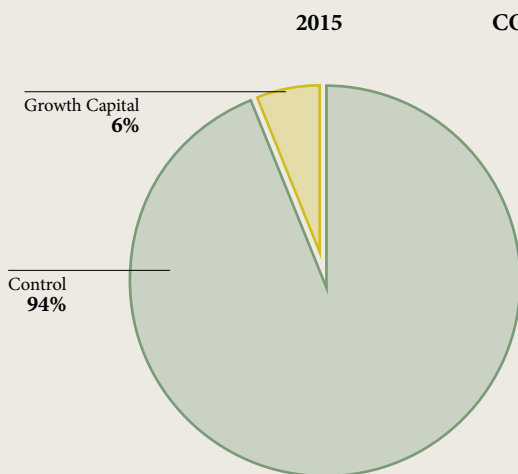
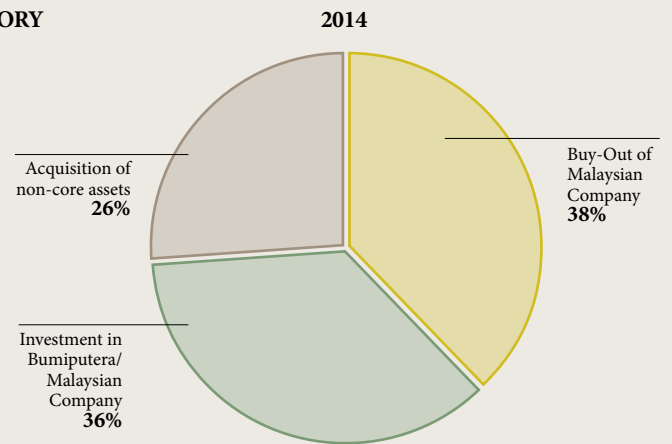
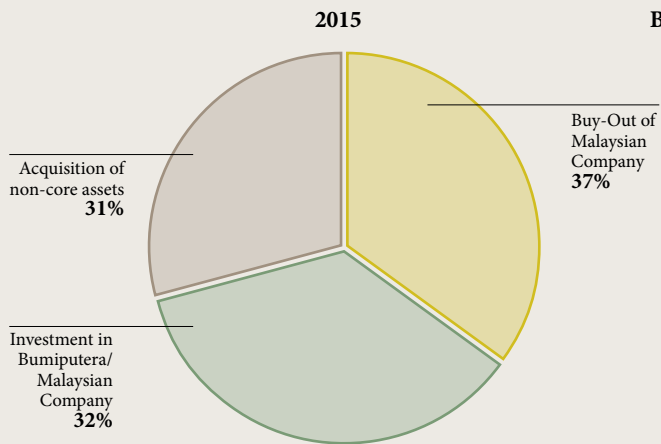
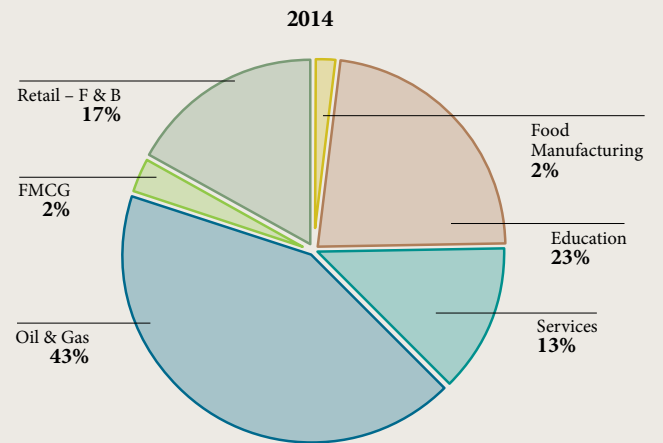
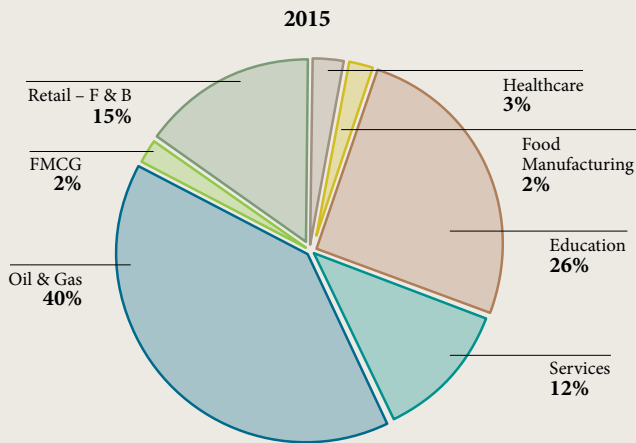
| RM million | Portfolio Company | Sector | Stake | Committed Investment | Committed Investment by Others | Total Economic Capital Deployed |
|--|--|--------------------|--------|----------------------|--------------------------------|---------------------------------|
| Ekuias Direct (Tranche I) Fund | | | | | | |
| 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 (BK) | 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 |
| Ekuias Direct (Tranche II) Fund | | | | | | |
| 1 | Burger King Group (BK) | Retail – F&B | 100.0% | 127.0 | - | 127.0 |
| 2 | Icon Offshore Berhad (Icon) | Oil & Gas | 17.4% | 175.9 | - | 175.9 |
| 3 | PrimaBaguz Sdn Bhd (PrimaBaguz) | Food Manufacturing | 100.0% | 40.0 | - | 40.0 |
| 4 | Asia Pacific Institute of Information Technology Lanka Pvt Ltd (APIIT Lanka) | Education | 45.9% | 32.3 | - | 32.3 |
| 5 | Lyndarahim Ventures Sdn Bhd (SF)* | Retail – F&B | - | 5.0 | - | 5.0 |
| 6 | Revenue Valley Group (RV) | Retail – F&B | - | 18.0 | - | 18.0 |
| 7 | Coolblog Sdn Bhd (Coolblog) | Retail – F&B | 60.0% | 50.8 | - | 50.8 |
| 8 | Orkim Sdn Bhd (Orkim)* | Oil & Gas | 95.5% | 416.3 | - | 416.3 |
| 9 | Tenby Educare Sdn Bhd (Tenby) | Education | 70.0% | 70.0 | - | 70.0 |
| 10 | Tranglo Sdn Bhd (Tranglo) | Services | 60.0% | 54.0 | - | 54.0 |
| Total Investment Undertaken – Tranche II | | | | 989.3 | - | 989.3 |
| Ekuias 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 |
| Total Investment Undertaken – Tranche III | | | | 229.8 | - | 229.8 |
| Cumulative Total Investment Undertaken | | | | 2,477.3 | 122.1 | 2,599.4 |

* Includes follow-on investments.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

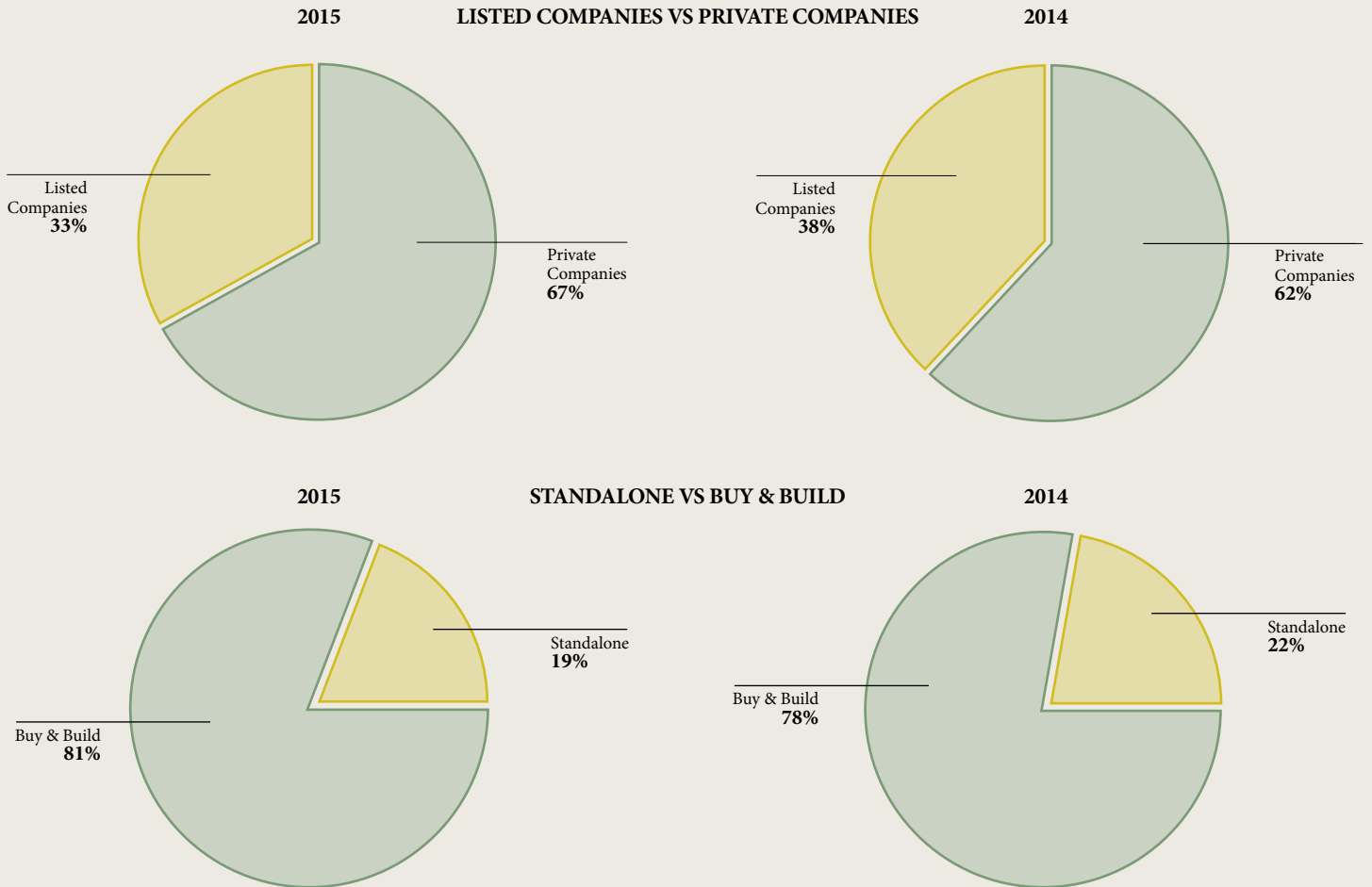
c) Investment Composition Analysis



03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

c) Investment Composition Analysis (Continued)



03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

3. Realisation Activities

a) Realisation Activities for 2015

| Company RM million | Year of Realisation | % of the Fund's Holding Realised | Cost of Realised Investment | Total Realised Amount | Gross IRR% p.a. | Money Multiple |
|--|------------------------|---|-----------------------------------|-----------------------------|--------------------|-------------------|
| Full realisation | | | | | | |
| BK [#] | 2015 | 100.0 | 168.0 | 79.4 | -29.1% | 0.4 |
| SF ^{#^} | 2015 | 100.0 | 25.0 | 21.0 | -5.7% | 0.8 |
| Total proceeds from realisation | | | | 100.4 | -24.2% | 0.5 |

b) Cumulative Realisation Activities as at 31 December 2015

| Company RM million | Year of Realisation | % of the Fund's Holding Realised | Cost of Realised Investment | Total Realised Amount | Gross IRR% p.a. | Money Multiple |
|--|------------------------|---|-----------------------------------|-----------------------------|--------------------|-------------------|
| Full realisation | | | | | | |
| TOB [*] | 2012 | 100.0 | 99.8 | 62.0 | -19.2% | 0.6 |
| KLB | 2013 | 100.0 | 241.0 | 347.4 | 19.4% | 1.5 |
| BK [#] | 2015 | 100.0 | 168.0 | 79.4 | -29.1% | 0.4 |
| SF ^{#^} | 2015 | 100.0 | 25.0 | 21.0 | -5.7% | 0.8 |
| Partial realisation | | | | | | |
| Icon [#] | 2014 | 52.0 | 208.9 | 545.4 | 68.0% | 2.0 |
| Total proceeds from realisation | | | | 1,055.2 | 17.7% | 1.4 |

[#] Realisation across two funds; Ekuinas Direct (Tranche I) Fund and Ekuinas Direct (Tranche II) Fund.

^{*} The realisation of TOB forms part of Ekuinas' restructuring of its Oil and Gas portfolio as it reinvested the proceed into additional investment in Icon.

[^] Realisation of SF was completed in March 2016.

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INVESTMENT PERFORMANCE REPORT

4. Portfolio Companies' Performance

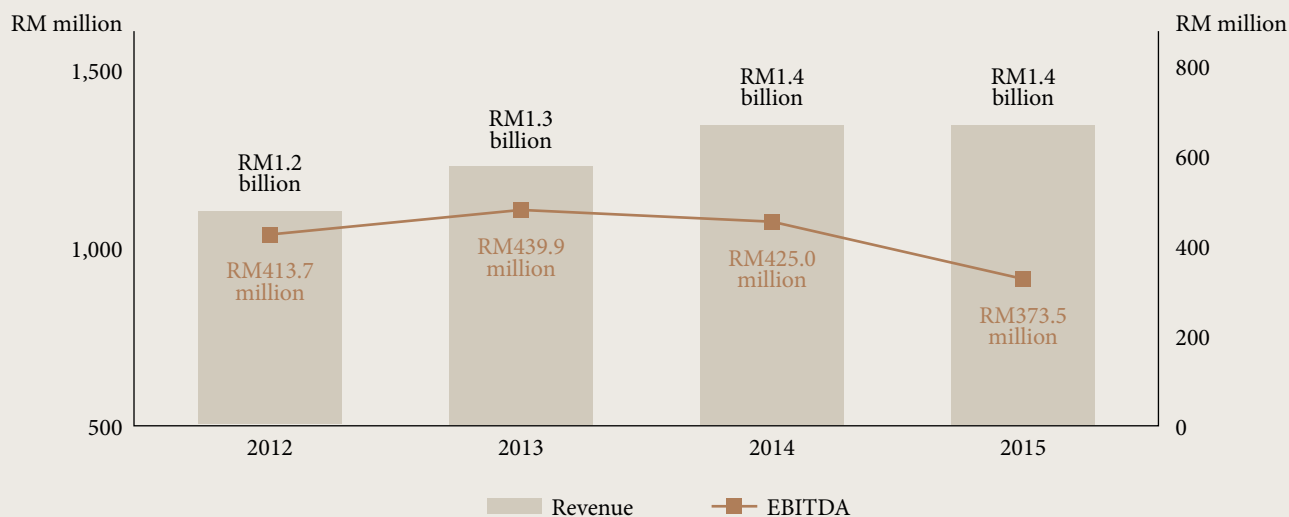
a) Portfolio Companies' Performance – Combined Revenue and EBITDA

| | Revenue (RM million) | | | EBITDA (RM million) * | | |
|-------------------------------------|----------------------|----------------|-------------------|-----------------------|--------------|-------------------|
| | 2015 A | 2014 B | % Growth A – B | 2015 A | 2014 B | % Growth A – B |
| Education | 431.2 | 412.6 | 4.5% | 110.7 | 88.3 | 25.5% |
| Food Group | 379.0 | 338.1 | 12.1% | 46.5 | 41.1 | 13.2% |
| Icon | 266.6 | 318.9 | (16.4%) | 118.2 | 186.0 | (36.4%) |
| Orkim | 124.4 | 129.3 | (3.8%) | 73.5 | 69.2 | 6.2% |
| ACG# | 74.9 | 100.0 | (25.1%) | 57.7 | 100.0 | (42.3%) |
| Tranglo | 114.4 | 113.3 | 0.9% | 6.0 | 8.4 | (28.4%) |
| Combined Portfolio Companies | 1,423.2 | 1,456.0 | (2.2%) | 373.5 | 425.0 | (12.1%) |

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

ACG results are quoted in indexed form.

b) Portfolio Companies' Performance – Combined Revenue and EBITDA Growth



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

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INVESTMENT PERFORMANCE REPORT

5. Fund Performance

5.1 Ekuinas Direct (Tranche I) Fund

a) Fund Net Assets Value (NAV) as at 31 December 2015

| | 2014 RM million | Movement RM million | 2015 RM million |
|--|--------------------|------------------------|--------------------|
| A. Capital Commitment | 1,000.0 | - | 1,000.0 |
| B. Capital Called | 1,095.7 | 17.1 | 1,112.8 |
| C. Capital Reinvested | 168.0 | - | 168.0 |
| D. Total Capital Contributed (B+C) | 1,263.7 | 17.1 | 1,280.8 |
| E. Debt Drawdown (Amortised Cost) | 40.0 | (2.7) | 37.3 |
| F. Total Capital Invested (D+E) | 1,303.7 | 14.4 | 1,318.1 |
| Plus increases/(decreases) to Net Assets Value: | | | |
| Dividend Income | 60.3 | 2.3 | 62.6 |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | 305.2 | (48.7) | 256.5 |
| Realised Gain/(Loss) from Divestment | 327.7 | (37.8) | 289.9 |
| Interest Expenses | (16.1) | (1.6) | (17.7) |
| Total Gross Portfolio Return | 677.1 | (85.8) | 591.3 |
| Organisational Expenses | (192.3) | (40.1) | (232.4) |
| Capital Distributions to Limited Partners (C+H)* | (878.5) | - | (878.5) |
| Net Decrease in Net Assets Value | (393.7) | (125.9) | (519.6) |
| G. Net Assets Value | 910.0 | (111.5) | 798.5 |
| Net Assets Value made up of: | | | |
| Investments – at cost | 772.1 | (65.2) | 706.9 |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | 305.2 | (48.7) | 256.5 |
| Investments carried at Fair Value | 1,077.3 | (113.9) | 963.4 |
| Plus: Cash Balance | 6.0 | - | 6.0 |
| Plus: Working Capital | (173.3) | 2.4 | (170.9) |
| Plus: Uncalled Capital | - | - | - |
| Equals Net Assets Value | 910.0 | (111.5) | 798.5 |
| Net Assets Value | 910.0 | (111.5) | 798.5 |
| H. Capital Distributed | 710.5 | - | 710.5 |
| Total Net Assets Value plus Distributed Capital (G+H) | 1,620.5 | (111.5) | 1,509.0 |
| Gross IRR p.a. | 19.6% | | 14.8% |
| Net IRR (before carried interest) p.a. | 15.3% | | 10.9% |

* Includes deemed distribution for reinvested capital.

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INVESTMENT PERFORMANCE REPORT

b) Ekuinas Direct (Tranche I) Fund Portfolio Performance as at 31 December 2015

| Company | Stake % | Cost of Investment# RM million |
|--------------------|------------|--------------------------------------|
| Investment: | | |
| ACG | 20.0 | 39.9 |
| APIIT | 51.0 | 102.0 |
| Cosmopoint | 90.0 | 246.0 |
| UNITAR | 90.0 | 58.5 |
| RV | 85.8 | 64.6 |
| SF* | 90.0 | 20.0 |
| Icon | 32.7 | 175.9 |
| | | 706.9 |
| Divestment: | | |
| TOB | 24.0 | 99.8 |
| KLB | 61.6 | 241.0 |
| Icon | 38.0 | 132.3 |
| BKM | 74.1 | 68.2 |
| | | 541.3 |
| Total | | 1,248.2 |

Cost of investment represents amount of committed investment utilised.

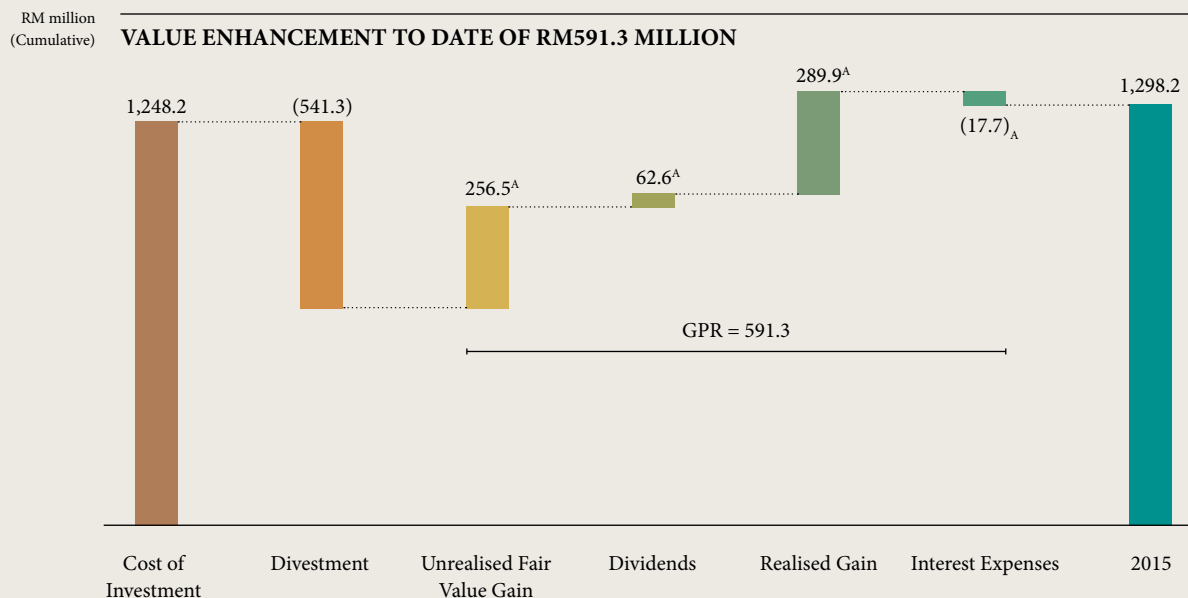
* Realisation of SF was completed in March 2016.

| | | | |
|----------------------------|------------------------|---------------------------|--|
| / GROSS PORTFOLIO RETURN / | | / TOTAL PORTFOLIO VALUE / | |
| RM 591.3 | | RM 1.3 | |
| M I L L I O N | | B I L L I O N | |
| / IRR % / | | | |
| DIVIDEND INCOME | INCREASE IN FAIR VALUE | GROSS IRR | |
| RM 62.6 | RM 256.5 | 14.8% p.a. | |
| M I L L I O N | M I L L I O N | | |
| GAIN ON DIVESTMENT | INTEREST EXPENSES | NET IRR | |
| RM 289.9 | (RM 17.7) | 10.9% p.a. | |
| M I L L I O N | M I L L I O N | | |

03 PERFORMANCE

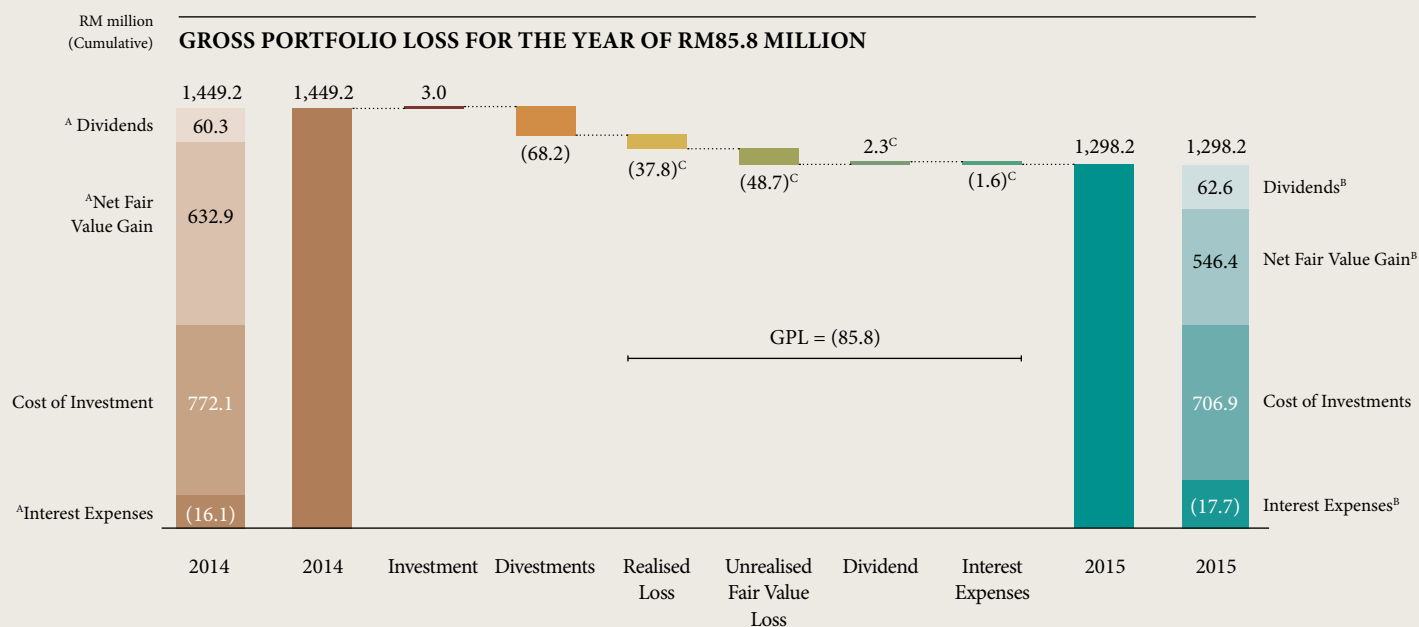
INVESTMENT PERFORMANCE REPORT

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



^A These numbers combined make up to cumulative Gross Portfolio Return for 2015 of RM591.3 million.

d) Ekuinas Direct (Tranche I) Fund Portfolio Value Movement as at 31 December 2015



^A These numbers combined make up to cumulative Gross Portfolio Return for 2014 of RM677.1 million.

^B These numbers combined make up to cumulative Gross Portfolio Return for 2015 of RM591.3 million.

^C These numbers combined make up to movement for the year of RM85.8 million.

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INVESTMENT PERFORMANCE REPORT

5.2 Ekuinas Direct (Tranche II) Fund

a) Fund Net Assets Value (NAV) as at 31 December 2015

| | 2014 RM million | Movement RM million | 2015 RM million |
|--|--------------------|------------------------|--------------------|
| A. Capital Commitment | 1,000.0 | - | 1,000.0 |
| B. Capital Called | 313.0 | 579.8 | 892.8 |
| C. Capital Reinvested | - | 4.8 | 4.8 |
| D. Total Capital Contributed (B+C) | 313.0 | 584.6 | 897.6 |
| E. Debt Drawdown (Amortised Cost) | - | 105.0 | 105.0 |
| F. Total Capital Invested (D+E) | 313.0 | 689.6 | 1,002.6 |
| Plus increases/(decreases) to Net Assets Value: | | | |
| Dividend Income | 0.1 | 3.0 | 3.1 |
| Net Unrealised Gain on Fair Value of Investments | 70.9 | 35.3 | 106.2 |
| Realised Gain/(Loss) from Divestment | 77.4 | (50.8) | 26.6 |
| Interest Expenses | - | (2.6) | (2.6) |
| Total Gross Portfolio Return | 148.4 | (15.1) | 133.3 |
| Organisational Expenses | (63.4) | (15.3) | (78.7) |
| Capital Distributions to Limited Partners (C+H) * | (97.8) | (4.8) | (102.6) |
| Net Decrease in Net Assets Value | (12.8) | (35.2) | (48.0) |
| G. Net Assets Value | 300.2 | 654.4 | 954.6 |
| Net Assets Value made up of: | | | |
| Investments – at cost | 571.6 | 136.0 | 707.6 |
| Net Unrealised Gain on Fair Value of Investments | 70.9 | 35.3 | 106.2 |
| Investments carried at Fair Value | 642.5 | 171.3 | 813.8 |
| Plus: Cash Balance | 1.9 | 4.4 | 6.3 |
| Plus: Working Capital | (344.2) | 460.6 | 116.4 |
| Plus: Uncalled Capital | - | 18.1 | 18.1 |
| Equals Net Assets Value | 300.2 | 654.4 | 954.6 |
| Net Assets Value | 300.2 | 654.4 | 954.6 |
| H. Capital Distributed | 97.8 | - | 97.8 |
| Total Net Assets Value plus Distributed Capital (G+H) | 398.0 | 654.4 | 1,052.4 |
| Gross IRR p.a. | 31.9% | | 13.0% |
| Net IRR (before carried interest) p.a. | 19.3% | | 5.7% |

* Includes deemed distribution for reinvested capital.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

b) Ekuinas Direct (Tranche II) Fund Portfolio Performance as at 31 December 2015

| Company | Stake % | Cost of Investment# RM million |
|--------------------|------------|--------------------------------------|
| Investment: | | |
| Icon | 9.6 | 51.1 |
| Primabaguz | 100.0 | 40.0 |
| APIIT Lanka | 45.9 | 20.3 |
| SF* | - | 5.0 |
| RV | - | 10.0 |
| Coolblog | 60.0 | 45.8 |
| Orkim | 95.5 | 416.3 |
| Tenby | 70.0 | 70.0 |
| Tranglo | 60.0 | 49.1 |
| | | 707.6 |
| Divestment: | | |
| BKS | 100.0 | 47.2 |
| BKM | 20.9 | 52.6 |
| Icon | 7.8 | 76.6 |
| | | 176.4 |
| Total | | 884.0 |

* Cost of investment represents amount of committed investment utilised.

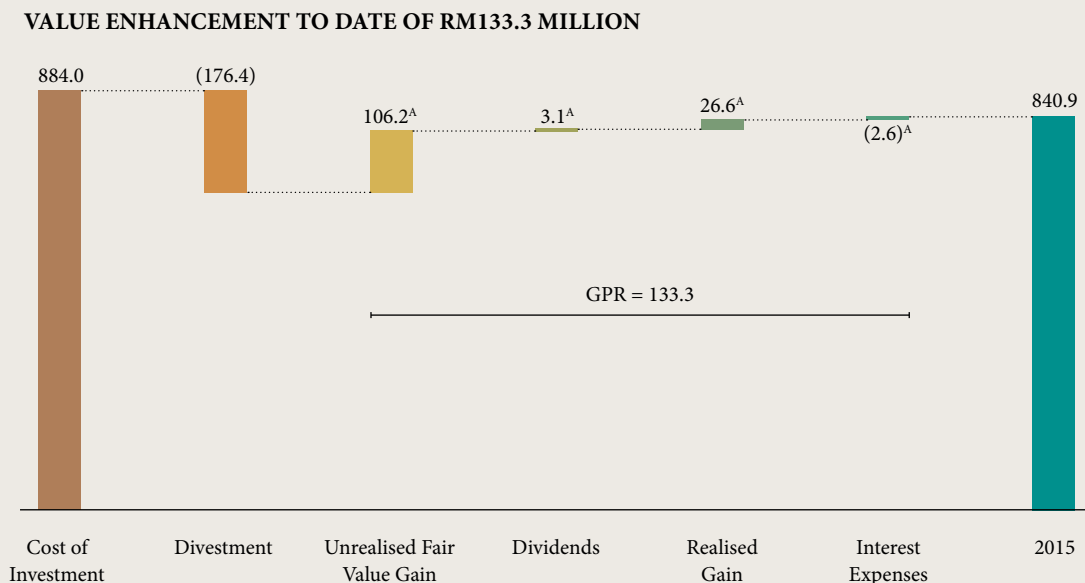
* Realisation of SF was completed in March 2016.

| | | | |
|----------------------------|-------------------------------|---------------------------|--|
| / GROSS PORTFOLIO RETURN / | | / TOTAL PORTFOLIO VALUE / | |
| RM 133.3 | | RM 840.9 | |
| M I L L I O N | | M I L L I O N | |
| <u>DIVIDEND INCOME</u> | <u>INCREASE IN FAIR VALUE</u> | / IRR % / | |
| RM 3.1 | RM 106.2 | <u>GROSS IRR</u> | |
| M I L L I O N | M I L L I O N | 13.0% p.a. | |
| <u>GAIN ON DIVESTMENT</u> | <u>INTEREST EXPENSES</u> | <u>NET IRR</u> | |
| RM 26.6 | (RM 2.6) | 5.7% p.a. | |
| M I L L I O N | M I L L I O N | | |

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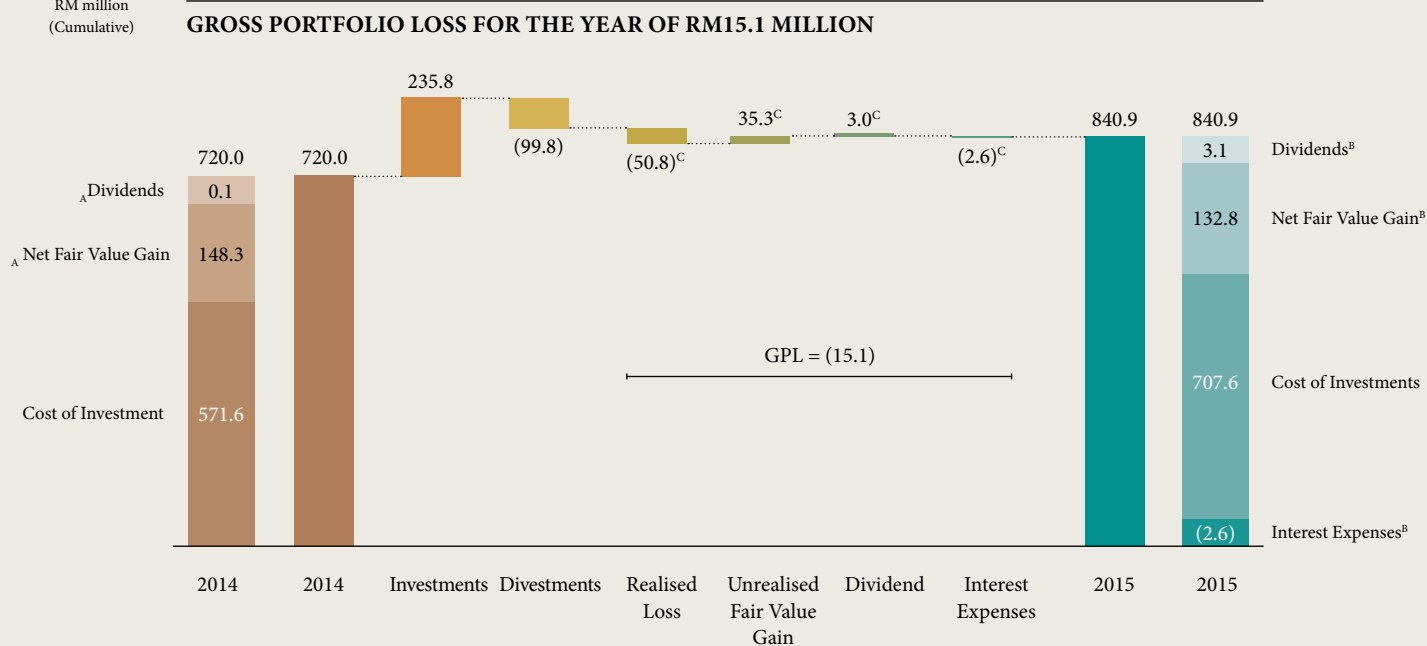
INVESTMENT PERFORMANCE REPORT

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

RM million
(Cumulative)

^A These numbers combined make up to cumulative Gross Portfolio Return for 2015 of RM133.3 million.

d) Ekuinas Direct (Tranche II) Fund Portfolio Value Movement as at 31 December 2015

RM million
(Cumulative)

^A These numbers combined make up to cumulative Gross Portfolio Return for 2014 of RM148.4 million.

^B These numbers combined make up to cumulative Gross Portfolio Return for 2015 of RM133.3 million.

^C These numbers combined make up to movement for the year of RM15.1 million.

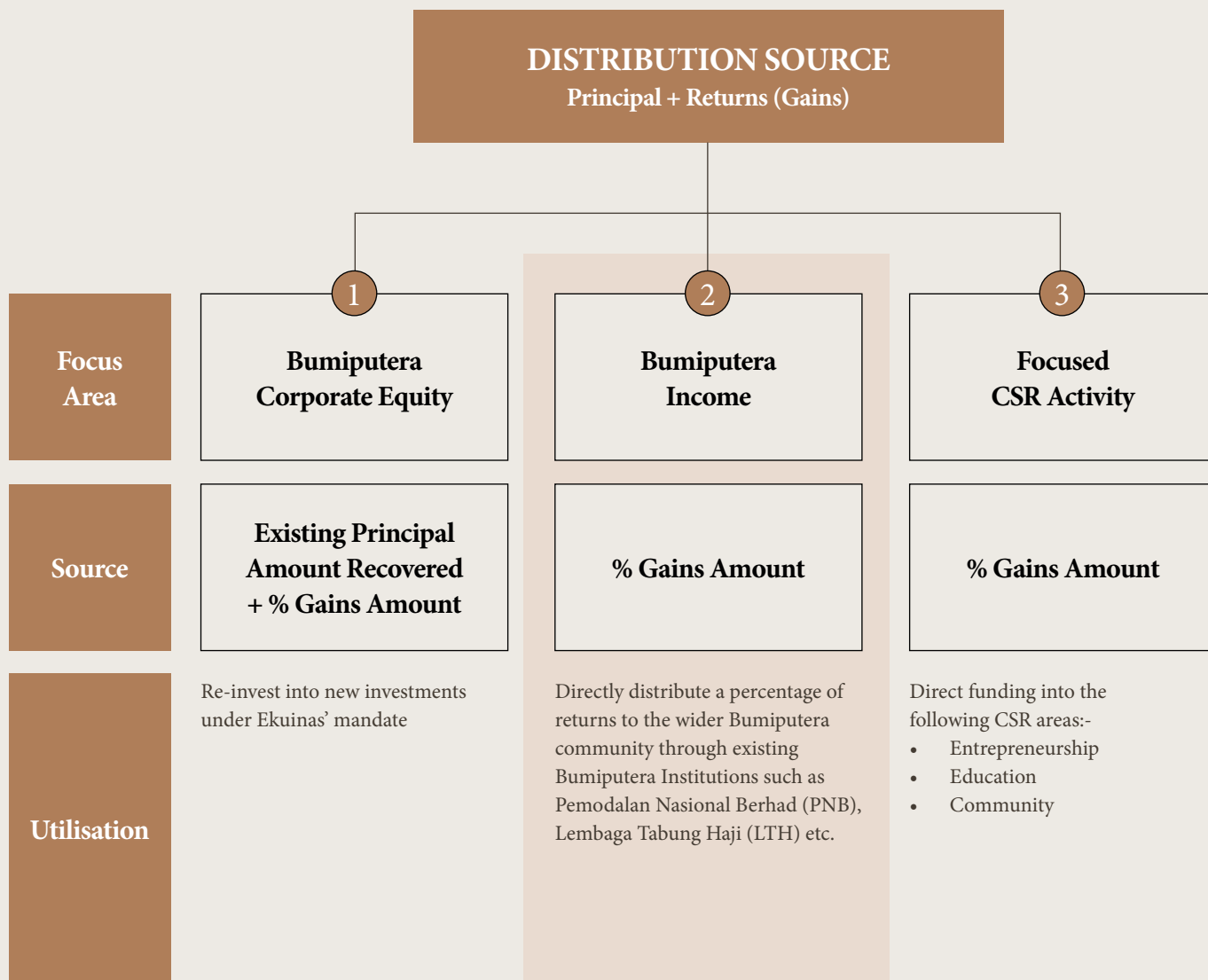
03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

6. Distribution

| | |
|---|------------------|
| Committed Amount | RM 500.0 million |
| Distributed Amount as at 31 December 2015 | RM 200.0 million |

DISTRIBUTION FRAMEWORK



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INVESTMENT PERFORMANCE REPORT

PORTFOLIO COMPANIES



APIIT EDUCATION GROUP

INVESTMENT TYPE
Buy-out of a non-core asset from PLC

ACQUISITION DATE
February 2011

CAPITAL INVESTED
RM102.0 million

OWNERSHIP
51.0%



COSMOPOINT GROUP

INVESTMENT TYPE
Majority investment in a strong Malaysian company

ACQUISITION DATE
March 2012

CAPITAL INVESTED
RM246.0 million

OWNERSHIP
90.0%



TENBY EDUCARE SDN BHD

INVESTMENT TYPE
Majority investment in a strong Malaysian company

ACQUISITION DATE
March 2015

CAPITAL INVESTED
RM70.0 million

OWNERSHIP
70.0%



UNITAR INTERNATIONAL UNIVERSITY

INVESTMENT TYPE
Majority investment in a strong Malaysian company

ACQUISITION DATE
May 2012

CAPITAL INVESTED
RM71.5 million

OWNERSHIP
100.0%



APIIT LANKA

INVESTMENT TYPE
Follow-on investment to expand regionally

ACQUISITION DATE
December 2013

CAPITAL INVESTED
RM20.3 million

OWNERSHIP
45.9%



REVENUE VALLEY SDN BHD

INVESTMENT TYPE
Majority investment in a strong Malaysian company

ACQUISITION DATE
January 2012

CAPITAL INVESTED
RM74.6 million

OWNERSHIP
85.8%



COOLBLOG DESSERTS SDN BHD

INVESTMENT TYPE
Majority investment in a strong Malaysian company

ACQUISITION DATE
July 2014

CAPITAL INVESTED
RM45.8 million

OWNERSHIP
60.0%



PRIMABAGUZ SDN BHD

INVESTMENT TYPE
Majority investment in a strong Malaysian company

ACQUISITION DATE
November 2013

CAPITAL INVESTED
RM40.0 million

OWNERSHIP
100.0%

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

ICONOFFSHORE**ICON
OFFSHORE BHD**

INVESTMENT TYPE
Majority investment in a
strong Malaysian company

ACQUISITION DATE
November 2012,
merger of TKS and Omni

CAPITAL INVESTED
RM435.9 million

OWNERSHIP
42.3%

PARTIAL DIVESTMENT
June 2014 + 45.8%

**ALLIANCE
COSMETICS GROUP**

INVESTMENT TYPE
Minority investment in a
strong Malaysian company

ACQUISITION DATE
January 2010

CAPITAL INVESTED
RM39.9 million

OWNERSHIP
Effective 20.0%

CO-INVESTOR
Navis Capital Partners

**CO-INVESTMENT
AMOUNT**
RM119.6 million

**TRANGLO
SDN BHD**

INVESTMENT TYPE
Majority investment in a
strong Malaysian company

ACQUISITION DATE
March 2015

CAPITAL INVESTED
RM49.1 million

OWNERSHIP
60.0%

**MEDIEXPRESS
(MALAYSIA) SDN BHD
PM CARE SDN BHD**

INVESTMENT TYPE
Majority investment in a
strong Malaysian company

ACQUISITION DATE
December 2015

CAPITAL COMMITTED
RM79.8 million

OWNERSHIP
60.0%

**ORKIM
SDN BHD**

INVESTMENT TYPE
Buy-out of non-core
assets of GLC

ACQUISITION DATE
December 2014

CAPITAL INVESTED
RM416.3 million

OWNERSHIP
95.5%

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

ILMU

EDUCATION GROUP

/ TOTAL CAPITAL INVESTED /

RM 509.8

M I L L I O N

/ REVENUE /

RM 431.2

M I L L I O N

GROWTH **4.5%**

/ EBITDA BEFORE EI /

RM 110.7

M I L L I O N

GROWTH **25.5%**

/ INTEGRATED MULTIBRAND EDUCATION PROVIDER /

ONE OF THE LEADING EDUCATION GROUPS IN MALAYSIA

WITH NEARLY

35,000

S T U D E N T S



INVESTMENT RATIONALE

Sizeable industry with strong growth potential.

Education groups that have solid performance track record.

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

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT



PROFILES

APIIT Education Group

- Established: 1993
- Location: Technology Park, Bukit Jalil
- Type of education: K-12 and tertiary education
- Specialises in: High quality tertiary-level education for Technology, Engineering and Business courses and private K-12 education across both international and local syllabus
- Student population: More than 13,000

APIIT Lanka

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

Cosmopoint Group of Colleges

- Established: 1991
- Locations: Kuala Lumpur + 11 colleges nationwide
- Type of education: Tertiary
- Specialises in: Industry-related programme courses that include IT, Business Management, Culinary Arts, Broadcasting, Multimedia as well as other marketable industry courses.
- Student population: More than 7,000

UNITAR International University

- Established: 1997
- Locations: Selangor + 6 independent regional centres
- Type of education: Tertiary and professional certification courses
- Specialises in: Educational programmes at the 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: Close to 8,000

Tenby Group of Schools

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

| | 2015 Unaudited RM million | 2014 Audited RM million | Growth % |
|--------------------|------------------------------|----------------------------|-------------|
| Revenue | 431.2 | 412.6 | 4.5 |
| EBITDA before EI | 110.7 | 88.3 | 25.5 |
| Number of students | 34,740 | 35,608 | (2.4) |

EI: Extraordinary items.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

FOOD GROUP

TOTAL CAPITAL
INVESTED

RM 160.4
M I L L I O N

REVENUE

RM 379.0
M I L L I O N

GROWTH **12.1%**

EBITDA BEFORE EI

RM 46.5
M I L L I O N

GROWTH **13.2%**

NUMBER OF OUTLETS

CLOSE TO

400

OUTLETS

**ACROSS MALAYSIA
AND THE REGION**



INVESTMENT RATIONALE

Investment in strong F&B brands.

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

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

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

Experienced management team and opportunity to develop young professional managers.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT



PROFILES

Revenue Valley Group

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

- Established: 2002
- Total outlets: 91
- Type: Casual dining and QSR

Coolblog Desserts Sdn Bhd

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

PrimaBaguz Sdn Bhd

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

| | 2015 Unaudited RM million | 2014 Audited RM million | Growth % |
|-------------------|------------------------------|----------------------------|-------------|
| Revenue | 379.0 | 338.1 | 12.1 |
| EBITDA before EI | 46.5 | 41.1 | 13.2 |
| Number of outlets | 394 | 393 | 0.2 |

EI: Extraordinary items.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

ICON

OFFSHORE BERHAD

TOTAL CAPITAL
INVESTED

RM435.9

M I L L I O N

REVENUE

RM266.6

M I L L I O N

GROWTH **(16.4)%**

EBITDA BEFORE EI

RM 118.2

M I L L I O N

GROWTH **(36.4)%**



INVESTMENT RATIONALE

Strong track record of delivering growth.

Platform for building one of the largest local OSV players.

PROFILE

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

| | 2015 Unaudited RM million | 2014 Audited RM million | Growth % |
|------------------|------------------------------|----------------------------|-------------|
| Revenue | 266.6 | 318.9 | (16.4) |
| EBITDA before EI | 118.2 | 186.0 | (36.4) |
| PAT before EI | 25.9 | 90.8 | (71.4) |

EI: Extraordinary items.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

ORKIM

SDN BHD

TOTAL CAPITAL
INVESTED

RM 416.3
M I L L I O N

REVENUE

RM 124.4
M I L L I O N
GROWTH **(3.8)%**

EBITDA BEFORE EI

RM 73.5
M I L L I O N
GROWTH **6.2%**



INVESTMENT RATIONALE

Strong operational track record with a young fleet of 14 vessels under management at an average age of 4 years.

Solid company with favourable growth dynamics.

PROFILE

- One of Malaysia's leading Clean Petroleum Product (CPP) tanker companies.
- Founded in 2004 initially as a ship broker business.
- Strong track record of growth and with 14 vessels under ownership and management.
- Transports CPP from refineries to various oil storage terminals throughout the country and currently has 30.0% market leading share.

| | 2015 Unaudited RM million | 2014 Audited RM million | Growth % |
|------------------|------------------------------|----------------------------|-------------|
| Revenue | 124.4 | 129.3 | (3.8) |
| EBITDA before EI | 73.5 | 69.2 | 6.2 |
| PAT before EI | 30.9 | 29.7 | 4.0 |

EI: Extraordinary items.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

ALLIANCE

COSMETICS GROUP

/ CO-INVESTMENT AMOUNT /

RM 119.6

M I L L I O N

WITH TOTAL CAPITAL INVESTED
RM39.9 MILLION

/ REVENUE (INDEX) /

74.9

GROWTH **(25.1)%**

/ EBITDA BEFORE EI (INDEX) /

57.7

GROWTH **(42.3)%**



INVESTMENT RATIONALE

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

Well-organised and proven management team.

Well-established home-grown brand.

Strong opportunity to expand regionally especially to Indonesia.

PROFILES

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

| | 2015 Unaudited (Index) | 2014 Audited (Index) | Growth % |
|------------------|---------------------------|-------------------------|-------------|
| Revenue | 74.9 | 100.0 | (25.1) |
| EBITDA before EI | 57.7 | 100.0 | (42.3) |

EI: Extraordinary items.

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

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

TRANGLO

SDN BHD

TOTAL CAPITAL
INVESTED

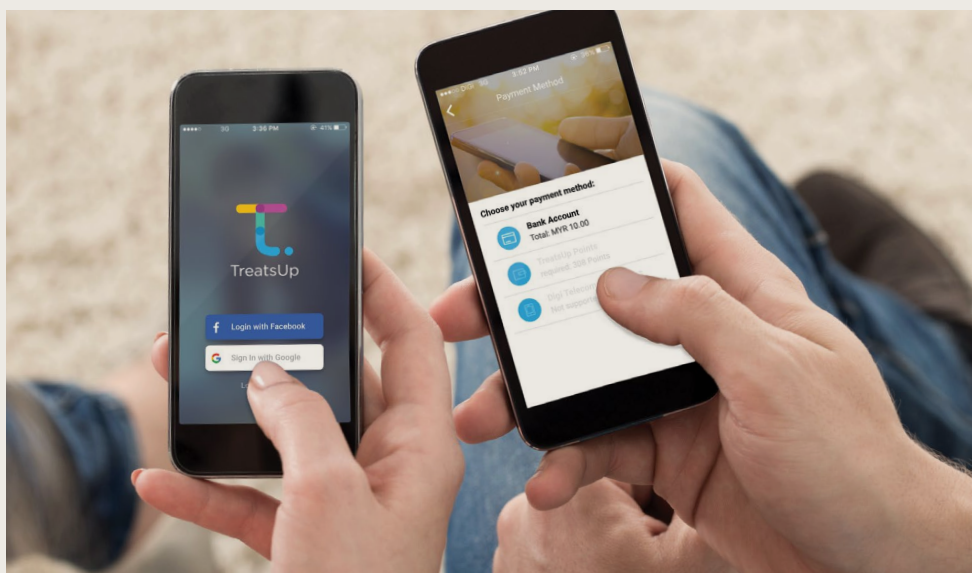
RM49.1
MILLION

PIONEERING MOBILE
MONEY TRANSFER

PIONEER
IN CROSS BORDER
MOBILE MONEY
REMITTANCE SERVICES

CROSSING
BOUNDARIES

ONE OF THE
LEADING OPERATORS FOR
GLOBAL
CROSS BORDER
AIRTIME TRANSFER



INVESTMENT RATIONALE

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

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

PROFILE

- Incorporated in 2009 with headquarters in Kuala Lumpur, and international offices in Indonesia, Middle East, and the United Kingdom.
- Provides the platform for mobile telecommunication companies (Telcos) to facilitate cross border transfer of prepaid credit and money remittance in a fast, easy and secure manner.

| | 2015 Unaudited RM million | 2014 Audited RM million | Growth % |
|------------------|------------------------------|----------------------------|-------------|
| Revenue | 114.4 | 113.3 | 0.9 |
| EBITDA before EI | 6.0 | 8.4 | (28.4) |

EI: Extraordinary items.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

MediExpress & PMCare

TOTAL CAPITAL
COMMITTED

RM 79.8
M I L L I O N

LARGEST TPA
IN MALAYSIA

40.0%
M A R K E T S H A R E

NUMBER OF MEMBERS

SERVICING
MORE THAN

2
M I L L I O N
M E M B E R S



INVESTMENT RATIONALE

A fast growing healthcare subsector.

The two companies are held under one holding company, making it the largest TPA in Malaysia with 40.0% market share and servicing more than 2 million members.

PROFILES

- MediExpress is a leading Third Party Medical Claims Administrators (TPA) for insurance companies and self-funded corporations.
- PMCare is the leading Bumiputera TPA service provider, focusing on the government-linked corporations segment.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

C. OUTSOURCED PROGRAMME

1. Fund Overview

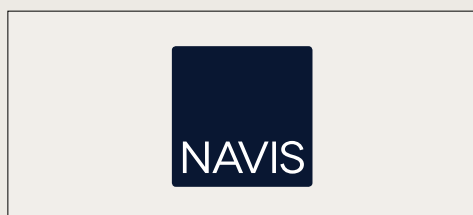
| OUTSOURCED FUNDS | | | |
|--|---|--|---|
| EKUINAS OUTSOURCED (TRANCHE I) FUND | | EKUINAS OUTSOURCED (TRANCHE II) FUND | |
| Vintage Year 2011 | | Vintage Year 2013 | |
| Status | Investing | Status | Investing |
| Capital Committed | | | |
| Ekuinas RM400.0 million | | Ekuinas RM240.0 million | |
| Other LPs RM151.9 million | | Other LPs* RM110.1 million | |
| Total RM551.9 million | | Total RM350.1 million | |
| Term 6 + 1 years 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 | | | |

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

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

2. Profiles of Appointed OFMs



/ NAVIS CAPITAL PARTNERS /

Fund Name
Navis Malaysia Growth Opportunities Fund 1, L.P.

Fund Size
RM301.9 million

Founded in 1998, Navis focuses on private and public equity investments in Southeast Asia. Navis contributes both capital and management expertise to a limited number of well-positioned companies with the objective of directing strategic, operational and financial improvements. The firm manages approximately US\$5 billion in equity capital and has made over 60 control investments in the region, of which about half have been exited. Navis has one of the largest private equity professional teams in Asia, comprising over 60 individuals, supported by over 30 administrative staff, in eight offices across the region.

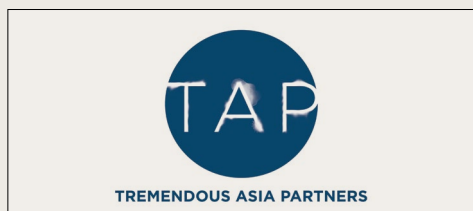


/ CIMB PRIVATE EQUITY /

Fund Name
CIMB National Equity Fund Ltd. P.

Fund Size
RM125.0 million

CIMB Group is Malaysia's second largest financial services provider and one of ASEAN's leading universal banking groups. Headquartered in Kuala Lumpur, the Group is now present in nine out of 10 ASEAN nations where it offers consumer banking, investment banking, Islamic banking, asset management and insurance products and services. CIMB Private Equity, a wholly-owned subsidiary of CIMB Group, is a business within the CIMB Group Asset Management and Investments (GAMI) Division set up to bring the Group's financial expertise, experience and network into the sphere of alternative investments, including private equity, real estate, infrastructure and special situations. The private equity portfolio managed by GAMI as at 31 December 2015 is valued at RM6.0 billion.



/ TREMENDOUS ASIA PARTNERS /

Fund Name
TAP Harimau Fund L.P.

Fund Size
RM125.0 million

Tremendous Asia Partners (TAP) is an Alternative Asset Investment and Management Group focused on opportunities in Southeast Asia region. TAP's management team combines investment and operational experiences across four countries with proven success in identifying and managing growth-oriented investment opportunities and engineering cross-border transactions in the region.

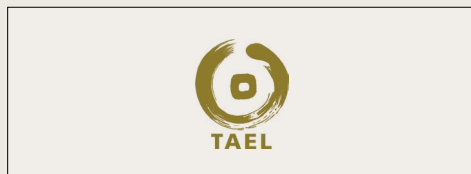
The investment strategy of TAP is geographically focused in Southeast Asia predominantly, Malaysia, Thailand, Singapore and Indonesia while the sector focus is primarily in the Consumer sector encompassing food and beverage, education, healthcare, lifestyle, media and entertainment. This strategy has been formulated based on the demographics trends in Southeast Asia namely increased consumer spending and urban migration in one of the most populous and youngest populations in the world.

TAP has a hands-on value creation proposition comprising not just expertise in Financial Structuring and Operational Enhancements but also has an in-house multi award winning Consumer Team specializing in Branding, Design, Media, Licensing and Merchandising strategies. These value added competencies together with the group's regional footprint allows TAP to successfully expand its portfolio companies throughout the Asian region.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

2. Profiles of Appointed OFMs



/ TAEI PARTNERS /

Fund Name
TAEI Tijari (OFM) L.P.
Fund Size
RM101.0 million

A leading Southeast Asian investment management firm that succeeds in being a value and growth partner to the region's businesses and corporations. Across various conventional and Islamic funds, the firm currently has approximately US\$1 billion of assets under management, with its investor base made up of institutional investors from Asia, North America, Europe and the Middle East. TAEI Partners, through its strong on-the-ground regional presence, focuses on a diverse range of sectors including consumer related sectors such as food & agriculture, housing & lifestyle, healthcare, pharmaceuticals and education as well as the logistics and green energy sectors.



/ RM CAPITAL PARTNERS (RMCP) /

Fund Name
RMCP One Sdn Bhd
Fund Size
RM109.1 million

RMCP was founded in July 2011 by a team of investment professionals from Ethos Capital Sdn Bhd, where it managed a RM215.0 million private equity fund. The firm's fund, RMCP one Sdn Bhd will invest in Malaysian companies in several focus sectors namely FMCG, O&G, retail, education and healthcare. RMCP's value creation strategies include strategic redirection, governance engineering, operational excellence and business network among others.



/ CMS OPUS PRIVATE EQUITY (COPE) /

Fund Name
COPE Opportunities 3 Sdn Bhd
Fund Size
RM80.0 million

COPE was established in 2005 by experienced Private Equity (PE) professionals who have been in the regional private equity space since 1997. Given COPE's unique expertise, the company is being entrusted to manage several PE funds invested by prominent institutional investors. It is one of few Principal run PE firms that adopt Shariah-compliant investment principles. COPE seeks to value-add and grow with its high growth investee companies that have local and international presence. COPE's also has a related company, Opus Asset Management Sdn Bhd, which is focusing in fixed income investment. Together COPE and Opus Asset, currently managing RM5.3 billion in total AUM.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

3. Investment activities

(a) Outsourced Programme Investment Activities for 2015

| RM million | Fund | Sector | Committed Investment by OFMs | | | | Total Economic Capital Deployed | |
|---------------------------|--------------------------------------|-----------|------------------------------|-------------|-------------|--------------------|---------------------------------|-------------|
| | | | Ekuiinas' Committed Capital | Other LPs | Total OFMs | Other Co-Investors | | |
| 1 | Strateq Sdn Bhd (Strateq) | Navis MGO | Services | 15.5 | 9.0 | 24.5 | - | 24.5 |
| 2 | HG Power Transmission Sdn Bhd (HGPT) | Navis MGO | Services | 3.5 | 1.5 | 5.0 | - | 5.0 |
| 3 | Excelvite Sdn. Bhd. (Excelvite) | TAEL | Manufacturing | 5.9 | 4.1 | 10.0 | - | 10.0 |
| 4 | Romstar Sdn. Bhd (Romstar) | RMCP | Manufacturing | 12.0 | 9.8 | 21.8 | - | 21.8 |
| Total for the year | | | | 36.9 | 24.4 | 61.3 | - | 61.3 |

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

(b) Cumulative Outsourced Programme Investment Activities as at 31 December 2015

| RM million | Fund | Sector | Committed Investment by OFMs | | | | Total Economic Capital Deployed | |
|---|---|-----------|------------------------------|--------------|--------------|--------------------|---------------------------------|--------------|
| | | | Ekuinas' Committed Capital | Other LPs | Total OFMs | Other Co-Investors | | |
| 1 | Atelier Asia Sdn Bhd (Atelier)* | Navis MGO | FMCG | 15.0 | 6.5 | 21.5 | - | 21.5 |
| 2 | MCAT Box Office Sdn Bhd (MBO)* | Navis MGO | Retail & Leisure | 16.8 | 4.2 | 21.0 | 119.7 | 140.7 |
| 3 | SEG International (SEGi)* | Navis MGO | Education | 43.5 | 19.0 | 62.5 | 214.5 | 277.0 |
| 4 | Strateq Sdn Bhd (Strateq)* | Navis MGO | Services | 39.0 | 22.5 | 61.5 | - | 61.5 |
| 5 | HG Power Transmission Sdn Bhd (HGPT)* | Navis MGO | Services | 30.1 | 13.2 | 43.3 | - | 43.3 |
| 6 | Brickfields Asia College (BAC) | Navis MGO | Education | 34.8 | 15.2 | 50.0 | - | 50.0 |
| 7 | Macrokiosk Sdn Bhd (Macrokiosk) | CNEF | Services | 21.1 | 13.3 | 34.4 | - | 34.4 |
| 8 | R.E.A.L Education Group (REAL) | CNEF | Education | 28.1 | 4.9 | 33.0 | - | 33.0 |
| 9 | Mega Fortis Innovation (Msia) Sdn Bhd (Mega Fortis) | TAP | Manufacturing | 18.0 | 7.0 | 25.0 | - | 25.0 |
| 10 | Big Sdn Bhd (Big Group) | Navis MGO | F&B and Retail | 17.6 | 4.4 | 22.0 | - | 22.0 |
| Total Investment Undertaken – Tranche I | | | | 264.0 | 110.2 | 374.2 | 334.2 | 708.4 |
| 1 | STX Precision Corporation Sdn Bhd (STX) | COPE | Services | 12.0 | 4.0 | 16.0 | 19.0 | 35.0 |
| 2 | Consobiz Ventures Sdn Bhd (Consobiz) | RMCP | FMCG | 8.3 | 6.7 | 15.0 | - | 15.0 |
| 3 | Excelvite Sdn. Bhd. (Excelvite) | TAEL | Manufacturing | 5.9 | 4.1 | 10.0 | - | 10.0 |
| 4 | Romstar Sdn. Bhd (Romstar) | RMCP | Manufacturing | 12.0 | 9.8 | 21.8 | - | 21.8 |
| Total Investment Undertaken – Tranche II | | | | 38.2 | 24.6 | 62.8 | 19.0 | 81.8 |
| Cumulative Total Investment Undertaken | | | | 302.2 | 134.8 | 437.0 | 353.2 | 790.2 |

* Includes follow-on investments.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

4 Fund Performance

4.1 Ekuinas Outsourced (Tranche I) Fund

(a) Fund Net Assets Value (NAV) as at 31 December 2015

| | 2014 RM million | Movement RM million | 2015 RM million |
|--|--------------------|------------------------|--------------------|
| A. Capital Commitment | 400.0 | - | 400.0 |
| B. Capital Called | 284.3 | 18.1 | 302.4 |
| C. Capital Reinvested | - | 15.1 | 15.1 |
| D. Total Capital Contributed (B+C) | 284.3 | 33.2 | 317.5 |
| E. Debt Drawdown (Amortised Cost) | - | - | - |
| F. Total Capital Invested (D+E) | 284.3 | 33.2 | 317.5 |
| Plus increases/(decreases) to Net Assets Value: | | | |
| Dividend Income | - | 15.1 | 15.1 |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | 56.8 | (17.9) | 38.9 |
| Realised Loss on Fair Value of Investments | (1.8) | - | (1.8) |
| Interest Expenses | - | - | - |
| Total Gross Portfolio Return | 55.0 | (2.8) | 52.2 |
| Organisational Expenses | (8.2) | (1.8) | (10.0) |
| Capital Distributions to Limited Partners (C+H)* | - | (15.1) | (15.1) |
| Net Increase/(Decrease) in Net Assets Value | 46.8 | (19.7) | 27.1 |
| G. Net Assets Value | 331.1 | 13.5 | 344.6 |
| Net Assets Value made up of: | | | |
| Investments – at cost | 274.3 | 16.3 | 305.7 |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | 56.8 | (2.8) | 38.9 |
| Investments carried at Fair Value | 331.1 | 13.5 | 344.6 |
| Plus: Cash Balance | - | - | - |
| Plus: Working Capital | - | - | - |
| Plus: Uncalled Capital | - | - | - |
| Equals Net Assets Value | 331.1 | 13.5 | 344.6 |
| Net Assets Value | 331.1 | 13.5 | 344.6 |
| H. Capital Distributed | - | - | - |
| Total Net Assets Value plus Distributed Capital (G+H) | 331.1 | 13.5 | 344.6 |
| Gross IRR p.a. | 10.6% | | 6.3% |
| Net IRR (before carried interest) p.a. | 8.8% | | 5.0% |

* Includes deemed distribution for reinvested capital.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

4 Fund Performance

4.2 Ekuinas Outsourced (Tranche II) Fund

(a) Fund Net Assets Value (NAV) as at 31 December 2015

| | 2014 RM million | Movement RM million | 2015 RM million |
|--|--------------------|------------------------|--------------------|
| A. Capital Commitment | 240.0 | - | 240.0 |
| B. Capital Called | 32.7 | 19.2 | 51.9 |
| C. Capital Reinvested | - | | - |
| D. Total Capital Contributed (B+C) | 32.7 | 19.2 | 51.9 |
| E. Debt Drawdown (Amortised Cost) | - | | - |
| F. Total Capital Invested (D+E) | 32.7 | 19.2 | 51.9 |
| Plus increases/(decreases) to Net Assets Value: | | | |
| Dividend Income | - | | - |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | (15.5) | 0.5 | (15.0) |
| Realised Gain/(Loss) from Divestment | - | | - |
| Interest Expenses | - | | - |
| Total Gross Portfolio Return | (15.5) | 0.5 | (15.0) |
| Organisational Expenses | (2.4) | (1.2) | (3.6) |
| Capital Distributions to Limited Partners (C+H)* | - | - | - |
| Net Decrease in Net Assets Value | (17.9) | (0.7) | (18.6) |
| G. Net Assets Value | 14.8 | 18.5 | 33.3 |
| Net Assets Value made up of: | | | |
| Investments – at cost | 30.3 | 18.0 | 48.3 |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | (15.5) | 0.5 | (15.0) |
| Investments carried at Fair Value | 14.8 | 18.5 | 33.3 |
| Plus: Cash Balance | - | - | - |
| Plus: Working Capital | - | - | - |
| Plus: Uncalled Capital | - | - | - |
| Equals Net Assets Value | 14.8 | 18.5 | 33.3 |
| Net Assets Value | 14.8 | 18.5 | 33.3 |
| H. Capital Distributed | - | | - |
| Total Net Assets Value plus Distributed Capital (G+H) | 14.8 | 18.5 | 33.3 |
| Gross IRR p.a.# | N/M | | N/M |
| Net IRR (before carried interest) p.a.# | N/M | | N/M |

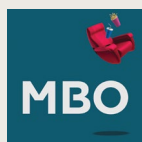
The Gross IRR and Net IRR for Ekuinas Outsourced (Tranche II) Fund are not presented as the fund is still in early stages of investments.

* Includes deemed distribution for reinvested capital.

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

PORTFOLIO COMPANIES


**MCAT BOX OFFICE
SDN BHD (MBO)**
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM16.8 million


**SEG INTERNATIONAL
BERHAD (SEGi)**
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM43.5 million


STRATEQ SDN BHD
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM39.0 million


**HG POWER
TRANSMISSION SDN BHD**
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM30.1 million


BRICKFIELDS ASIA COLLEGE
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM34.8 million


BIG SDN BHD
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM17.6 million


MACROKIOSK SDN BHD
Transaction Details

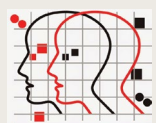
OFM: CIMB Private Equity
Sector: Services
Acquisition Date: July 2013

Committed Capital
Contribution by Ekuinas:
RM21.1 million


R.E.A.L. EDUCATION GROUP
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM28.1 million


**MEGA FORTRIS
(MALAYSIA) SDN BHD**
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM18.0 million


**STX PRECISION
CORPORATION SDN BHD**
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM12.0 million


**CONSOBIZ VENTURES
SDN BHD**
Transaction Details

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

Committed Capital
Contribution by Ekuinas:
RM8.3 million


EXCELVITE SDN BHD
Transaction Details

OFM: TAEI Capital Partners
Sector: Manufacturing
Acquisition Date: April 2015

Committed Capital
Contribution by Ekuinas:
RM5.9 million


ROMSTAR SDN BHD
Transaction Details

OFM: RM Capital Partners
Sector: Manufacturing
Acquisition Date:
January 2016

Committed Capital
Contribution by Ekuinas:
RM12.0 million

03 PERFORMANCE

INVESTMENT PERFORMANCE REPORT

D SOCIAL OBJECTIVE PERFORMANCE

(a) Bumiputera Equity Value and Total Economic Value

| Total for Portfolio Companies | BUMIPUTERA | | | | TOTAL COMPANY | | | |
|-------------------------------|------------|--------------|------------------------------|---------------------------------------|---------------|--------------|------------------------|---------------------------------------|
| | Ex Ante | As at 31 Dec | Increase in Bumiputera Value | Multiple of Ekuinas' Invested Capital | Ex Ante | As at 31 Dec | Economic Value Created | Multiple of Ekuinas' Invested Capital |
| 2015 | 1,779.0 | 3,938.0 | 3,750.8 | 1.6x | 3,708.5 | 5,544.7 | 4,702.7 | 2.1x |
| 2014 | 1,747.9 | 4,460.9 | 4,246.2 | 1.9x | 3,790.5 | 6,470.5 | 5,517.6 | 2.4x |

(b) Portfolio Companies – Management and Employees

| | Bumiputera Headcount | Total Headcount | % Bumiputera to Total Headcount | % Increase in Bumiputera Headcount from Ex Ante |
|-------------|----------------------|-----------------|---------------------------------|---|
| 2015 | | | | |
| Management | 151 | 485 | 31.1% | 12.7% |
| Employees | 7,834 | 15,177 | 51.6% | 31.5% |
| 2014 | | | | |
| Management | 140 | 356 | 39.3% | 9.4% |
| Employees | 6,185 | 11,841 | 52.2% | 18.3% |

E EKUITI NASIONAL BERHAD – FUND MANAGEMENT COMPANY

| Ekuiti Nasional Berhad (Fund Management Company) | 2015 RM million | 2014 RM million |
|---|--------------------|--------------------|
| Total Funds under Management (FuM) | 4,140.0 | 4,140.0 |
| Operating Expenditure (OPEX) | 44.1 | 40.3 |
| Profit After Tax (PAT) | 26.4 | 14.5 |
| Ratio of OPEX to FuM | 1.1% | 1.0% |

04

GOVERNANCE





Ekuias is proud that its F&B portfolio is delighting customers across several regions with mouth-watering casual dining and dessert specialties at close to 400 outlets, which places us as one of the largest F&B players in the industry.

04 GOVERNANCE

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

Ekuinas is not a listed entity and therefore, does not need 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.

Accordingly, the disclosures under this section have been prepared based on the best practice requirements set out under Bursa Malaysia, the Malaysian Code on Corporate Governance (Revised 2012) as well as Ekuinas' Disclosure Policy. 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 all appointments to the Ekuinas Board of Directors are approved by the Government of Malaysia, who are indirectly, the ultimate shareholders of the Company. However, for the purpose of this report, we have categorised directors who are currently not in government service (and have not been in service for the last two years), as Independent Directors, being independent of the Management and free from any business or other relationship which could interfere with the exercise of independent judgement. All other directors outside this definition are accordingly deemed as Non-Independent Directors.

EKUINAS CORPORATE GOVERNANCE FRAMEWORK

As a government-linked private equity fund management company, the Board and Management of Ekuinas are committed to the highest standards of corporate governance and have implemented the Ekuinas Corporate Governance Framework at the Company level, while advocating good governance practices within that Framework to all portfolio companies.

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

- i. To promote greater transparency, accountability and responsiveness;
- ii. To reinforce long term value creation and strike a balance between risks and returns; and
- iii. To encourage innovation and entrepreneurship within the Company through efficient oversight and risk management framework.

EKUINAS CORPORATE GOVERNANCE FRAMEWORK

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

Note: (✓) Completed and approved by the Board.

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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 and managed by experienced and skilful Board members with varied backgrounds ranging from the Government and private sectors and who are essential for the overall strategic direction of Ekuinas.

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

As part of best practice in good corporate governance, the Board has adopted a Board/Governance Charter that delineates the key governance principles to be adhered 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 following statement provides a description on how Ekuinas has applied the key principles and recommendations of good practices in line with the Malaysian Code on Corporate Governance (Revised 2012) (the Code) and 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 acquisitions and disposal of investments;
- ii. The Company's annual plan, budget and strategy;
- iii. Key policies, procedures and delegation of authorities; and
- iv. Changes to Senior and Executive Management.

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

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

BOARD COMPOSITION AND BALANCE

One new Independent Non-Executive and one Non-Independent Non-Executive Directors were appointed in the last quarter of 2015, increasing the size of the Board to eight (8) members. It now comprises an Independent Non-Executive Chairman, one (1) Executive Director designated as the Chief Executive Officer (CEO), four (4) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Director. None of the Independent Directors has exceeded the cumulative term of nine (9) years of service.

04 GOVERNANCE

STATEMENT ON CORPORATE GOVERNANCE

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

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

APPOINTMENTS TO THE BOARD AND RE-ELECTION OF DIRECTORS

The size and composition of the Board are reviewed from time to time by the Nomination and Remuneration Committee (NRC), which seeks to ensure that the size of the Board is conducive for effective discussion and decision-making, and that the Board has the appropriate number of Independent Directors. The Committee also seeks to maintain an effective balance of expertise, skills and attributes among the Directors including 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, with endorsement from Yayasan Ekuiti Nasional.

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

The NRC's membership is purely Non-Executive and the majority are Independent Directors. Details on the scope and functions of the NRC can be found on page 95 in the Statement on Corporate Governance.

BOARD COMMITTEES

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

- Audit and Risk Management Committee;
- Nomination and Remuneration Committee;
- Investment Committee; and
- 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 will be 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

The Audit and Risk Management Committee comprises three Independent Non-Executive Directors and one Non-Independent Non-Executive Director namely:-

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

Members: Tan Sri Dato' Seri Mohamed Jawhar Hassan

Datuk Noriyah Ahmad

Johan Mahmood Merican

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STATEMENT ON CORPORATE GOVERNANCE

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 112 to 115 of this Annual Report.

b. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) comprises three Independent Non-Executive Directors and one Non-Independent Non-Executive Director, the majority 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
 Johan Mahmood Merican

There were four (4) meetings held during the financial year and the attendance record of each member is set out in the table on page 97.

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 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.

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STATEMENT ON CORPORATE GOVERNANCE

b. Authority

In exercising its responsibilities in relation to the issue of remuneration:-

- the NRC is authorised by the Board to seek any information it requires from any employees of the Company in order to perform its duties; and
- the NRC is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice including the advice of independent remuneration consultants, to secure the attendance of the external advisers at its meeting if it considers necessary, and to obtain reliable, up-to-date information about 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 2015

During the financial year ended 31 December 2015, 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 succession planning for Non-Executive Directors and appointment of new Directors of Ekuiti Nasional Berhad;
- Considered and made recommendation to the Board on the achievement of Ekuinas Key Performance Indicators (KPI) for FYE2014, Bonus Payout and Merit Increment for 2015;
- Reviewed the Proposed KPI Framework for the FY2015; and
- Reviewed the proposed succession plan and extension of contract for Senior Management.

c. Investment Committee

The Investment Committee is made up of members of the Senior Management of the Company and two Independent Non-Executive Director. This structure is common practice in most private equity organisations to ensure investment decisions can be made on a timely basis with adequate oversight, strong commitment and accountability from the investment professionals.

The key responsibilities and functions of the Investment Committee include:

- approving for recommendation all investment and divestment decisions made by Ekuinas;
- approving all decisions pertaining to the management of all investments made by Ekuinas; and
- review of the quality and reliability of all financial information in respect of all investments.

d. CSR Committee

The CSR Committee (CC), which is chaired by an Independent Non-Executive Director and consists of the Senior Management, was established in 2013 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. Details of the CSR activities are set out on pages 120 to 126 of the Annual Report.

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STATEMENT ON CORPORATE GOVERNANCE

The key responsibilities and functions of the CC include:

- review and approve Ekuinas CSR's annual plan including the allocation of the total budgeted amount for Ekuinas CSR as approved by the Board, into the different CSR programmes and initiatives.
- monitor the implementation of the CSR activities.
- 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 in 2011 to assist the Board in discharging its functions with regard to risk management issues of Ekuinas. While the risks reported do not purport to represent every business risk faced by Ekuinas, the objective of the risk reporting is to identify major business risks and outline key steps taken to mitigate these risks involving Ekuinas as an organisation as well as its portfolio companies.

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 | 8 out of 8 | 5 out of 5 | 4 out of 4 | - | - |
| Tan Sri Dato' Seri Mohamed Jawhar Hassan | 8 out of 8 | 5 out of 5 | 4 out of 4 | - | - |
| Tan Sri Mohamed Azman Yahya | 8 out of 8 | - | 4 out of 4 | 4 out of 4 | - |
| Datuk Seri Dr. Rahamat Bivi Yusoff | 3 out of 8 | - | - | - | - |
| Datuk Noriyah Ahmad | 7 out of 8 | 5 out of 5 | - | - | 1 out of 1 |
| Datuk Ali Abdul Kadir ⁵ | 3 out of 3 [^] | - | - | 1 out of 1 [^] | - |
| Johan Mahmood Merican ⁵ | 3 out of 3 [^] | 2 out of 2 [^] | 1 out of 1 [^] | - | - |
| Dato' Abdul Rahman Ahmad | 8 out of 8 | - | - | 4 out of 4 | - |

Notes:

| | | |
|---|-----------------------------|--|
| 1 ARMC – Audit and Risk Management Committee | 3 IC – Investment Committee | 5 Appointed as a Non-Executive Director effective 1 st October 2015. |
| 2 NRC – Nomination and Remuneration Committee | 4 CC – CSR Committee | [^] Reflects the number of meetings scheduled during the time the Director held office. |

The Audit and Risk Management Committee meets at least four (4) times in a year in accordance with its terms of reference.

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STATEMENT ON CORPORATE GOVERNANCE

MAINTAINING AN INDEPENDENT, STRONG AND EFFECTIVE BOARD

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

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

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

The BEE involved completion of questionnaires by all Board members on the effectiveness of the Board of Directors as a whole, as well as that of the Board Committees, namely the Audit and Risk Management Committee, the Nomination and Remuneration Committee and the Investment Committee. The formal and full evaluation on the Board's performance was last conducted in 2013 and the subsequent evaluation is planned to be performed in 2016.

In addition, the Board, through the NRC, conducted 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.

INDEPENDENCE AND BALANCE OF POWER

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

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

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

Profiles of the Board members are highlighted on pages 44 to 52 of this Annual Report.

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STATEMENT ON CORPORATE GOVERNANCE

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 acquisitions / divestment;
- monitoring compliance with all legal, tax and regulatory obligations;
- reviewing and ratifying systems of risk management and internal compliance as well as controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- monitoring Management's performance and implementation of strategies and policies, while ensuring resources are available;
- approving and monitoring financial and other reporting to the market, employees and other stakeholders; and
- approving the appointment, reappointment or replacement of the external auditor.

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 2015, with categorisation into appropriate components are as follows:-

| Executive Director | Salary And Other Emoluments | Variable Bonus | EPF Contribution | Total |
|---|-----------------------------|-------------------------------|------------------|-------------|
| Dato' Abdul Rahman Ahmad | RM1,183,800 | RM787,525 | RM249,016 | RM2,220,341 |
| Non-Executive Directors | Directors' Fees | Allowances and Other Benefits | Total | |
| Raja Tan Sri Dato' Seri Arshad Raja Tun Uda | RM100,000 | RM38,000 | RM138,000 | |
| Tan Sri Dato' Seri Mohamed Jawhar Hassan | RM80,000 | RM38,000 | RM118,000 | |
| Tan Sri Mohamed Azman Yahya | RM80,000 | RM36,000 | RM116,000 | |
| Datuk Seri Dr. Rahamat Bivi Yusoff | RM80,000 | RM7,500 | RM87,500 | |
| Datuk Noriyah Ahmad | RM80,000 | RM27,500 | RM107,500 | |
| Datuk Ali Abdul Kadir ¹ | RM20,164 | RM9,500 | RM29,664 | |
| Johan Mahmood Merican ¹ | RM20,164 | RM13,500 | RM33,664 | |

Notes:

¹ Appointed as a Non-Executive Director effective 1st October 2015.

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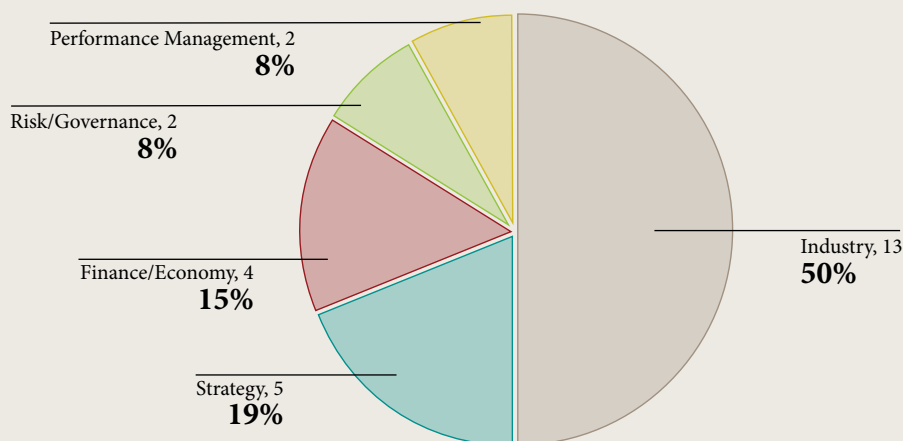
STATEMENT ON CORPORATE GOVERNANCE

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 2015 were as follows:-

DIRECTORS' TRAINING STRUCTURE 2015



Performance Management

- FIDE Forum – 2nd Distinguished Board Leadership Series, organised by FIDE Forum
- MINDA Directors Forum “Talent and Human Capital – The Drivers of Growth and Creativity”, organised by MINDA

Risk/Governance

- 7th Annual Corporate Governance Summit, organised by Asian World Summit Sdn Bhd
- PwC's 2014 Global Economic Crime Survey: What you don't know can hurt you, organised by PwC

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Finance/Economy

- Directors' In-house Training – “Malaysian Goods and Services Tax – An Overview for Directors & Alternative Energy Outlook for Malaysia and the Region”, organised by SCOMI Group Berhad
- FIDE: Focus Group – Directors' Remuneration Study, organised by FIDE Forum
- South-East Asia Summit 2015, organised by SuperReturn Asia
- The 11th World Islamic Economic Forum (WIEF), organised by World Islamic Economic Forum

Strategy

- Abraaj Group Conference, organised by Abraaj Group
- MINDA Powertalk Series “Executing Your Growth Strategy With Certainty”, organised by MINDA
- Operating Partners Forum – Europe 2015, organised by Private Equity International
- The 12th ASEAN Leadership Forum, organised by Asean Strategy & Leadership Institute (ASLI)
- The Synergy & Crowdfunding Forum (SCxSC) 2015, organised by Securities Commission Malaysia, Multimedia Development Corporation (MDeC), Cradle Fund, Malaysian Business Angel Network (MBAN)

Industry

- 26th World Gas Conference 2015, organised by WGC Paris
- 29th Asia-Pacific Roundtable, organised by Institute of Strategic & International Studies (ISIS) Malaysia
- Ad:tech Tokyo 2015 – Digital Marketing Event 2015, organised by DMG Events Japan Co Ltd
- ASEAN Accountants – Building A Stronger Profession Together, organised by Malaysia Institute of Accountants (MIA)
- Bridging The Capital Market Talent Gap: Identifying Needs & Priorities, organised by The Securities Industry Development Corporation (SIDC)
- G20 Leaders Summit, organised by G20 Countries
- International Conference on The Heart of Borneo/Ramsar Conference, organised by Sabah Forestry Department
- Khazanah Mega Trends Forum, organised by Khazanah Nasional Berhad
- Khazanah Nasional Berhad – Overcoming Adversity, organised by Khazanah Nasional Berhad
- The Economic Transformation Programme (ETP) – Effect on Malaysian Accounting Graduates, organised by Malaysia Institute of Accountants (MIA)
- The EPF Global Private Equity Summit 2015, organised by Employees Provident Fund, Malaysia (EPF)
- World Capital Markets Symposium (WCMS) 2015, organised by The Securities Commission Malaysia
- Yayasan Amir Trust Schools Conference 2015, organised by Yayasan Amir

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STATEMENT ON CORPORATE GOVERNANCE

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:

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

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

The Board 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.

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STATEMENT ON CORPORATE GOVERNANCE

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 Risk Management Committee performs a review of 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

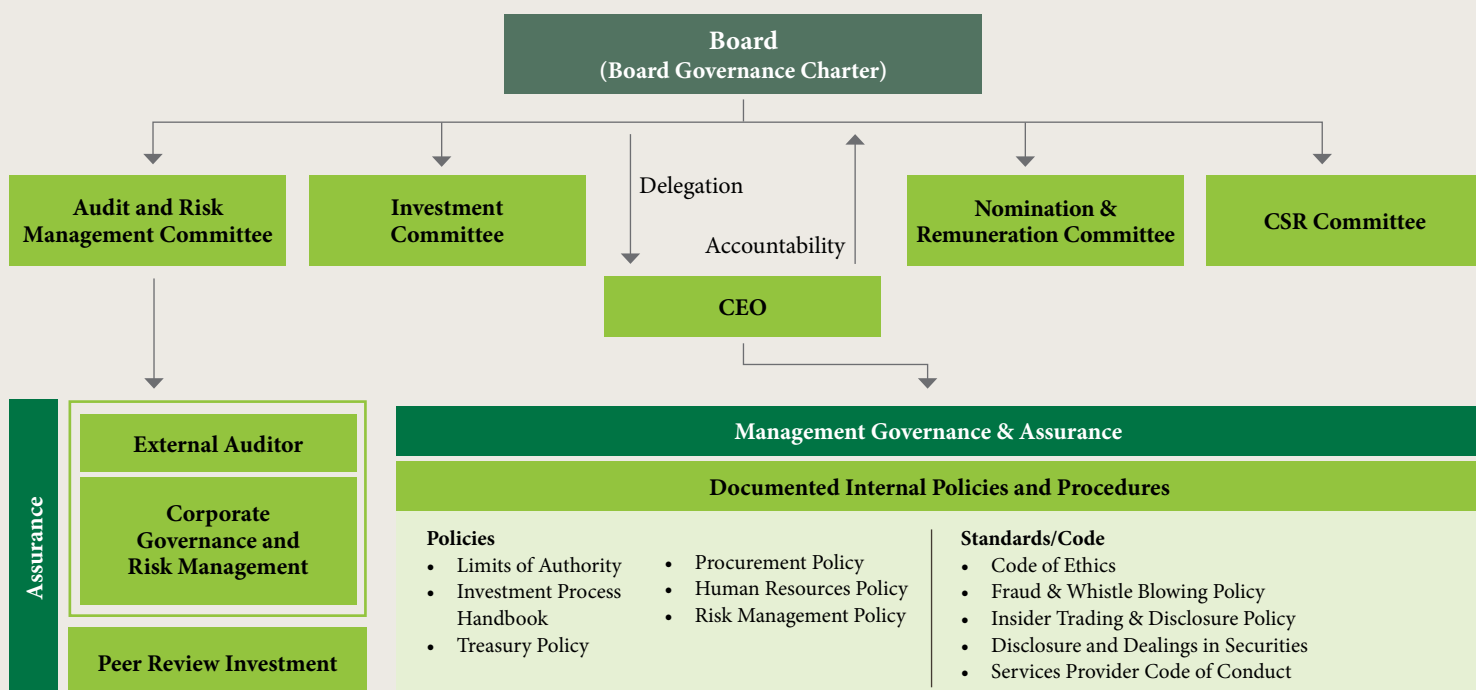
The Board is responsible for maintaining a system of risk management and internal controls that provides reasonable assurance of effective and efficient operations in compliance with the applicable laws and regulations, as well as internal procedures and guidelines.

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 pages 105 to 111 of this Annual Report.

Internal Audit Function

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

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



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STATEMENT ON CORPORATE GOVERNANCE

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.

Stakeholder Engagement and Communication

The Company has adopted comprehensive stakeholder management and communication policies, which are reviewed on a regular basis. The aforesaid policies regulate the way the Company interacts with the different stakeholder groups including the general public, media, government bodies and authorities in compliance with its continuous and timely disclosure requirements.

Other than press releases and announcements, the Company utilises its website as another communication channel for the Company to disseminate 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

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 21 March 2016.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (the Board) is pleased to present this Statement on Risk Management and Internal Control pursuant to paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements (MMLR). This is to promote good corporate governance and best practices, notwithstanding the fact that the MMLR is not applicable to the Company.

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) to perform its duties.

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

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

Adequacy of Risk Management and Internal Control System

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

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

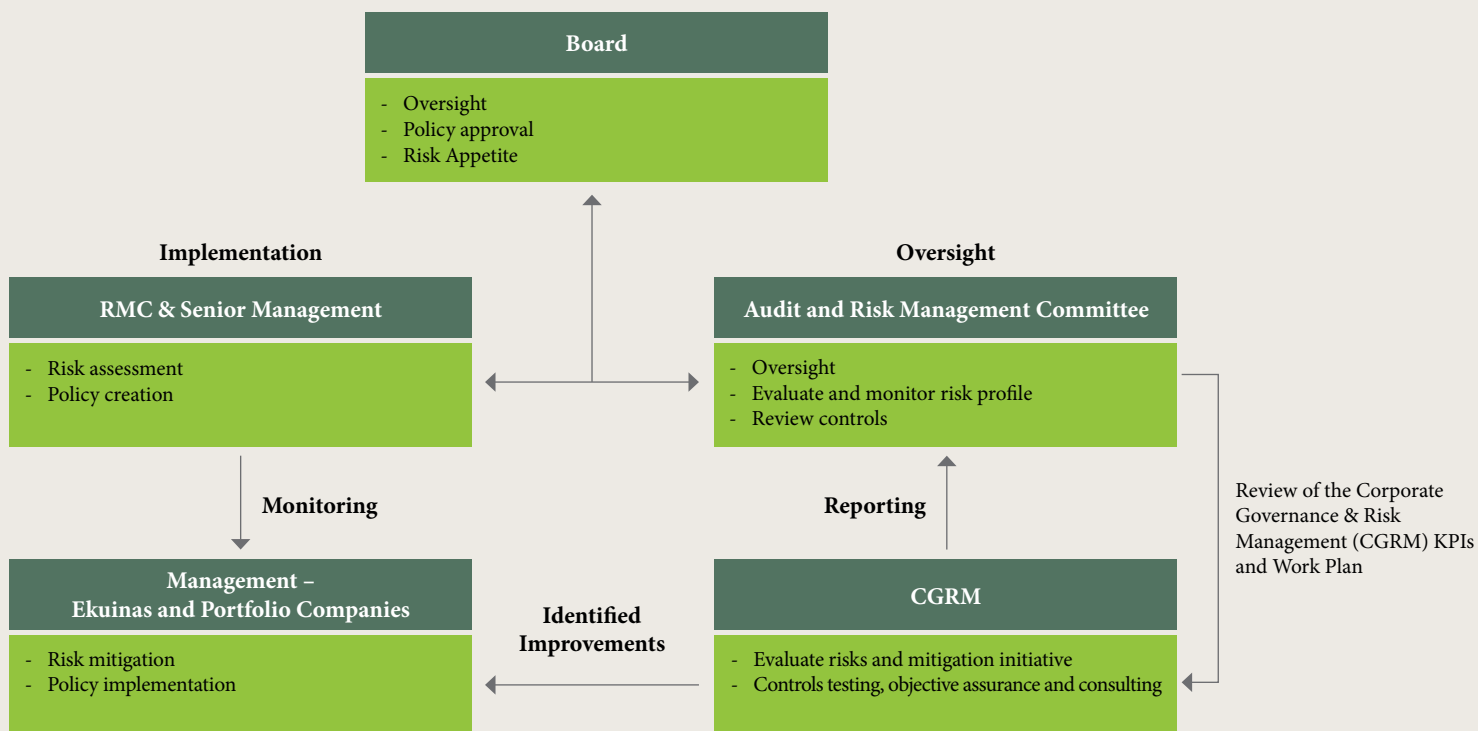
The Board has approved the Risk Management Framework and Policy for the Company which sets out clear accountability and responsibility for the risk management process, including identification and management of risks which could materially impact the Company's strategic objectives or execution. Risk management is embedded into the Company's critical business activities, functions and processes. Risk mitigation and controls are designed and implemented to reasonably assure the achievement of the Company's strategic objectives.

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

04 GOVERNANCE

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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



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.

04 GOVERNANCE

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 2015. 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 will furnish 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 risks. These four risks are not exhaustive and the investment risks are considered the most critical business risks within the Company.

| EQUINAS' RISKS (COMPANY) | | | |
|--|--|--|---|
| Strategic | Direct Investment | Outsourced Programme | Operational |
| <ul style="list-style-type: none"> • External environment • Funding • Regulatory • Stakeholder | <ul style="list-style-type: none"> • Deal sourcing and evaluation • Investment performance and management • Non-financial objective | <ul style="list-style-type: none"> • OFM Selection • OFM Performance • OFM Management | <ul style="list-style-type: none"> • Human Capital • Treasury • Financial Management & Reporting • Compliance • Shared Services |
| PORTFOLIO COMPANIES' RISKS | | | |
| Strategic and Market | Business & Financial | Strategic Value Creation | Execution |
| <ul style="list-style-type: none"> • External environment • Industry • Government & Regulation | <ul style="list-style-type: none"> • Business operations • Capex and investment • Gearing/Debts | <ul style="list-style-type: none"> • Business Expansion • Mergers & Acquisitions | <ul style="list-style-type: none"> • Human Capital • IT system and processes • Financial Management & Reporting • Government & Compliance |

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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. This framework has been adopted in all investment processes and potential investment transactions.

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

All investments are subject to thorough scrutiny to ensure that they are in line with the Company's strategic focus, rates of return and cover all other relevant risk factors such as industry and execution risks. In addition, the Board requires that all investment proposals submitted to the Board are accompanied by a comprehensive risk assessment and corresponding proposed mitigation strategies by Management.

04 GOVERNANCE

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:

| RISK ASSESSMENT APPROACH | | |
|--------------------------|------------------|--------------------------------|
| CONTEXT | FREQUENCY | PROCESS |
| Ekuinas | Quarterly Update | Quarterly Risk Reporting |
| Portfolio Companies | Quarterly Update | Quarterly Risk Reporting |
| Investment Proposals | As Required | Investment Proposal Procedures |

To ensure review of key risks and mitigating steps for the Company and portfolio companies at RMC meetings and subsequent presentation to the ARMC and the Board.

To ensure key risks are identified and appropriate risk management activities are performed on an as required basis for all investment proposals.

KEY INTERNAL CONTROL PROCESSES

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

- **Board Committees**

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

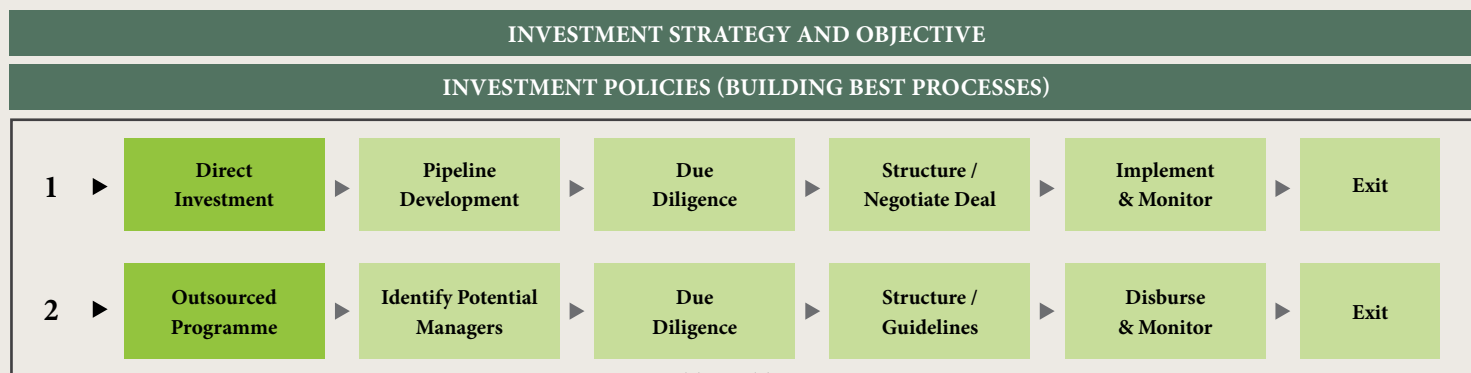
- **Policies and Standard Operating Procedures (SOP) Framework**

Written procedures on key processes within the Company are documented, implemented and communicated by Management to staff in accordance with the approved Policy and SOP Framework by the Board. Approved policies by the Board are supported with documented procedures to manage operational risks. The objective of the policies and procedures is to ensure that internal control principles or mechanisms are embedded in the Company's operations. There are documented procedures in place covering Direct Investments, Outsourced Programme, Finance, Human Resources, Information Technology (IT), Procurement, Legal, Stakeholder Management, Corporate Social Responsibility (CSR) and other key policies and procedures. The SOP Framework for the Company is illustrated overleaf.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE POLICY AND SOP FRAMEWORK



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

INVESTMENT PROCESS

| | | |
|---|--|---|
| SHARED SERVICES | FINANCE & ACCOUNTING | HUMAN RESOURCES |
| | Accounting Policies and/or SOP covering: | HR Policies and/or Procedures covering: |
| | <ul style="list-style-type: none"> Fixed Assets (✓) Petty Cash (✓) Financial Reporting Policy and Procedure (✓) Budgeting (✓) Payments & Claims (✓) Portfolio Investment Fair Valuation Guidelines (✓) | <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 | MIS |
| | <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

• **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.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- **Service Provider Code of Conduct**

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

- **Documented Limits of Authority**

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

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

To reinforce the culture of good business ethics and governance across the Company, a whistleblowing policy was introduced which provides employees with an accessible avenue to report in good faith any suspected wrongdoing. This includes suspected fraud, misappropriation of assets, sexual harassment, criminal breach of trust, corruption, questionable or improper accounting, misuse of confidential information and acts or omissions which are deemed to be against the interest of the Company, breaches of laws, regulations or public policies, breaches of any Company policies and the Employees' Code of Conduct or deliberate concealment of any of the said matters. This policy addresses the Company's commitment to integrity and ethical behaviour by helping to foster and maintain an environment where employees can act appropriately without fear of punishment.

- **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 year ended 31 December 2015.

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 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 factually inaccurate.

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

CONCLUSION

For the financial year under review, based on inquiry, information and assurance provided, the Board is of the view that the risk management and internal control system within the Company is sound and sufficient to safeguard the interests of its stakeholders. There will be continual focus on measures to protect and enhance stakeholders' value and business sustainability.

This statement is made in accordance with a resolution of the Board of Directors dated 21 March 2016.

04 GOVERNANCE

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 2015.

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; and
- 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 | % |
|--|--|--------------------------|-----|
| Raja Tan Sri Dato' Seri Arshad Raja Tun Uda (Chairman of the Committee) | Independent Non-Executive Director | 5 out of 5 | 100 |
| Tan Sri Dato' Seri Mohamed Jawhar Hassan | Independent Non-Executive Director | 5 out of 5 | 100 |
| Datuk Noriyah Ahmad | Independent Non-Executive Director | 5 out of 5 | 100 |
| Johan Mahmood Merican ¹ | Non-Independent Non-Executive Director | 2 out of 2 [^] | 100 |

Notes

¹ Appointed as a Non-Independent Non-Executive Director effective 1st October 2015.

[^] Reflects the number of meetings scheduled during the time the Director held office.

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), Managing Partner of Investment, Chief Financial Officer (CFO), Head of Corporate Governance and Risk Management (CGRM) and external auditor's representatives attend the meetings as and when appropriate. The ARMC has also conducted a meeting with the external auditor without the presence of management during the ARMC meeting on 20 March 2015 and 9 December 2015.

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

04 GOVERNANCE

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- 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;
- 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.

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AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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
- 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 on an on-going basis that internal audit has adequate and competent resources;
 - Monitoring closely any significant disagreement between internal audit and Management irrespective of whether they have been resolved; and
 - To consider the major findings of internal investigations and Management's response.

d. Related Party Transaction

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

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AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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 Statement on Risk Management and Internal Control prior to their inclusion in the Company's Annual Report;
- Review of and deliberation on the audit reports, issues and recommendations from the external and internal auditors from the audit conducted during the year;
- Review of the adequacy of resources and competencies of staff within the internal audit function to execute the plan and the results of their work; and
- Review and consideration of ad hoc and special reviews conducted by CGRM arising from special requests from Management/ARMC.

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 function has adopted a Corporate Governance Charter that provides for its independence in evaluating and reporting on the adequacy, integrity and effectiveness of the overall internal control system, risk management and corporate governance in the Company using a systematic and disciplined approach.

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

All internal audit functions during the year were conducted by CGRM Department. There were no areas of the internal audit function which were outsourced.

This report is made in accordance with a resolution of the Board of Directors dated 21 March 2016.

04 GOVERNANCE

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.

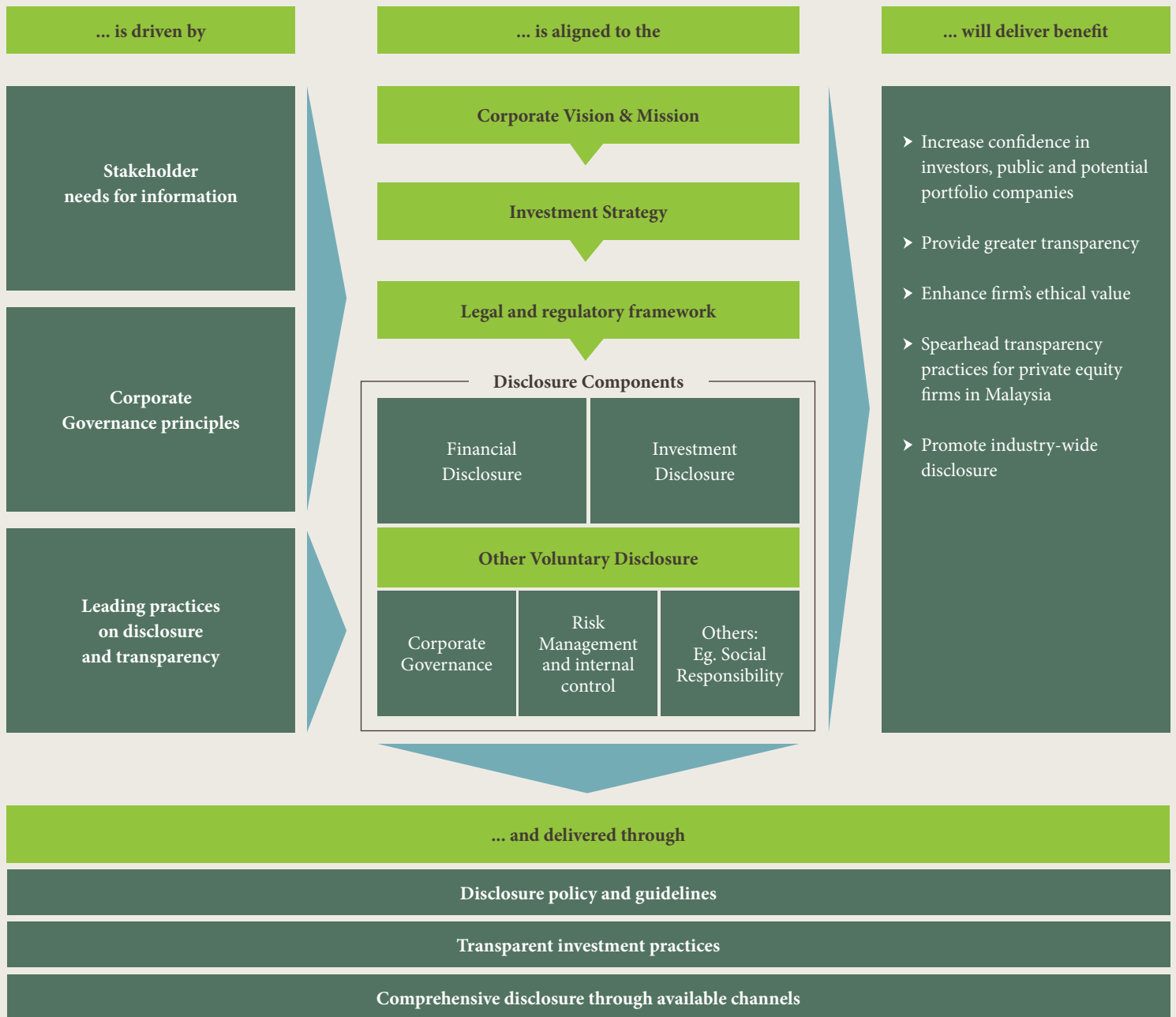
Our key guiding principles on disclosure are:

- 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.

04 GOVERNANCE

DISCLOSURE POLICY

EkuiNAS Disclosure Framework





05

STAKEHOLDER INTERESTS



The third party administrator (TPA) market, a fast growing sub-sector worth an estimated RM100.0 million and expected to grow to RM156.0 million in 2019, is a conducive backdrop for Ekuinas to form the leading TPA service provider in Malaysia and regionally, in line with Ekuinas' mandate to create future market leading companies.

STAKEHOLDER INTERESTS

ILTIZAM: EKUINAS CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

Ekuinas' business model is dedicated towards helping companies reach their full potential for the benefit of the nation as a whole. In doing so, we strive to positively contribute to society via our expertise, resources and networks in fulfilling our social objective of enhancing Bumiputera economic participation. As a consequence, corporate social responsibility is embedded into our daily operations and business culture.

In the past three years, we actively encouraged employees to support local entrepreneurs and selected communities by donating their time and knowledge. This exercise resulted in tangible benefits for our recipients and was deeply rewarding on a corporate and personal level.

Our commitment to reaching out and contributing to the broader society was formalised with the Ekuinas Corporate Social Responsibility (CSR) Framework, launched in 2013. The components of this framework: entrepreneur capacity building, education, and the support of practitioners in the arts and culture field successfully shaped our CSR activities in the following year.



WHAT DOES IT STAND FOR

ILTIZAM is a Bahasa Malaysia word and it stands for commitment, determination and will. It reflects the unbreakable spirit and strength of will in those who desire to change and to go on to succeed. This brand name for Ekuinas' CSR activities also encapsulates the tenacious pursuit of goals, the ability to confront and overcome obstacles, the desire to convert adversity into opportunities, the willingness to work hard and an unwavering belief in positive outcomes.

We hope that **ILTIZAM** will serve to inspire those that want to reach for their dreams and maximise their fullest potential.

In 2015, we took a step further in raising our CSR activities to the next level with the creation of a dedicated CSR department, staffed with full-time employees. We also created a distinct brand for our CSR activities: **ILTIZAM**. This was officially launched on 25 February 2016 by YB Senator Dato' Sri Abdul Wahid Omar, Minister in the Prime Minister's Department.

ILTIZAM provides a platform from which we can communicate our CSR activities. It also speaks of the elements necessary for making a life-changing, positive and inspiring transformation: this being the overarching goal of all our CSR activities.

05 STAKEHOLDER INTERESTS



05 STAKEHOLDER INTERESTS



ILTIZAM aims to empower genuine Bumiputera entrepreneurs and to directly impact the Bumiputera community by enabling them to realise their full potential. Initiatives are directed through three pillars and their respective programmes:

1. Entrepreneurship

- Entrepreneur Mentorship Programme

2. Education

- Professional Development Programme
- Education Empowerment Programme
– Yayasan Peneraju Pendidikan Bumiputera
- Education Empowerment Programme
– ILMU Education Fund

3. Community

- Community Enrichment Programme

In the past five years, Ekuinas has invested over RM13.0 million in its CSR activities. We will continue to give our time and expertise to assist those with a desire to succeed and we are committing another RM18.0 million to ILTIZAM's initiatives over the next three years.

Micro and small enterprises, non-governmental organisation (NGO) and high potential students and graduates are invited to apply for ILTIZAM programmes via www.ekuinas.com.my/iltizam or by calling (03) 7710 7171.

ILTIZAM'S ENTREPRENEUR MENTORSHIP PROGRAMME

Small and medium enterprises (SMEs) have long been recognised as the backbone of Malaysia's economy. Under the SME Masterplan 2012 – 2020, SMEs are targeted to contribute 41% of the nation's gross domestic product (GDP) by 2020.

Ekuinas is well positioned to play a meaningful role in fulfilling the country's ambitions for its SMEs. Building sustainable small businesses is perhaps the most powerful and direct way of helping families and communities to prosper. We have found that by bringing people – business owners and Ekuinas employees as well as third-party partners – together, we can find and implement practical and effective solutions for the many challenges faced by small businesses.

With ILTIZAM's Entrepreneur Mentorship Programme, we seek to multiply our impact as we assist micro and small enterprise (MASE) entrepreneurs in realising their potential and enhancing their organisation's capacity. This programme caters for passionate Bumiputera micro or small enterprises with great business potential. Their business model must also have a broad, meaningful impact on society, and the company must have a clear need for support, i.e. areas or opportunities where ILTIZAM can assist.

Selected companies will be taken through a six months-to-one year engagement process with Ekuinas. During this period, key business issues are identified and supportive services are provided by Ekuinas or by third-party consultants engaged by Ekuinas, to address and overcome these challenges. Supportive services that are offered range from entrepreneurial education, human resources, marketing, finance and accounting, legal advice and other ancillary activities.

It is important to note that our approach to building entrepreneur capacity is founded on careful and patient guidance, and meaningful operational improvements. The results of our efforts should last far beyond our engagement period, i.e. positively impact the selected entrepreneurs in the years to come.

The bedrock of this programme is a Diagnostic Tool developed by Ekuinas and the Boston Consulting Group.

05 STAKEHOLDER INTERESTS

This tool acts as an organisational 'health check' and allows us to ascertain and understand enterprise-wide issues faced by selected companies. The main business challenges are then prioritised and the top three issues are addressed with Action Plans that draw upon a framework of best practices across industries.

CURRENT PROJECTS:

In 2015, two companies were selected for ILTIZAM's Entrepreneur Mentorship Programme: Eightdesigns Sdn Bhd and Fatihah Frozen Food Sdn Bhd.

Non-monetary assistance was also extended to another 11 MASE entrepreneurs. Key business challenges faced by these companies were identified using the Diagnostic Tool. Specific and practical solutions were given based on the outcomes of the diagnosis.

EIGHTDESIGNS SDN BHD

Taking a pioneer in *Muslimah* Fashion to the next level

In 2008, Norasurah (Sue) started selling *Muslimah* clothing on her blog. Working from home, EightDesigns as it was then known, started with a start-up capital of RM500 and eight designs sold on her blog. Her small business met a growing demand among Muslim women for modern, trendy and modest clothing. As her small business took off, Sue started her own line of *Muslimah* clothing and incorporated Eightdesigns Sdn Bhd (EDZ) in 2013.

EDZ is a profitable company but growth is constrained by its niche target market. To take the company to the next level, Ekuinas selected EDZ for its Entrepreneur Mentorship Programme in 2015. Ethos Consulting was appointed by Ekuinas to assist in assessing the main business challenges facing EDZ and to develop strategic solutions.

Recommendations for EDZ include expanding their product range with a new range of affordable clothes; increasing the number of online portals that sell her clothing; improving her online presence; and creating a targeted marketing plan that leverages on the competitive advantage of EDZ. The Ekuinas and Ethos Consulting team also assisted Sue in creating a business plan targeted at improving and increasing operational efficiency, drafting legal documents for potential business agreements and connecting EDZ to banks that offer SME loans.

Our work with EDZ continues and we are confident of reporting positive progress for the company. We look forward to taking Sue and her business to new heights in 2016.

FATIHAH FROZEN FOOD SDN BHD

Creating a leader in the frozen food industry

In many ways, Hajjah Fatihah Anis Ibrahim (Fatihah) represents the ideal entrepreneur for ILTIZAM's Entrepreneur Mentorship Programme. She is passionate, hardworking and ambitious. Her microenterprise making homemade traditional delicacies has grown into a full-fledged business that produces 20 types of instant frozen pastries. Fatihah is the first woman in the country to utilise machinery in the competitive frozen food industry. Her small business, Fatihah Frozen Food Sdn Bhd (Fatihah Frozen) sells to large retailers such as Tesco, Mydin, Kedai Rakyat 1Malaysia and Circle K.

In 2015, Ekuinas engaged Arise Asia Sdn Bhd, a social enterprise consultant, to develop Fatihah Frozen's business capacity by addressing its top three challenges: slow sales volume; a limited number of distributors that stock her products; and low brand awareness among consumers.



05 STAKEHOLDER INTERESTS

A number of strategic measures were implemented to address these business concerns which include enhancing the availability and reliability of Fatihah Frozen's financial data, improving the procurement and management of its raw material, and reviewing the existing product range in a bid to develop new products for new markets.

Ekuinas, Arise Asia and Fatihah Frozen will continue to execute on the Action Plan in 2016. Despite stiff competition in the frozen food industry, we are confident that Fatihah and her team will be able to strengthen the Fatihah Frozen brand, build its competitive advantage and improve the company's efficiency and effectiveness.



ILTIZAM's Education Empowerment Programme – YAYASAN PENERAJU PENDIDIKAN BUMIPUTERA
Education is at the heart of a knowledge economy and graduates play a critical role in growing an economy. At Ekuinas, we also believe that education is a force for public good and critical to creating an inclusive society. It is an effective tool for social mobility.

For the past three years, Ekuinas pledged to support Yayasan Peneraju Pendidikan Bumiputera (YPPB) in their mission to develop young Bumiputera talents who can contribute to society and support the country's ambitions. A total contribution of RM1.0 million has been given to YPPB's Peneraju Tunas Potensi scholarship programme.

To date, our contribution has enabled 75 students to further their tertiary education. We are proud to continue supporting YPPB and their noble objective for another five years.

ILTIZAM's Education Empowerment Programme – ILMU EDUCATION FUND

Ekuinas' ILMU Education Fund provides financial assistance and sponsorship to students studying in institutions within ILMU Education Group (ILMU): Cosmopoint Group consisting of Kuala Lumpur Metropolitan University College (KLMUC) and Cosmopoint International College of Technology (CICT), and UNITAR International University.

This programme looks to open the doors of higher education to a greater range of students. We are pleased that opportunities for 'average students', not just the top-performers have increased with this initiative. ILMU Education Fund extends to existing students and new students that are facing financial difficulties as well as students with good academic results. As a result, ILMU is truly reflective of the country's multicultural heritage and its campuses are home to an eclectic body of students from various ethnic and social backgrounds.

In the past three years, ILMU Education Fund has been supporting Cosmopoint Group's students through three schemes: Dana Bestari rewards and recognises outstanding students; Dana Potensi extends to students with the potential to graduate but happen to be in circumstances that make it difficult to do so; and Dana Sara Diri focuses on assisting students that have demonstrated academic improvements. To date, approximately 1,300 students have received assistance through these schemes.

In 2015, UNITAR International University (UNITAR) started a sponsorship scheme for students in its vocational course known as Business and Technology Education Council (BTEC). BTEC is a foundation programme and graduates could go on to pursue a diploma or degree in engineering, architecture or culinary arts at UNITAR.

05 STAKEHOLDER INTERESTS

ILTIZAM's Professional Development Programme

The government has issued a clarion call for the higher education industry to produce more employable graduates. Employability is different to employment. The former refers to the graduate's potential to firstly secure employment and then to prosper in the workplace.

ILTIZAM is at the forefront with our efforts to enhance the employability of Bumiputera graduates from local universities. The Professional Development Programme focuses on graduates from less privileged backgrounds but with great potential.

Our trainees come from low-to-middle income households living in urban and rural areas. In this programme, they are given the opportunity to learn and develop professional skills in a structured and professional manner by working for Ekuinas and our portfolio companies. We invest in their professional development from their first day of work. Over a one-year period, they are expected to build the skills and knowledge needed for a sustainable career in the corporate world.

The success of this programme is measured by the employability of our trainees. We are pleased to report that our effort has successfully developed Bumiputera talent. Over a period of three years, all 72 trainees were accepted and at the end of the programme, they managed to secure permanent employment with leading companies or opted to further their education. (2012: 9 graduates; 2013: 23 graduates; 2014: 40 graduates).

In 2015, we received a total of 1,500 applications for this programme. From this, 120 applications were shortlisted and eventually 59 graduates were selected to join the programme. The current batch of trainees will graduate in 2016. We plan to increase our intake and are looking to accept 75 new graduate trainees for this programme in 2016.

ILTIZAM's Community Enrichment Programme

This programme houses Ekuinas' philanthropic initiatives in two important categories:

1. Helping those from disadvantaged backgrounds by improving the quality of life in a sustainable way; and
2. Supporting, promoting and preserving local arts, culture and heritage.

Cash contributions are given to support non-government organisations (NGOs) that benefit the poor and the disadvantaged, NGOs that champion local artistic and cultural activities, as well as to selected beneficiaries. We look to address social problems faced by local communities and to conserve neglected art and cultural traditions that are in danger of dying out.

In reaching out to the community, ILTIZAM has chosen to partner with a school located in the vicinity of our office – Sekolah Kebangsaan Bukit Lanjan (SKBL) in Damansara Perdana, which provides primary education to 120 Orang Asli children from the Desa Temuan community. We aim to create a conducive environment for everyday discovery and learning, where the children may grow and discover their true potential.

Extending our support to this school is aligned to our belief in the power of education. During the year, two projects were undertaken to assist these students in realising their potential. The first project is the sponsorship of after-school tuition classes whereby students from Standard Four to Standard Six are tutored in Bahasa Melayu, English and Mathematics. The second project is targeted at inculcating a reading habit among the Orang Asli students by improving their school library.



05 STAKEHOLDER INTERESTS

We hope that these initiatives will increase the pass rate and the number of students achieving 5As in the national UPSR examinations.

Past projects include supporting PUSAKA, an NGO dedicated to preserving the art of making *rebana ubi*, and post-flood relief work whereby Ekuinas employees and students from ILMU dedicated their time and energy to cleaning schools in Kelantan affected by the devastating floods in early 2015.

MOVING FORWARD IN 2016

With the launch of ILTIZAM to the public in February 2016, we wish to promote our CSR programmes so that more groups will be aware and thus able to take advantage of the programmes we offer. This will be done without compromising the quality of our work. The execution of ILTIZAM will continue to adhere to good governance practices that has always been the hallmark of Ekuinas. ILTIZAM will continue to invest in the social space for demonstrable and measurable social returns. We aim to stay true to the mandate from our three pillars of Entrepreneurship, Education and Community.

A PROMISING OUTLOOK FOR SKIM JEJAK JAYA BUMIPUTERA

During the year under review, Ekuinas and Unit Peneraju Agenda Bumiputera (TERAJU) have made further progress in the development of companies participating in Skim Jejak Jaya Bumiputera programme (SJJB). These small and mid-cap companies are given holistic advisory support and assistance to further develop into larger market leading companies.

Enhancing the value of these companies is an imperative and SJJB measures its success using a key performance indicator (KPI) of increasing the market capitalisation of Bumiputera-controlled public listed companies. SJJB has an ambitious target of raising the market capitalisation of Bumiputera controlled PLCs by RM7 billion this year and RM10 billion by 2017.

In 2015, 44 participating companies were assessed and categorised based on their potential and their business viability. During the year, eleven companies were evaluated and approved by TERAJU; one company was listed (Sedania Innovator Bhd on 29 June 2015) and five companies were shortlisted and given value creation plans.

Collectively, SJJB's public listed companies increased their market capitalisation by RM1.5 billion in 2015. That's an admirable achievement considering that the total market capitalisation for Bumiputera companies on the local bourse decreased by RM15 billion during the same period.

In 2016, TERAJU and Ekuinas will continue to identify new candidates for SJJB, process new applications and complete the categorisation of all companies. SJJB will also accelerate the listing process, enhance operations by implementing value creation plans, and track the performance of listed Bumiputera companies. It is our ambition to list four companies, however, this exercise is subject to market conditions and regulatory approval.

PORTFOLIO REPORTING

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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Ekuiņas Outsourced (Tranche II) Fund

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Notes To The Portfolio Reporting



06 PORTFOLIO REPORTING

EKUINAS DIRECT (TRANCHE I) FUND

AS AT 31 DECEMBER 2015

1 Fund Overview

| | |
|-----------------------------------|---|
| Fund Name | Ekuinas Direct (Tranche I) Fund |
| Vintage Year | 2010 |
| Status | Fully deployed & 20% distributed |
| Capital Commitment | RM1.0 billion |
| Term | 5 Years + 2 Years + 1 Year |
| Investment Period | 3 to 5 Years |
| Legal Form & Structure | One fund manager and one investor Fund: Ekuinas Direct (Tranche I) 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 |

06 PORTFOLIO REPORTING

EKUINAS DIRECT (TRANCHE I) FUND

AS AT 31 DECEMBER 2015

2 Fund Net Assets Value (NAV) as at 31 December 2015

| | 2014 RM million | Movement RM million | 2015 RM million |
|--|--------------------|------------------------|--------------------|
| A. Capital Commitment | 1,000.0 | - | 1,000.0 |
| B. Capital Called | 1,095.7 | 17.1 | 1,112.8 |
| C. Capital Reinvested | 168.0 | - | 168.0 |
| D. Total Capital Contributed (B+C) | 1,263.7 | 17.1 | 1,280.8 |
| E. Debt Drawdown (Amortised Cost) | 40.0 | (2.7) | 37.3 |
| F. Total Capital Invested (D+E) | 1,303.7 | 14.4 | 1,318.1 |
| Plus increases/(decreases) to Net Assets Value: | | | |
| Dividend Income | 60.3 | 2.3 | 62.6 |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | 305.2 | (48.7) | 256.5 |
| Realised Gain/(Loss) from Divestment | 327.7 | (37.8) | 289.9 |
| Interest Expenses | (16.1) | (1.6) | (17.7) |
| Total Gross Portfolio Return | 677.1 | (85.8) | 591.3 |
| Organisational Expenses | (192.3) | (40.1) | (232.4) |
| Capital Distributions to Limited Partners (C+H)* | (878.5) | - | (878.5) |
| Net Decrease in Net Assets Value | (393.7) | (125.9) | (519.6) |
| G. Net Assets Value | 910.0 | (111.5) | 798.5 |
| Net Assets Value made up of: | | | |
| Investments - at cost | 772.1 | (65.2) | 706.9 |
| Net Unrealised Gain/ (Loss) on Fair Value of Investments | 305.2 | (48.7) | 256.5 |
| Investments carried at Fair Value | 1,077.3 | (113.9) | 963.4 |
| Plus: Cash Balance | 6.0 | - | 6.0 |
| Plus: Working Capital | (173.3) | 2.4 | (170.9) |
| Plus: Uncalled Capital | - | - | - |
| Equals Net Assets Value | 910.0 | (111.5) | 798.5 |
| Net Assets Value | 910.0 | (111.5) | 798.5 |
| H. Capital Distributed | 710.5 | - | 710.5 |
| Total Net Assets Value plus Distributed Capital (G+H) | 1,620.5 | (111.5) | 1,509.0 |
| Refund of Capital | 76.2 | | 76.2 |
| Gross IRR p.a. | 19.6% | | 14.8% |
| Net IRR (before carried interest) p.a. | 15.3% | | 10.9% |
| Carried Interest (RM million) | 71.8 | | 89.7 |
| H/B Cash Distributions to Capital Called | 0.6 | | 0.6 |
| G/B Net Assets Value to Capital Called | 0.8 | | 0.7 |
| (G+H)/B Total Value to Capital Called | 1.5 | | 1.4 |
| B/A Capital Called to Committed Capital | 1.1 | | 1.1 |

* Includes deemed distribution for reinvested capital.

06 PORTFOLIO REPORTING

EKUINAS DIRECT (TRANCHE I) FUND

AS AT 31 DECEMBER 2015

3 INVESTMENT PERFORMANCE

(a) Current Portfolio Summary as at 31 December 2015

| Company | Date of Initial Investment | Stake % | Cost of Investment RM million | Fair Value RM million | Gross Portfolio Return RM million |
|-----------------------------------|----------------------------|---------|-------------------------------|-----------------------|-----------------------------------|
| Alliance Cosmetics Group | 4 January 2010 | 20.0 | 39.9 | | |
| APIIT Education Group | 18 February 2011 | 51.0 | 102.0 | | |
| Cosmopoint Group | 2 April 2012 | 90.0 | 246.0 | | |
| UNITAR International University | 21 May 2012 | 90.0 | 58.5 | | |
| San Francisco Coffee [#] | 12 September 2011 | 90.0 | 20.0 | 963.4 | 311.8 |
| Revenue Valley Group | 15 March 2012 | 85.8 | 64.6 | | |
| Icon Offshore Berhad | 19 November 2012 | 32.7 | 175.9 | | |
| Total | | | 706.9 | | |

Gross IRR 14.8% p.a.

Nett IRR 10.9% p.a.

Gross IRR is derived after interest expense.

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

(b) Realisation Summary as at 31 December 2015

| Company | Date of Disposal | Stake % | Cost of Realised Investment RM million | Total Realisation RM million |
|----------------------------|------------------|---------|--|------------------------------|
| Full realisation | | | | |
| Tanjung Offshore Berhad* | 14 November 2012 | 24.0 | 99.8 | 62.0 |
| Konsortium Logistik Berhad | 19 December 2012 | 61.6 | 241.0 | 347.4 |
| Burger King Malaysia | 18 August 2015 | 74.1 | 68.2 | 30.4 |
| Partial realisation | | | | |
| Icon Offshore Berhad | 25 June 2014 | 38.0 | 132.3 | 391.4 |

* The divestment of Tanjung Offshore Berhad forms part of Ekuinas' restructuring of its O&G portfolio as it reinvested the proceeds into additional investment in Icon Offshore Berhad.

Realisation of San Francisco Coffee was completed in March 2016.

06 PORTFOLIO REPORTING

EKUINAS DIRECT (TRANCHE II) FUND

AS AT 31 DECEMBER 2015

1 Fund Overview

| | |
|-----------------------------------|---|
| Fund Name | Ekuias Direct (Tranche II) Fund |
| Vintage Year | 2012 |
| Status | Fully committed |
| Capital Commitment | RM1.0 billion |
| Term | 5 Years + 2 Years |
| Investment Period | 3 to 5 Years |
| Legal Form & Structure | One fund manager and one investor Fund: Ekuias 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 | - Education - Oil & Gas - Fast Moving Consumer Goods (FMCG) - Retail & Leisure - Healthcare - Services |

06 PORTFOLIO REPORTING

EKUINAS DIRECT (TRANCHE II) FUND

AS AT 31 DECEMBER 2015

2 Fund Net Assets Value (NAV) as at 31 December 2015

| | 2014 RM million | Movement RM million | 2015 RM million |
|--|--------------------|------------------------|--------------------|
| A. Capital Commitment | 1,000.0 | - | 1,000.0 |
| B. Capital Called | 313.0 | 579.8 | 892.8 |
| C. Capital Reinvested | - | 4.8 | 4.8 |
| D. Total Capital Contributed (B+C) | 313.0 | 584.6 | 897.6 |
| E. Debt Drawdown (Amortised Cost) | - | 105.0 | 105.0 |
| F. Total Capital Invested (D+E) | 313.0 | 689.6 | 1,002.6 |
| Plus increases/(decreases) to Net Assets Value: | | | |
| Dividend Income | 0.1 | 3.0 | 3.1 |
| Net Unrealised Gain on Fair Value of Investments | 70.9 | 35.3 | 106.2 |
| Realised Gain/(Loss) from Divestment | 77.4 | (50.8) | 26.6 |
| Interest Expenses | - | (2.6) | (2.6) |
| Total Gross Portfolio Return | 148.4 | (15.1) | 133.3 |
| Organisational Expenses | (63.4) | (15.3) | (78.7) |
| Capital Distributions to Limited Partners (C+H) * | (97.8) | (4.8) | (102.6) |
| Net Decrease in Net Assets Value | (12.8) | (35.2) | (48.0) |
| G. Net Assets Value | 300.2 | 654.4 | 954.6 |
| Net Assets Value made up of: | | | |
| Investments - at cost | 571.6 | 136.0 | 707.6 |
| Net Unrealised Gain on Fair Value of Investments | 70.9 | 35.3 | 106.2 |
| Investments carried at Fair Value | 642.5 | 171.3 | 813.8 |
| Plus: Cash Balance | 1.9 | 4.4 | 6.3 |
| Plus: Working Capital | (344.2) | 460.6 | 116.4 |
| Plus: Uncalled Capital | - | 18.1 | 18.1 |
| Equals Net Assets Value | 300.2 | 654.4 | 954.6 |
| Net Assets Value | 300.2 | 654.4 | 954.6 |
| H. Capital Distributed | 97.8 | - | 97.8 |
| Total Net Assets Value plus Distributed Capital (G+H) | 398.0 | 654.4 | 1,052.4 |
| Gross IRR p.a. | 31.9% | | 13.0% |
| Net IRR (before carried interest) p.a. | 19.3% | | 5.7% |
| Carried Interest (RM million) | 21.1 | | 14.3 |
| H/B Cash Distributions to Capital Called | 0.3 | | 0.1 |
| G/B Net Assets Value to Capital Called | 1.0 | | 1.1 |
| (G+H)/B Total Value to Capital Called | 1.3 | | 1.2 |
| B/A Capital Called to Committed Capital | 0.3 | | 0.9 |

* Includes deemed distribution for reinvested capital.

06 PORTFOLIO REPORTING

EKUINAS DIRECT (TRANCHE II) FUND

AS AT 31 DECEMBER 2015

3 INVESTMENT PERFORMANCE

(a) Current Portfolio Summary as at 31 December 2015

| 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 | | |
| Primabaguz Sdn Bhd | 27 November 2013 | 100.0 | 40.0 | | |
| APIIT Sri Lanka | 20 December 2013 | 45.9 | 20.3 | | |
| San Francisco Coffee* | 23 May 2014 | - | 5.0 | | |
| Revenue Valley Group | 27 June 2014 | - | 10.0 | 814.3 | 106.7 |
| Coolblog Sdn Bhd | 24 July 2014 | 60.0 | 45.8 | | |
| Orkim Sdn Bhd | 18 December 2014 | 95.5 | 416.3 | | |
| Tenby Educare Sdn Bhd | 19 March 2015 | 70.0 | 70.0 | | |
| Tranglo Sdn Bhd | 31 March 2015 | 60.0 | 49.1 | | |
| Total | | | 707.6 | | |
| | | | | Gross IRR | 13.0% p.a. |
| | | | | Nett IRR | 5.7% p.a. |

Gross IRR is derived after interest expense.

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

(b) Realisation Summary as at 31 December 2015

| Company | Date of Disposal | Stake % | Cost of Realised 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 | 100.0 | 52.6 | 25.1 |
| Partial realisation | | | | |
| Icon Offshore Berhad | 25 June 2014 | 7.8 | 76.6 | 154.0 |

* Realisation of San Francisco Coffee was completed in March 2016.

06 PORTFOLIO REPORTING

EKUINAS OUTSOURCED (TRANCHE I) FUND

AS AT 31 DECEMBER 2015

1 Fund Overview

| | |
|-----------------------------------|--|
| Fund Name | Ekuinas Outsourced (Tranche I) Fund |
| Vintage Year | 2011 |
| Status | Investing |
| Capital Commitment | RM400.0 million |
| Term | 6 Years + 1 Year |
| Investment Period | 3 to 6 Years |
| Legal Form & Structure | <p>One fund manager and multiple investors. Outsourced to the following fund and fund managers:</p> <ol style="list-style-type: none"> 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 |
| Geographical Focus | Malaysia |
| Investment Focus | Minority Growth Capital Fund |
| Industry Focus | General except for Ekuinas' negative investment list |

06 PORTFOLIO REPORTING

EKUINAS OUTSOURCED (TRANCHE I) FUND

AS AT 31 DECEMBER 2015

2 Fund Net Assets Value (NAV) as at 31 December 2015

| | 2014 RM million | Movement RM million | 2015 RM million |
|--|--------------------|------------------------|--------------------|
| A. Capital Commitment | 400.0 | - | 400.0 |
| B. Capital Called | 284.3 | 18.1 | 302.4 |
| C. Capital Reinvested | - | 15.1 | 15.1 |
| D. Total Capital Contributed (B+C) | 284.3 | 33.2 | 317.5 |
| E. Debt Drawdown (Amortised Cost) | - | - | - |
| F. Total Capital Invested (D+E) | 284.3 | 33.2 | 317.5 |
| Plus increases/(decreases) to Net Assets Value: | | | |
| Dividend Income | - | 15.1 | 15.1 |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | 56.8 | (17.9) | 38.9 |
| Realised Loss on Fair Value of Investments | (1.8) | - | (1.8) |
| Interest Expenses | - | - | - |
| Total Gross Portfolio Return | 55.0 | (2.8) | 52.2 |
| Organisational Expenses | (8.2) | (1.8) | (10.0) |
| Capital Distributions to Limited Partners (C+H)* | - | (15.1) | (15.1) |
| Net Increase/(Decrease) in Net Assets Value | 46.8 | (19.7) | 27.1 |
| G. Net Assets Value | 331.1 | 13.5 | 344.6 |
| Net Assets Value made up of: | | | |
| Investments - at cost | 274.3 | 31.4 | 305.7 |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | 56.8 | (17.9) | 38.9 |
| Investments carried at Fair Value | 331.1 | 13.5 | 344.6 |
| Plus: Cash Balance | - | - | - |
| Plus: Working Capital | - | - | - |
| Plus: Uncalled Capital | - | - | - |
| Equals Net Assets Value | 331.1 | 13.5 | 344.6 |
| Net Assets Value | 331.1 | 13.5 | 344.6 |
| H. Capital Distributed | - | - | - |
| Total Net Assets Value plus Distributed Capital (G+H) | 331.1 | 13.5 | 344.6 |
| Gross IRR p.a. | 10.6% | | 6.3% |
| Net IRR (before carried interest) p.a. | 8.8% | | 5.0% |
| Carried Interest (RM million) | - | | - |
| H/B Cash Distributions to Capital Called | - | | - |
| G/B Net Assets Value to Capital Called | 1.2 | | 1.1 |
| (G+H)/B Total Value to Capital Called | 1.2 | | 1.1 |
| B/A Capital Called to Committed Capital | 0.7 | | 0.8 |

* Includes deemed distribution for reinvested capital.

06 PORTFOLIO REPORTING**EKUINAS OUTSOURCED
(TRANCHE I) FUND**

AS AT 31 DECEMBER 2015

3 INVESTMENT PERFORMANCE**Current Portfolio Summary as at 31 December 2015**

| Fund | Ekuias Commitment RM million | Private Capital Commitment RM million | Total Fund Size RM million | Ekuias Invested Capital RM million | Investment by Others RM million | Net Asset Value RM million |
|--|---|--|---|---|--|---|
| Navis Malaysia Growth Opportunities Fund I, L.P. | 400.0 | 151.9 | 551.9 | 305.7 | 123.6 | 344.6 |
| CIMB National Equity Fund Ltd. P. | | | | | | |
| TAP Harimau Fund L.P. | | | | | | |

06 PORTFOLIO REPORTING

EKUINAS OUTSOURCED (TRANCHE II) FUND

AS AT 31 DECEMBER 2015

1 Fund Overview

| | |
|-------------------------------------|--|
| Fund Name | Ekuiinas Outsourced (Tranche II) Fund |
| Vintage Year | 2013 |
| Status | Investing |
| Capital Commitment | RM240.0 million |
| Term | 7 Years + 1 Year |
| Investment Period | 3 to 7 Years |
| Legal Form & Structure | <p>One fund manager and multiple investors.* Outsourced to the following fund and fund managers:</p> <ol style="list-style-type: none"> 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: TAEI 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 Ekuiinas' negative investment list |

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

06 PORTFOLIO REPORTING

EKUINAS OUTSOURCED
(TRANCHE II) FUND

AS AT 31 DECEMBER 2015

2 Fund Net Assets Value (NAV) as at 31 December 2015

| | 2014 RM million | Movement RM million | 2015 RM million |
|--|--------------------|------------------------|--------------------|
| A. Capital Commitment | 240.0 | - | 240.0 |
| B. Capital Called | 32.7 | 19.2 | 51.9 |
| C. Capital Reinvested | - | - | - |
| D. Total Capital Contributed (B+C) | 32.7 | 19.2 | 51.9 |
| E. Debt Drawdown (Amortised Cost) | - | - | - |
| F. Total Capital Invested (D+E) | 32.7 | 19.2 | 51.9 |
| Plus increases/(decreases) to Net Assets Value: | | | |
| Dividend Income | - | - | - |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | (15.5) | 0.5 | (15.0) |
| Realised Gain/(Loss) from Divestment | - | - | - |
| Interest Expenses | - | - | - |
| Total Gross Portfolio Return | (15.5) | 0.5 | (15.0) |
| Organisational Expenses | (2.4) | (1.2) | (3.6) |
| Capital Distributions to Limited Partners (C+H)* | - | - | - |
| Net Decrease in Net Assets Value | (17.9) | (0.7) | (18.6) |
| G. Net Assets Value | 14.8 | 18.5 | 33.3 |
| Net Assets Value made up of: | | | |
| Investments - at cost | 30.3 | 18.0 | 48.3 |
| Net Unrealised Gain/(Loss) on Fair Value of Investments | (15.5) | 0.5 | (15.0) |
| Investments carried at Fair Value | 14.8 | 18.5 | 33.3 |
| Plus: Cash Balance | - | - | - |
| Plus: Working Capital | - | - | - |
| Plus: Uncalled Capital | - | - | - |
| Equals Net Assets Value | 14.8 | 18.5 | 33.3 |
| Net Assets Value | 14.8 | 18.5 | 33.3 |
| H. Capital Distributed | - | - | - |
| Total Net Assets Value plus Distributed Capital (G+H) | 14.8 | 18.5 | 33.3 |
| Gross IRR p.a. | N/M | | N/M |
| Net IRR (before carried interest) p.a. | N/M | | N/M |
| Carried Interest (RM million) | - | | - |
| H/B Cash Distributions to Capital Called | - | | - |
| G/B Net Assets Value to Capital Called | 0.5 | | 0.6 |
| (G+H)/B Total Value to Capital Called | 0.5 | | 0.6 |
| B/A Capital Called to Committed Capital | 0.1 | | 0.2 |

* Includes deemed distribution for reinvested capital.

06 PORTFOLIO REPORTING

EKUINAS OUTSOURCED (TRANCHE II) FUND

AS AT 31 DECEMBER 2015

3 INVESTMENT PERFORMANCE

Portfolio Summary as at 31 December 2015

| Fund* | 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 | 240.0 | 110.1 | 350.1 | 48.3 | 26.4 | 33.3 |
| Tael Tijari (OFM) L.P. | | | | | | |
| | | | | | Gross IRR | N/M |
| | | | | | Nett IRR | N/M |

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

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

06 PORTFOLIO REPORTING

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 127 to 139 for the financial year ended 31 December 2015, and has checked the information on Funds' Net Assets Value and Investment Performance as at 31 December 2015 included therein to supporting source data, and re-performed computations, where applicable.

07 GLOSSARY

Buy-Out

(Also known as MBO-LBO-MBI-BIMBO)

Buy-out funds enable the current operating management and investors to acquire or to purchase a significant shareholding in the company they manage. The private equity firm usually gains control of a majority of a target company's equity when a buy-out occurs.

“Buy and Build” Strategy

A strategy to support active, organic growth of portfolio companies through add-on acquisitions.

Bolt-on Investment

(Also known as Follow-on Investment)

An investment via an existing portfolio company into a business, usually in the same industry, that presents strategic value.

Co-investment

A co-investment is a minority investment made alongside another private equity investor. It is a passive, non-controlling investment, as the private equity firm involved will typically exercise control and perform monitoring functions.

Commitment

The specified sum of capital that has been agreed to a private equity fund. The sum of commitments to a private equity fund equals the total size of the fund.

Committed Investment

The specified amount of capital that has been committed for investment in a portfolio company.

Drawdown

The actual act of transferring capital that has been committed to the fund for undertaking an investment.

Emerging Markets

Funds that invest in equity or debt of emerging markets that tend to have higher inflation and volatile growth.

Fund of Funds

A financial instrument that invests in a number of private equity partnerships. Ekuinas' Outsourced Programme is a fund of funds where Ekuinas' capital is pooled together with capital raised by third party private equity fund managers that have been appointed to invest on its behalf.

General Partner (GP)

The General Partner (GP) is in charge of managing a private equity fund's portfolio and earns a management fee.

Growth Capital

Growth capital refers to funds used to accelerate the growth of a company or used for business expansion.

Limited Partner (LP)

Institutions or high-net-worth individuals/sophisticated investors that contribute capital to a private equity fund. In Ekuinas' case, the LP is Yayasan Ekuiti Nasional/the Government of Malaysia.

Management Fees

Management fees during the investment period are almost invariably calculated as a percentage fee applied to the commitments made by the LP to the fund. The primary determinant of the workload for the GP is the search for potential investments, and this is driven by the size of total commitments to the fund, and not the actual amount invested at this stage in the fund's lifetime.

Net Internal Rate of Return (IRR) %

The net IRR earned by an LP to date after fees and carry. The internal rate of return is based upon the realised cash flows and the valuation of the remaining interest in the partnership. IRR is an estimated figure, given that it relies upon not only cash flows but also the valuation of unrealised assets.

Portfolio Companies/Investee Companies

A portfolio company or an investee company is a company or entity in which a private equity fund invests. All of the companies currently backed by a private equity firm can be spoken of as being under the firm's portfolio.

Public-Private Partnerships (PPP)

Contractual agreements between public bodies, local authorities or central government, and private companies to deliver a public, social or economic infrastructure project.

Sector Focused

A fund that invests solely in businesses that operate in a particular industry or sector of the economy.

Venture Capital

Venture capital is a type of private equity investment that provides capital to new or growing businesses. Venture funds invest in start-up firms and small businesses with perceived, long-term growth potential.

Based on some definitions on (www.preqin.com) and accepted internal uses at Ekuinas

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www.ekuinass.com.my

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