

ekuinas

EKUITI NASIONAL BERHAD



Expanding Our Horizons

Annual Report 2016



Expanding Our Horizons

Just as our forefathers explored new frontiers and expanded the nation's horizons, at Ekuinas, our collective ambitions are driven by this same desire to push the nation's growth, increasing and diversifying our portfolio into new industries and markets. Our growing portfolio now consists of diverse industries from Oil & Gas and Education, to Retail, Healthcare and others. We pursue this path with great caution and prudent fiscal management, leveraging on our fundamental strengths and staying true to our values.

Through ILTIZAM, our Corporate Social Responsibility framework, Ekuinas effects meaningful changes in the lives of small business owners, young graduates and under-served groups within society towards ensuring a sustainable future.

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**

Values

Commercially Driven

We maintain strict commercial discipline to create value

High Performance

We strive to exceed expectations

Merit-Based

We recognise and reward purely based on performance

Passion

We are passionate in our task to deliver beyond the ordinary

Focused

We are focused in our quest to achieve our objectives

Humility

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

About Us

Ekuiti Nasional Berhad, or Ekuinas, is a private equity (PE) 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 per annum:
Min 12%

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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2016 At a Glance

INVESTMENT PERFORMANCE

Ekuinas Direct (Tranche I) Fund

GROSS PORTFOLIO RETURN	GROSS IRR	NET IRR
RM 466.4 MILLION	13.1% P.A.	9.4% P.A.

Ekuinas Direct (Tranche II) Fund

GROSS PORTFOLIO RETURN	GROSS IRR	NET IRR
RM 331.6 MILLION	18.1% P.A.	12.7% P.A.

Ekuinas Outsourced (Tranche I) Fund

GROSS PORTFOLIO RETURN	GROSS IRR	NET IRR
RM 120.7 MILLION	9.8% P.A.	8.7% P.A.

TOTAL CUMULATIVE INVESTMENT PORTFOLIO

Total Number of Investments - Direct and Outsourced

53

Direct Investments

29

Outsourced Programme

24

Total Committed Investment by Ekuinas

RM **3.0** BILLION

Total Economic Capital Deployed, Together with Private Sector Partners

RM **3.6** BILLION

**SOCIAL OBJECTIVE
PERFORMANCE**
– COMBINED DIRECT AND OUTSOURCED

**FUND MANAGEMENT
COMPANY**

Increase in Bumiputera Equity

RM **3.9** BILLION
1.4x CAPITAL INVESTED

Total Funds under Management (FuM)

RM **4.1** BILLION

Increase in Total Shareholders' Value

RM **5.6** BILLION
2.0x CAPITAL INVESTED

Operating Expenditure (OPEX)

RM **44.9** MILLION

Increase in Bumiputera Management
Since Ekuinas' Entry

16.9%

Ratio of OPEX to FuM

1.1%

Increase in Bumiputera Employees Since
Ekuinas' Entry

29.7%

Profit After Tax and Zakat

RM **19.1** MILLION

2016 Key Financial Highlights

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

	2016 RM million	2015 RM million
Funds disbursement from YEN during the year	300.0	600.0
Cumulative funds disbursement from YEN	3,900.0	3,600.0
Capital returned to YEN during the year	-	-
Cumulative capital returned to YEN	200.0	200.0

2 FUNDS ESTABLISHED

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

3 TOTAL FUNDS UNDER MANAGEMENT

	2016 RM million	2015 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*	4,402.0*

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

2016 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
2016			
Ekuinas Direct (Tranche I) Fund	11	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	14	1,043.9	1,043.9
Ekuinas Direct (Tranche III) Fund	4	298.4	298.4
Total – Direct	29	2,600.5	2,722.6
Ekuinas Outsourced (Tranche I) Fund	15	264.0	708.4
Ekuinas Outsourced (Tranche II) Fund	9	87.6	162.4
Total – Outsourced	24	351.6	870.8
Total – Direct and Outsourced	53	2,952.1	3,593.4
2015			
Ekuinas Direct (Tranche I) Fund	11	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	13	989.3	989.3
Ekuinas Direct (Tranche III) Fund	3	229.8	229.8
Total – Direct	27	2,477.3	2,599.4
Ekuinas Outsourced (Tranche I) Fund	15	264.0	708.4
Ekuinas Outsourced (Tranche II) Fund	4	38.2	81.8
Total – Outsourced	19	302.2	790.2
Total – Direct and Outsourced	46	2,779.5	3,389.6

b. Summary of Cumulative Realisation Activity

	Total Number of Realisation	Total Realised Amount RM million
2016		
Ekuinas Direct (Tranche I) Fund and Ekuinas Direct (Tranche II) Fund	10	1,117.0
2015		
Ekuinas Direct (Tranche I) Fund and Ekuinas Direct (Tranche II) Fund	9	1,055.2

2016 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			
2016			
Ekuinas Direct (Tranche I) Fund	466.4	13.1% p.a.	9.4% p.a.
Ekuinas Direct (Tranche II) Fund	331.6	18.1% p.a.	12.7% p.a.
Ekuinas Direct (Tranche III) Fund*	-	N/M	N/M
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
Outsourced Fund			
2016			
Ekuinas Outsourced (Tranche I) Fund	120.7	9.8% p.a.	8.7% p.a.
Ekuinas Outsourced (Tranche II) Fund*	-	N/M	N/M
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

* 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
2016	3,925.7	1.4x	5,554.9	2.0x
2015	3,750.8	1.6x	4,702.7	2.1x

2016 Key Financial Highlights

5 EKUITI NASIONAL BERHAD (FUND MANAGEMENT COMPANY)

	2016 RM million	2015 RM million
Total Funds under Management (FuM)	4,140.0	4,140.0
Operating Expenditure (OPEX)	44.9	44.1
Ratio of OPEX to FuM	1.1%	1.1%
Profit After Tax and Zakat (PAT)	19.1	26.4

6 INDIVIDUAL FUND PERFORMANCES

a. Ekuinas Direct (Tranche I) Fund

	2016 RM million	2015 RM million
Fund Size	1,000.0	1,000.0
Number of Investments	11	11
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	6	5
Total Realised Amount	908.0	846.2
Financial Performance		
(i) Returns		
Gross Portfolio Return	466.4	591.3
Gross IRR %	13.1% p.a.	14.8% p.a.
Net IRR %	9.4% p.a.	10.9% p.a.
(ii) Balance sheet		
Portfolio Value	788.9	963.4
Net Asset Value (NAV)	636.7	798.5

2016 Key Financial Highlights

6 INDIVIDUAL FUND PERFORMANCES

b. Ekuinas Direct (Tranche II) Fund

	2016 RM million	2015 RM million
Fund Size	1,000.0	1,000.0
Number of Investments	14	13
Investment Activities		
Committed Investments Undertaken	1,043.9	989.3
Total Economic Capital Deployed in Malaysian Economy	1,043.9	989.3
Realisation Activities		
Total Number of Realisation	4	4
Total Realised Amount	209.0	209.0
Financial Performance		
(i) Returns		
Gross Portfolio Return	331.6	133.3
Gross IRR %	18.1% p.a.	13.0% p.a.
Net IRR %	12.7% p.a.	5.7% p.a.
(ii) Balance sheet		
Portfolio Value	1,081.7	813.8
Net Asset Value (NAV)	1,232.1	954.6

2016 Key Financial Highlights

6 INDIVIDUAL FUND PERFORMANCES

c. Ekuinas Direct (Tranche III) Fund*

	2016 RM million	2015 RM million
Fund Size	1,500.0	1,500.0
Number of Investments	4	3
Investment Activities		
Committed Investments Undertaken	298.4	229.8
Total Economic Capital Deployed in Malaysian Economy	298.4	229.8
Realisation Activities		
Total Number of Realisation	-	-
Total Realised Amount	-	-

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

2016 Key Financial Highlights

6 INDIVIDUAL FUND PERFORMANCES

d. Ekuinas Outsourced (Tranche I) Fund

	2016 RM million	2015 RM million
Fund Size	400.0	400.0
Number of Investments	15	15
Investment Activities		
Total Committed Investments Undertaken by OFMs	374.2	374.2
- Out of which, Ekuinas' committed investments	264.0	264.0
Total Economic Capital Deployed in Malaysian Economy	708.4	708.4
Financial Performance		
(i) Returns		
Gross Portfolio Return	120.7	52.2
Gross IRR %	9.8% p.a	6.3% p.a.
Net IRR %	8.7% p.a	5.0% p.a.
(ii) Balance sheet		
Portfolio Value	408.9	329.5
Net Asset Value (NAV)	408.9	329.5

2016 Key Financial Highlights

6 INDIVIDUAL FUND PERFORMANCES

e. Ekuinas Outsourced (Tranche II) Fund*

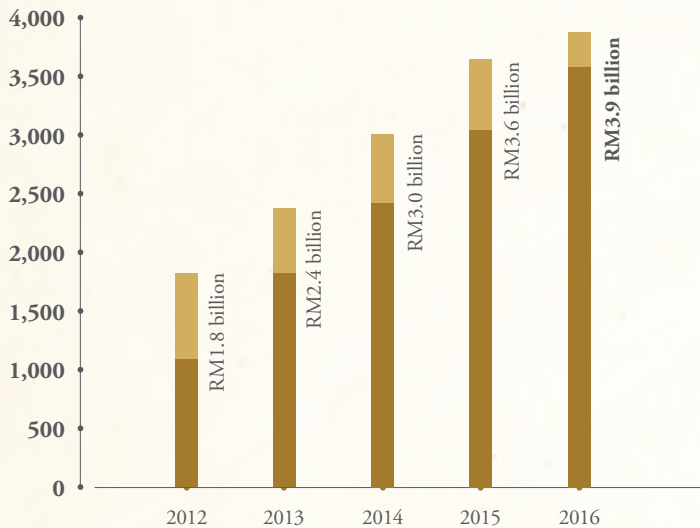
	2016 RM million	2015 RM million
Fund Size	240.0	240.0
Number of Investments	9	4
Investment Activities		
Total Committed Investments Undertaken by OFMs	143.4	62.8
- Out of which, Ekuinas' committed investments	87.6	38.2
Total Economic Capital Deployed in Malaysian Economy	162.4	81.8

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

Five-Year Financial Highlights

Total Funds Received

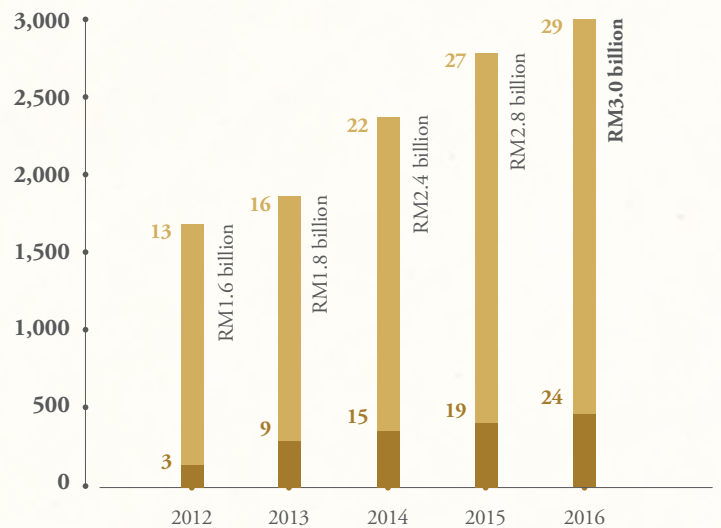
RM million



- Funds received for the year
- Cumulative Funds received at end of prior year

Total Number and Value of Committed Investments

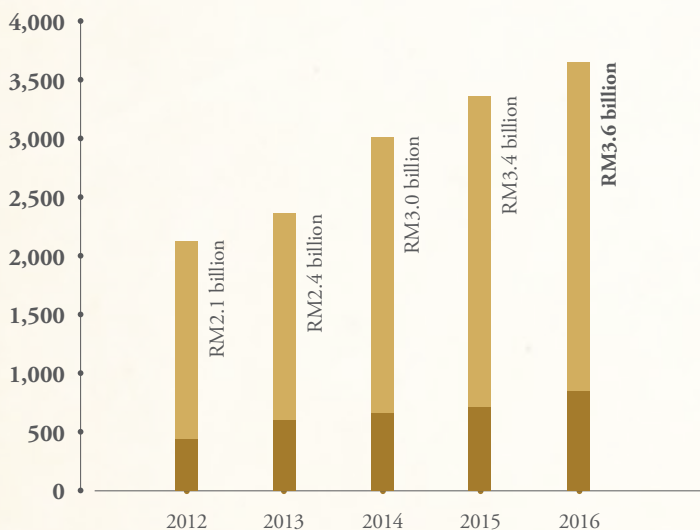
RM million



- Direct Investments
- Outsourced Programme

Total Economic Capital Deployed

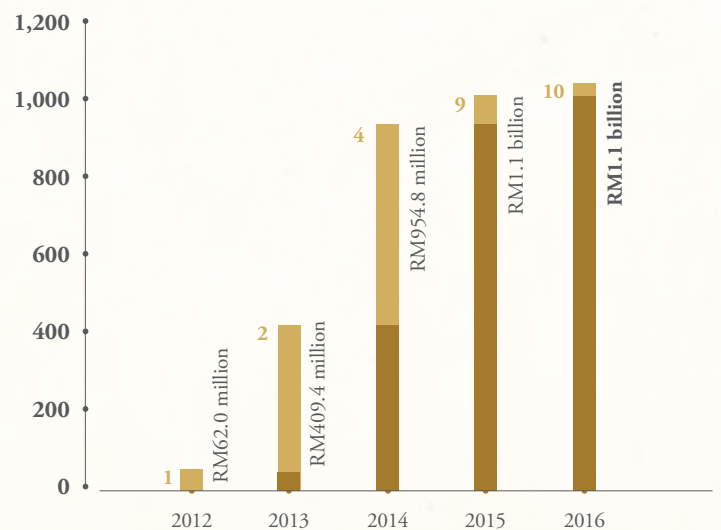
RM million



- Direct Investments
- Outsourced Programme

Direct Investments – Total Number and Realisation From Divestments

RM million

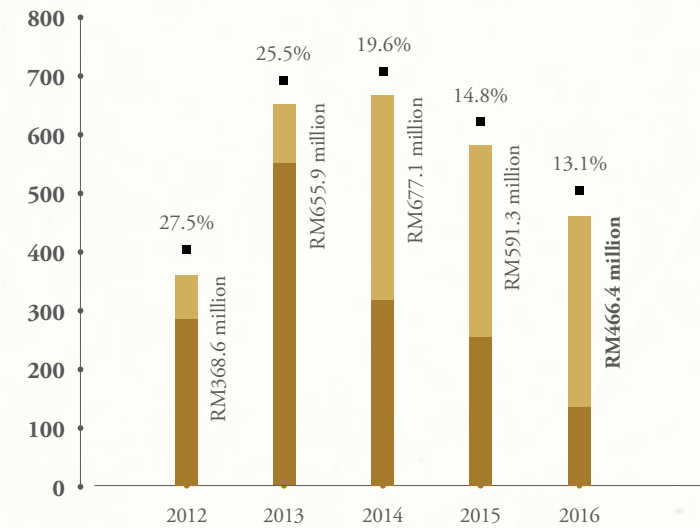


- Realisation for the year
- Cumulative realisation at end of prior year

Five-Year Financial Highlights

Fund Performance – Ekuinas Direct (Tranche I) Fund

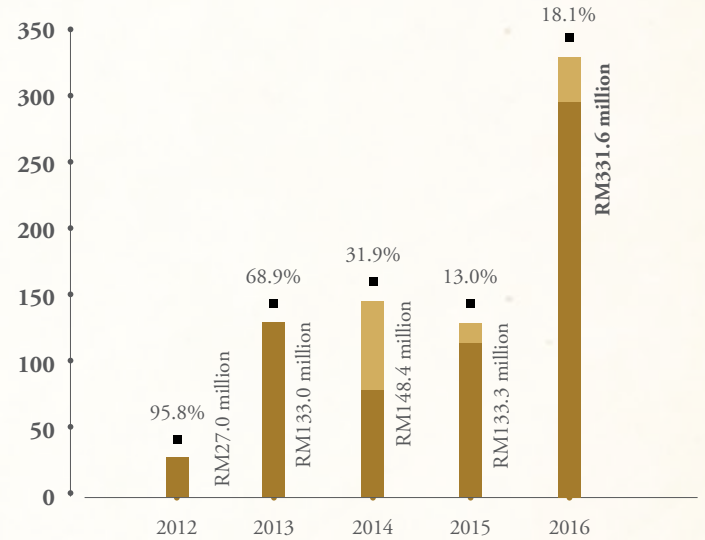
RM million



- Realised Gross Portfolio Returns
- Unrealised Gross Portfolio Returns
- Gross Internal Rate of Return (IRR) per annum

Fund Performance – Ekuinas Direct (Tranche II) Fund

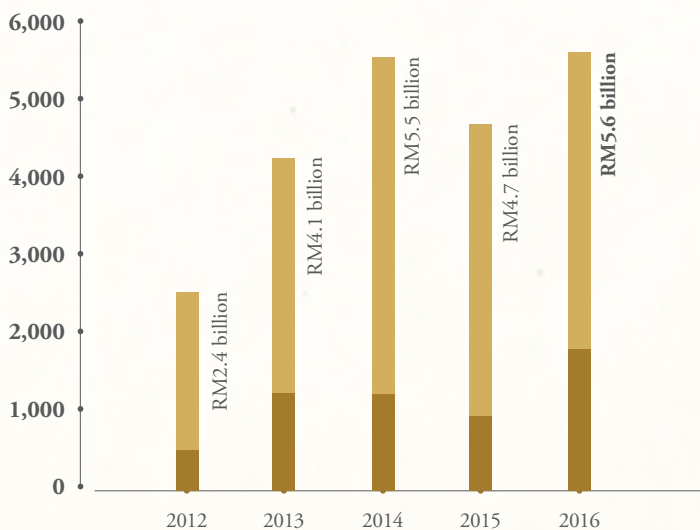
RM million



- Realised Gross Portfolio Returns
- Unrealised Gross Portfolio Returns
- Gross Internal Rate of Return (IRR) per annum

Total Bumiputera Equity and Other Shareholders' Value Created

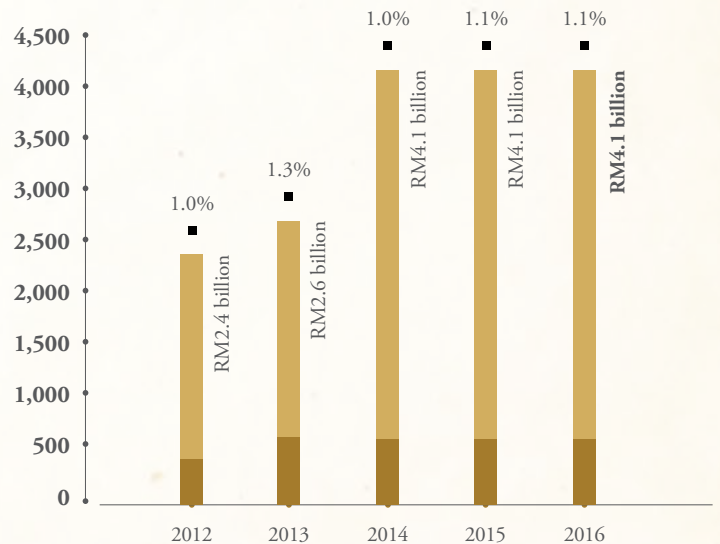
RM million



- Bumiputera Equity
- Other Shareholders' Equity

Funds Under Management and FuM OPEX Ratio

RM million



- Direct Funds
- Outsourced Programme
- Ratio of OPEX to FuM (%)

Outlook on Private Equity in Malaysia by The Boston Consulting Group

1. Southeast Asia and Malaysia remain fundamentally attractive to investors

Strong fundamentals for ASEAN

The ten nations of Association of Southeast Asian Nations (ASEAN) are on track to create one of the world's most important economic growth zones. Despite recent financial volatility, the combined economic output of ASEAN has more than tripled since 2003, reaching USD2.6 trillion by the end of 2015. The economy of ASEAN is now the seventh largest, and by 2020, it is projected to rank fifth, ahead of Germany and just behind India.

In addition, Southeast Asia is fast becoming an economically integrated region. The ASEAN Economic Community, whose stated goal is to create a "region with free movement of goods, services, investment, skilled labor, and freer flow of capital," has slated many trade barriers within the region for elimination or substantial reductions in the coming years. While some business executives are skeptical that these goals will be fully achieved, the progress by ASEAN and others has established momentum that the private sector can now harness.

Southeast Asia's growing, relatively young, and increasingly affluent population is a key driver of the region's growth. From 2013 through 2020, the number of middle-class and affluent individuals in just five ASEAN economies – Indonesia, Myanmar, the Philippines, Thailand, and Vietnam – is projected to surge from 165 million to 277 million. The region's working-age population has been expanding quickly, too, and will nearly double – to around 500 million – by 2020.

Against this backdrop, we have seen strong investor interest and activity in the region. Private equity Assets under Management (AuM) in Southeast Asia peaked at USD23Bn in 2015, more than four times the capital managed in the mid-2000s.

A challenging 2016 for the world – but not the end of the world for Southeast Asia and Malaysia

2016 proved to be a challenging year for not only the region but also the global economy; American growth hovered at around 2% and European growth fell below this rate. Brexit and President Trump's election were key markers of a shift towards a more protectionist perspective – a distinct volte-face from the drive for globalization and openness that began in the 1990s.

However, pressure on Southeast Asia and Malaysia from these changing circumstances may be tempered by two aspects: strengthened domestic demand driven by healthy private consumption, and the emergence of vibrant intra-regional trade. In particular, Southeast Asia's over 600 million-strong consumer market may shore up growth in the near term. The young, growing and aspirant populations in the region will sustain private consumption growth at just above 5% in the near-term, according to the Organisation for Economic Co-operation and Development (OECD).

In Malaysia specifically, continued private consumption and investment should allow real Gross Domestic Product (GDP) to grow by 4.5% in 2017 according to Malaysian Institute of Economic Research (MIER).

The decades of effort in regional economic integration could pay dividends if isolationism is the new macroeconomic norm. Strengthened intra-region trade should be a buffer against any reduction in demand from developed markets. Intra-ASEAN trade, between Southeast Asian markets, topped USD5.4Bn in 2015, up from around USD3Bn in 2005.

Southeast Asia and Malaysia will be tested, but not bowled over, by draughts from a changing world. Opportunities for private equity will remain for the savvy investors who understand what kind of investments will generate sound returns in this new reality.

Outlook on Private Equity in Malaysia by The Boston Consulting Group

2. Headwinds starting to form for Private Equity in Malaysia

Diminished PE deal value in 2016, but continued interest in consumer markets

Private equity deal value in Southeast Asia continued a downtrend that began in 2015. Funds – seemingly prescient of the potential impact of 2016 on export-oriented businesses – bet on the rising purchasing power of the Southeast Asian middle-class and targeted investments within consumer markets. Many of these targets operate in food and retail spaces, which benefit from steady rises in regional consumer demand.

General Atlantic’s first foray into Indonesia occurred in late 2016 via an investment in the F&B arm of the Mitra Group, a subsidiary that operates a range of franchise outlets including Starbucks. In Singapore, the F&B theme was reinforced when PAG Asia Capital invested into Singapore’s Paradise restaurant chain.

Interest in retail was particularly pronounced in Malaysia. Two of the larger deals in 2016 were acquisitions of interests in supermarket chains: TF Value-Mart by KV Asia Capital, and Jaya Grocer by a consortium led by CIMB private equity arm. Other major retail deals included Ekuinas’ entry into Al-Ikhsan and Creador’s stake in RedCap Pharmacy.

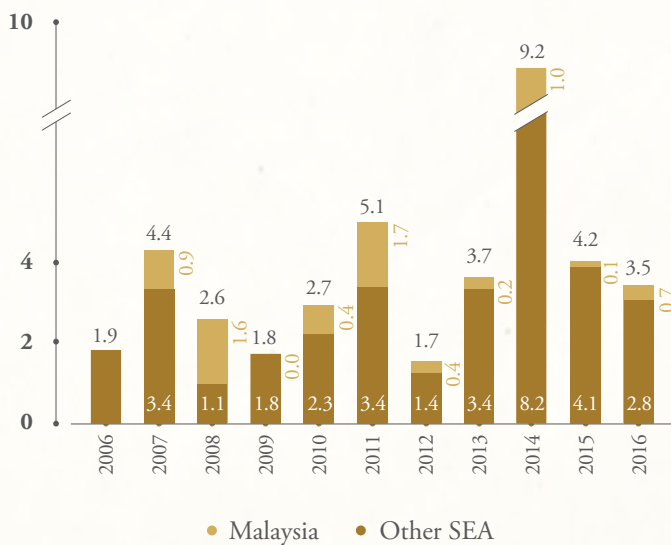
As global markets remain cautious and developed economies (many of which are amongst Southeast Asia’s largest trading partners) plunge their heads into the sand, investors in the region will likely focus on domestic consumption for returns.

Exhibit 1: Total deal value in Malaysia and Southeast Asia

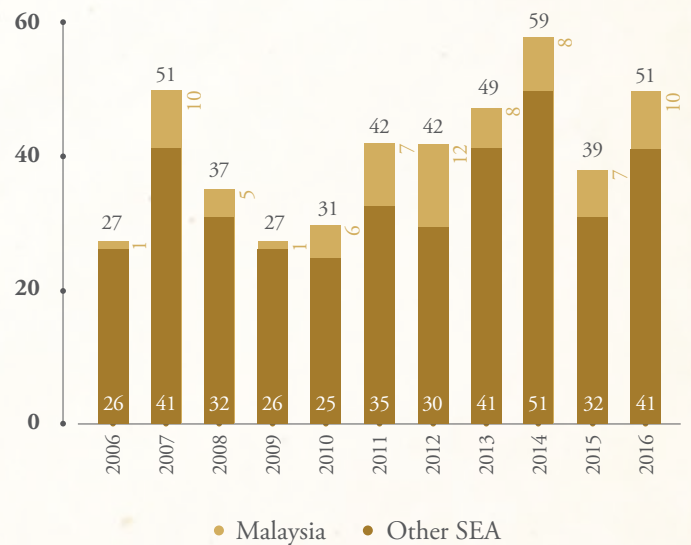
SEA deal value dipped below 2015 levels and off from 2014 highs

30% more Southeast Asian deals in 2016

Deal Value in SEA (USD Bn)



Number of deals in SEA



Based on announced and completed PE deals, excluding venture capital, real estate and infrastructure
Source: Preqin, BCG analysis

Outlook on Private Equity in Malaysia by The Boston Consulting Group

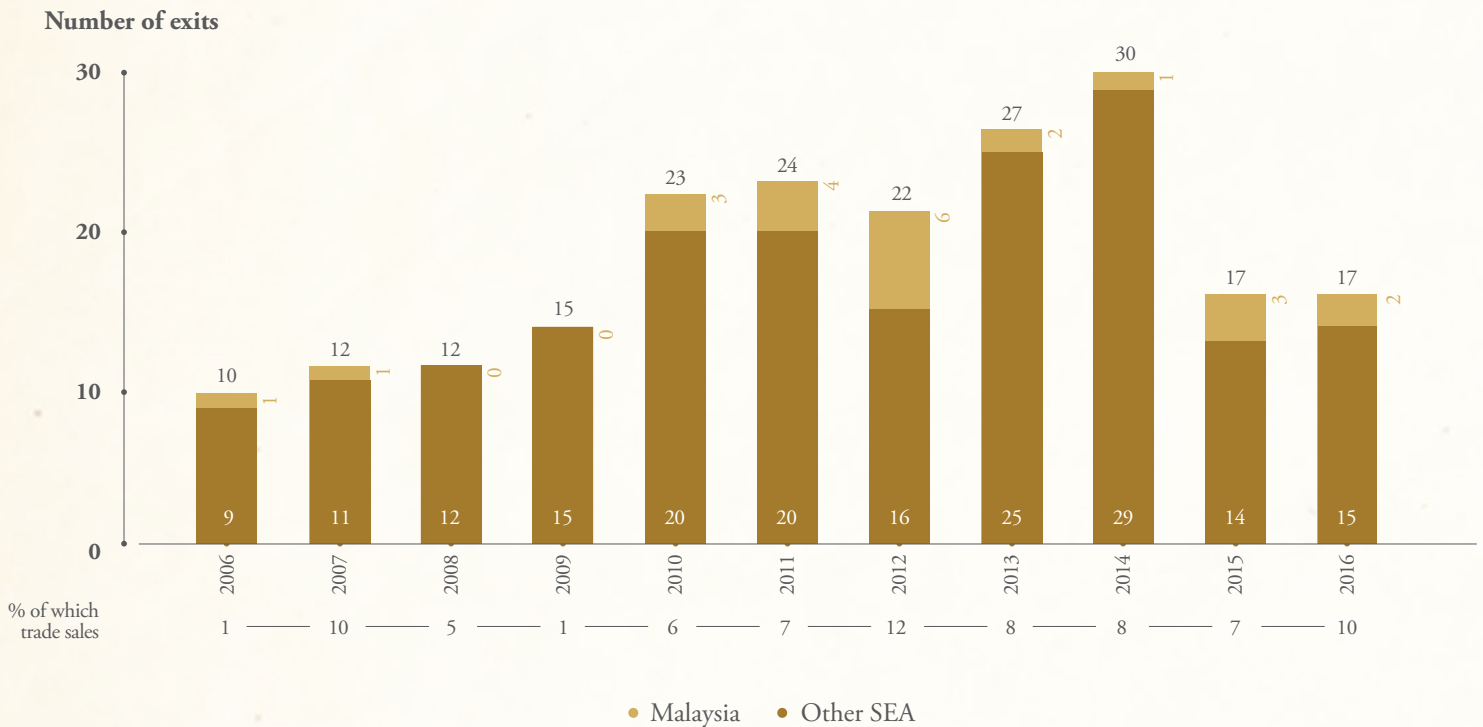
Fewer private equity exits – managers may need to rethink options

2016 saw a continuation of the drop-off in Southeast Asian exits that took place in 2015. As in the previous year, trade sales were an important pillar for exits – constituting around 35% of total exits.

Public markets in Malaysia continued to be a difficult place for PE funds to dispose of their holdings – only eleven IPOs took place at a combined value of just over USD200Mn, and none were listings of PE holdings.

Domestically, managers may need to explore alternative avenues for exits, including more liquid foreign exchanges, and courting buyers from beyond Malaysian shores.

Exhibit 2: Number of PE exits in Southeast Asia



*Based on announced and completed PE deals, excluding venture capital, real estate and infrastructure
Source: Preqin, BCG analysis*

Outlook on Private Equity in Malaysia by The Boston Consulting Group

Both Fund AuM and dry powder are leveling off

The overall size of private equity funds based in Southeast Asia has reduced from a high in 2015. The amount of uninvested capital or dry powder that managers have at their disposal has also dipped, but remains a substantial USD6Bn. Across the region, dry powder comprised just over 30% of total AuM – a proportion was similar for Malaysia-based managers.

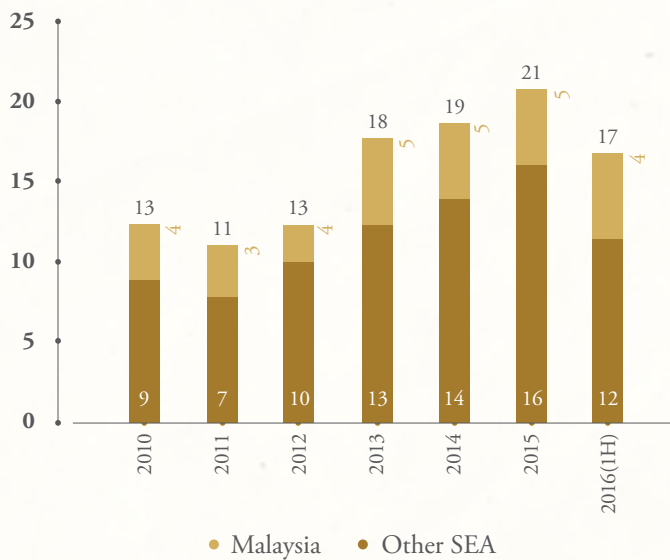
Funds in Malaysia and the region still hold significant ammunition – should targets start to look attractive in 2017, we may see heightened competition for deals.

Exhibit 3: Southeast Asian PE AuM and dry powder

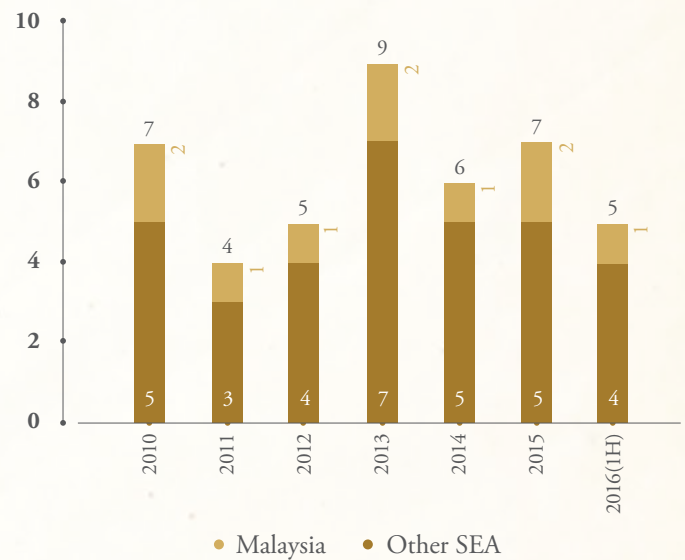
Total Southeast Asian private equity AuM dipped to USD22Bn

Dry powder leveling off from peaks

Total AuM (USD Bn)



Dry powder (USD Bn)



*Includes all private equity fund types except for venture capital
Source: Preqin, BCG analysis*

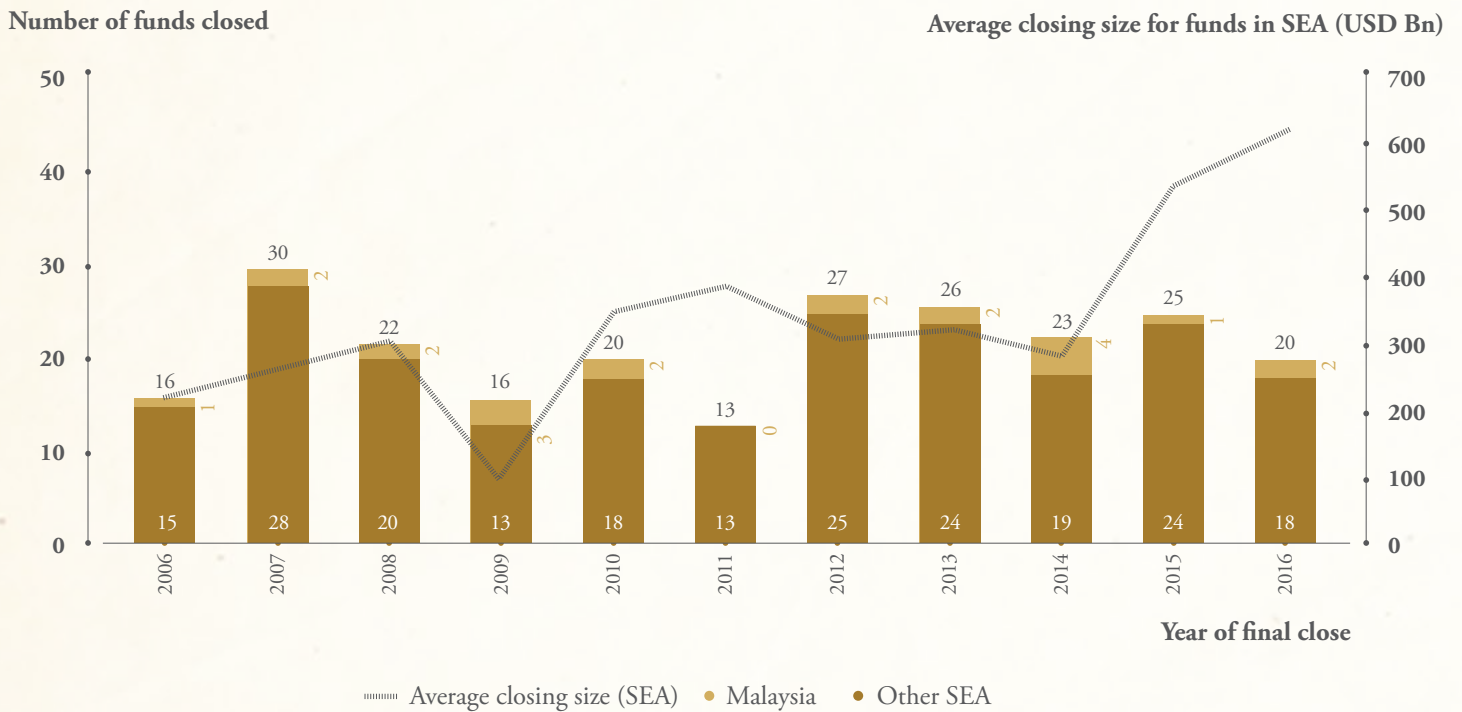
Outlook on Private Equity in Malaysia by The Boston Consulting Group

Fundraising stable in region

Fundraising activity in the region remained stable, with 20 funds closing in 2016. As in previous years, Malaysian-based funds remained a small minority of the total. Only two funds based in Malaysia, managed by CIMB's private equity arm and Navis Capital Partners, closed in 2016.

Malaysian-based funds remain a relative minority in Southeast Asia.

Exhibit 4: Southeast Asian PE fund closing and average closing size



*Includes all private equity fund types except for venture capital
Source: Preqin, BCG analysis*

Outlook on Private Equity in Malaysia by The Boston Consulting Group

3. What now for Malaysian Private Equity?

Whilst Southeast Asia and Malaysia face some headwinds, and PE activity in 2016 has moderated somewhat, this coming year could present an opening for Malaysian managers to succeed. Malaysian managers may be able to break out and play a more sizeable, regional role in the near future – if they can crack the conundrum of investing bigger pieces of capital in a market composed of relatively smaller opportunities.

Larger chunks of capital may seek deployment soon

We may start to see larger chunks of capital seeking out opportunities in private markets. As Malaysian institutional funds continue to grow AuM whilst trying to maintain returns and ensure viable options are available to deploy capital, allocating more of their portfolio to alternative assets like private equity seems a logical next step.

Large local institutional players like KWAP (Retirement Fund Incorporated) and the EPF (Employees Provident Fund) (which, combined, manage over *RM800Bn* in investment assets) allocate only 2-3% of their portfolio to PE. Some similar developed market institutions see far larger PE allocations: around 8% at CALPERS (California Public Employees' Retirement System) and nearly 16% at the Canada Pension Plan Investment Board.

Another source of inflow into PE markets may be international and regional capital seeking out bargains in the Malaysian space. Domestic valuations could come at a relative discount for foreign buyers given sustained Ringgit weakness against the US Dollar and public market valuation benchmarks suppressed by more 'risk-off' attitudes. Given their regional and supra-regional strategies, foreign limited partners will naturally tend to deploy larger amounts of capital.

Opportunities available not quite as large

These funds will face the challenge of deploying larger pools of capital into targets that may be attractive but are smaller in size compared to more advanced markets. Average recorded deal size in Malaysia over the last five years was around 40% smaller than in the greater Asia-Pacific region. Larger funds will struggle to find deals big enough to meet their minimum ticket size per investment.

PE investee routes to exit are more constrained when deals are smaller – trade buyer interest tends to be limited to the domestic space and may not be sufficiently large to warrant significant domestic IPO interest, let alone listing on foreign bourses.

Smaller targets will be well-suited for PE-driven value creation. Professionalisation of management, enhancing operational efficiency, and international expansion are just some examples of areas in which less-developed Malaysian targets may require assistance. However, the economics of value creation in smaller companies is less attractive – managers have to deploy similar human capital to achieve smaller returns.

Outlook on Private Equity in Malaysia by The Boston Consulting Group

4. Value creation – the power of buy-and-build

If how to work larger chunks of capital effectively in a market full of smaller, more fragmented opportunities is the key conundrum for Malaysian managers – those looking to succeed may be best served with a buy-and-build strategy. Buy-and-build involves managers starting with a ‘platform’ of an initial investment and integrating add-on acquisitions to end with a larger, and hopefully more valuable, investee.

Buy-and-build outperforms: Over 8% additional IRR from buy-and-build deals versus standalone deals

BCG, with the HHL Leipzig Graduate School of Management, recently analysed over 2,300 deals to assess how buy-and-build strategies enhance value and when buy-and-build works best. The study found that buy-and-build deals outperform standalone PE deals, generating an average IRR of 31.6% from entry to exit, compared with an IRR of 23.1% for standalone deals.

Several key conclusions emerged:

i. Smaller is often better

Buy-and-build deals of small platforms performed significantly better than those of larger acquirers. Deals of small platform companies generated an average IRR from entry to exit of 52.4%, compared with 34.6% for deals done by medium acquirers and 12.5% for those by large acquirers. We conclude from this performance that the greatest multiple expansion occurs in companies with relatively small enterprise values, in part because the valuation multiples of smaller companies expand faster with increasing size than those of their larger counterparts, and in part because small companies predominate in fragmented industries, which are primed for consolidation.

ii. Secondaries thrive with buy-and-build

Buy-and-build strategies are more successful in secondaries (where a PE fund has purchased a portfolio company from another fund). Add-ons to secondaries yielded an average IRR of 36.9%; the average IRR of buy-and-build deals for primaries was 29.9%. After primary owners pull the basic operational improvement levers, like margin gains and revenue enhancement, the secondary owner can apply more advanced set of operational improvement moves to create additional value.

iii. Crossing borders, creating value

The international acquisitions within our sample generated an average IRR of 38.2%, compared with 27.3% for the domestic acquisitions and 23.1% for standalones. A buy-and-build strategy is especially effective when used to internationalise the acquirer’s business. The international expansion of a formerly domestic company creates opportunities for cross-selling and economies of scale, as well as multiple expansion if the business improvements raise investors’ expectations of results that aren’t yet borne out by financial performance. Add-ons also outperform when they increase the platform company’s presence in a particular industry, as opposed to diversifying its business lines.

iv. Experience pays – and pays, and pays

We found that the firms in our sample with experienced operational teams not only did more buy-and-build deals but also reaped higher returns from them. Firms with operational experience generated an average IRR of 42.8% from add-on deals, compared with 21.2% for firms without such experience. Experience with buy-and-build deals in itself makes a difference. PEs that do multiple add-on deals often generate higher returns from them than do firms with less buy-and-build practice. Frequent acquirers posted an average IRR of 36.6% compared with 27.3% for nonfrequent acquirers. The lesson is simple: when engaging in buy-and-build, experience pays.

Outlook on Private Equity in Malaysia by The Boston Consulting Group

v. Industry matters

Superior performance in buy-and-build deals is limited to industries that share specific characteristics, including low growth rates, low margins, and high fragmentation.

vi. Next-level value creators

Our analysis confirms that portfolio companies with buy-and-build strategies outperform, and first-quartile performers share a highly particular set of circumstances. In such cases, the portfolio company:

- Is small or medium-sized
- Has a PE sponsor with operational and buy-and-build experience
- Offers an operationally efficient and scalable platform
- Operations in a low-growth, low-profitability, highly-fragmented industry
- Makes one or two-add-on acquisitions
- Targets add-on acquisitions in its core industry
- Uses buy-and-build to expand internationally

Buy-and-build – implications for Malaysian private equity

Employing buy-and-build strategies allows managers to match larger-sized pools of capital to smaller targets in Malaysian markets. As we have found, buy-and-build works best with smaller targets – adding onto a small business can generate significantly more IRR than adding onto a larger one. In Malaysia, it will also allow managers to add value more efficiently: on a singular platform rather than on multiple investments, reducing the amount of scarce professional expertise required for value creation.

Buy-and-build could also allow managers to address the challenge of finding viable exits in the Malaysian space. Platform-building will lead to portfolio companies with sufficient scale for listing on more liquid, foreign public markets, and that will garner attention of larger, foreign trade buyers. Our research also shows that when add-ons to platform companies fuel international expansion, returns are especially strong. Domestic PE managers should take heed, exploit Malaysia's comparative advantage as a regional base, and develop regional champions.

One key takeaway for managers who want to play in this way: don't forget that experience pays – and pays, and pays. Malaysian general partners must fill their gaps in buy-and-build capabilities quickly. They need portfolio teams who add value in a 'traditional' sense – by reducing costs and boosting revenues. But these teams must also have expertise in extracting synergies and ensure businesses dovetail smoothly during portfolio post-merger integration.

Winners in the Malaysian PE space may well be the ones who start building these capabilities today.

Authors:

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- Zubin Rada Krishnan is a Consultant with BCG's Southeast Asia office and a core member of the firm's Asia-Pacific Corporate Development Task Force. You may contact him at radakrishnan.zubin@bcg.com

We would like to extend our deepest gratitude to The Boston Consulting Group for contributing their article "Outlook on Private Equity in Malaysia" to give our readers a brief overview of the private equity industry in Malaysia and the region.

Dear Stakeholders,

It is always a privilege for us to report on Ekuinas' performance, accomplishments, challenges in the previous year, and to share our outlook and plans for this year.

It has been another challenging year for the local and world economy. As investors, we faced tremendous uncertainty fuelled by slowing economic growth, social and geopolitical instability, stagnating global trade, weakening business sentiment and subdued consumer spending.

Chairman & CEO's *Joint Statement*

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda
Chairman

Syed Yasir Arafat Syed Abd Kadir
Chief Executive Officer

Key events that impacted the global economy last year include the United Kingdom's decision to leave the European Union, the policy stance of the new U.S. administration and its widespread ramifications, and oil prices that have stabilised but have yet to translate to spending in the energy sector.

In Asia, slowing growth in China, the world's second-biggest importer of both goods and commercial services, was and still is a concern as its economic performance has a knock-on effect in Asia and around the world. And, although Japan's economy expanded marginally last year, growth is still subdued and fragile as it is largely driven by exports as opposed to private consumption.

Despite this challenging environment, we remained steadfast in our mission to promote equitable and sustainable Bumiputera economic participation by creating the next generation of market leaders. The responsibility that we carry towards our stakeholders - the government and the broader community - has never been stronger.

As stewards and investors of government capital, we believe that the trust placed in us must be earned every day. We remain committed to conducting our business activities in the highest ethical and professional manner, guided by our corporate governance principles and strong regulatory and Board oversight.

In seven years, we have built a financially strong private equity fund management company, a culture of collaboration and a team with deep industry expertise and unwavering integrity. This foundation is our key differentiator and drives us forward during these difficult times.

2016 Financial Performance

We would like to thank the Government of Malaysia for providing RM300 million to Ekuinas in FY2016. This brings the total cumulative funds received to RM3.9 billion or 78% of the total RM5 billion allocated in the Ninth and Tenth Malaysian Plan. As always, we endeavour to make the best possible investment returns for every ringgit given to us.

We are pleased to announce that Ekuinas continued to deliver a positive performance in FY2016. However, it is important to note that our results are not the outcome of actions taken in a single year but based on deliberate effort over time to build diverse fund portfolios consisting of companies that are able to deliver long-term value to its stakeholders in a changing and volatile environment.

We continue to positively impact the Malaysian economy with total committed investments, in the funds that we manage and in the funds in our Outsourced Programme, of RM3.0 billion at the end of 2016. Together with co-investments from our private sector partners and private equity companies that we work with in our Outsourced Programme, this brings the overall capital deployment to RM3.6 billion.

Although the operating environment was indeed challenging, Ekuinas made a profit after tax and zakat of RM19.1 million (FY2015: RM26.4 million). We also realised proceeds of RM1.6 billion from dividend income, interest income and divestment activities.

Total Committed
Investments by Ekuinas

RM **3.0** BILLION

at the end of 2016

Total Economic
Capital Deployed,
Together with Private
Sector Partners

RM **3.6** BILLION

Total Realised Proceeds

RM **1.6** BILLION

from dividend income,
interest income and
divestment activities

Chairman & CEO's Joint Statement

Operations remain cost effective at

1.1 %

of total Funds under Management of

RM 4.1 BILLION

The strong financial position enables Ekuinas to continue taking advantage of compelling new investments while protecting and enhancing the value of our funds.

As a commercially-run private equity firm our operations remain cost effective at only 1.1% of total Funds under Management of RM4.1 billion (FY2015: 1.1%).

Performance of Ekuinas Funds

The weak economic environment and the turmoil in the oil and gas industry had affected the overall performance of our funds in FY2016. Nevertheless, defensive strategies that we implemented when oil prices started to fall in 2015 mitigated the negative performance of our investment in this sector and minimised the impact of a low asset environment.

Two funds that we manage, Ekuinas Direct (Tranche I) Fund and Ekuinas Direct (Tranche II) Fund registered a positive performance with a gross portfolio return of RM466.4 million and RM331.6 million, respectively. These translate to a gross internal rate of return of 13.1% p.a. and 18.1% p.a., respectively (FY2015: 14.8% p.a. and 13.0% p.a. respectively) which surpass our internal benchmark return of 12% p.a. and track the top quartile performance among private equity funds invested in Asia.

Our youngest fund, Ekuinas Direct (Tranche III) Fund started in 2014 and is only 19.9% committed. It is important to note that the fund is still in the early stages of investments and its current portfolio of companies is poised to capitalise on improving economic conditions as we continue to search for more high potential investments to be acquired at the right price.

It is also appropriate to use a long-term perspective to assess the performance of our funds as Ekuinas is focused on generating returns over the lifespan of each fund as opposed to generating returns from individual companies within a year.

We now have a total committed investment of RM3.0 billion across 39 companies through these three directly managed funds as at end FY2016 (FY2015: RM2.8 billion in 33 companies). Many of our portfolio companies had implemented appropriate strategies for the challenging environment and total revenue increased by 2.7% for the year (FY2015: -2.2%).

Our Outsourced Programme which is run by third party private equity firms known as Outsourced Fund Managers (OFM), also ended the year with a mixed performance. Ekuinas Outsourced (Tranche I) Fund posted a gross portfolio return of RM120.7 million which translates to gross IRR of 9.8% p.a. and a net IRR of 8.7% p.a.

As a national private equity company, we are cognisant of our role in providing businesses with the capital to realise their potential and to improve their operations. As always, we deployed capital in a cautious and prudent manner to ensure that we invest only when prospects are truly compelling and in companies where we can genuinely add value.

Chairman & CEO's Joint Statement

Two funds that we manage, Ekuinas Direct (Tranche I) Fund and Ekuinas Direct (Tranche II) Fund registered a positive performance with a gross portfolio return of RM466.4 million and RM331.6 million, respectively. These translate to a gross internal rate of return of 13.1% p.a. and 18.1% p.a., respectively (FY2015: 14.8% p.a. and 13.0% p.a. respectively) which surpass our internal benchmark return of 12% p.a. and track the top quartile performance among private equity funds invested in Asia.

As we continued our search for high potential companies in 2016, we also looked to enhance diversification of our investments, a proven strategy that reduces the risk and volatility of a portfolio. We have currently invested across six sectors: education, oil and gas, healthcare, fast moving consumer goods (FMCG), services and retail, which include food and beverage and the sports segments.

In FY2016, we made investments worth RM172.6 million consisting of RM123.2 million in the funds that we manage and RM49.4 million through our Outsourced Programme.

A notable investment we made during the year was a stake acquired in Bumiputera sports retailer, Al-Ikhsan. The retail sector is one of Ekuinas' six targeted sectors and this acquisition marks our entry in the retail sports segment, which was previously concentrated only in the food and beverage industry.

Al-Ikhsan leads the multi-brand sports retail market in Malaysia and caters to the growing interest in health and fitness across the region. We see tremendous opportunity to expand its reach, to reap cost efficiencies and transform the company into a regional market leader in the coming years.

As part of the overall strategy to crystallise our investments under Ekuinas Direct (Tranche I) Fund, 2016 also saw us divesting our maiden investment in Alliance Cosmetic Group. This was a profitable investment that made a gross internal rate of return of 9.0%. Including this divestment, we have made a cumulative gross realisation of RM1.1 billion to date.

Total committed investment for 2016

RM **172.6** MILLION

Direct Investments

RM **123.2** MILLION

Outsourced Programme

RM **49.4** MILLION

Chairman & CEO's Joint Statement

Increase in
Bumiputera Equity

RM **3.9** BILLION

1.4x capital invested

Increase in Total
Shareholders' Value

RM **5.6** BILLION

2.0x capital invested

Increase in Bumiputera

MANAGERS

16.9 %

EMPLOYEES

29.7 %

since Ekuinas' entry

Value-Enhancing Activities

As an active private equity investor, Ekuinas provides both strategic and operational support to our portfolio companies. We continued to fortify and improve our investments during the year under review. We believe that current challenging market conditions presented us with opportunities to reassess, restructure and reinvent where applicable, the operations and strategies of our portfolio companies.

Among the value-enhancing activities implemented at the companies include the introduction of new sales and service processes, the implementation of a talent development methodology and training programmes, as well as the development of a financial and reporting system and a franchise management system.

These value creation initiatives are designed to build a sustainable long-term business and, as with every growing business, the financial performance of our portfolio companies on a yearly basis is subject to the overall macroeconomic environment.

Amid the challenging low-oil-price environment of 2016, our portfolio companies recorded a marginal increase in earnings before interest, tax, depreciation and amortisation (EBITDA) for FY2016 (FY2015: negative growth). EBITDA would have grown by 9.0% if the performance of our investments in cyclical industries are excluded from the combined earnings of our portfolio companies.

While we are optimistic about the future, we are cautious about the risks of unforeseen events that may lead to a protracted economic downturn in 2017. As in previous years, we will work closely with our portfolio companies to mitigate the adverse impact of unexpected events that may derail the incipient global economic recovery in the coming years.

We will also continue to actively manage our funds and maintain our focus on crystallising returns in Ekuinas Direct (Tranche I) Fund, which was inceptioned in 2010 and is expected to close at the end of 2017. Value-creation strategic initiatives that have been developed for the portfolio companies through Ekuinas Direct (Tranche II) Fund will be carried out; and we will persist in our search to acquire more high potential companies under Ekuinas Direct (Tranche III) Fund.

Achieving our social objectives

By being financially stable and by improving the financial performance of our portfolio companies, Ekuinas is able to serve the wider Bumiputera community. All other key metrics that we measure – Bumiputera economic participation and the number of Bumiputeras employed in managerial and operational levels in our portfolio companies – registered a positive performance for FY2016.

In FY2016, our direct and outsourced funds increased Bumiputera equity ownership by RM3.9 billion, which is 1.4 times of Ekuinas' invested capital (FY2015: RM3.7 billion and 1.6 times). Total equity for shareholders of our portfolio companies increased by RM5.6 billion which is equivalent to 2.0 times the capital invested (FY2015: RM4.7 billion and 2.1 times). We also increased the number of Bumiputera managers and employees in our portfolio companies by 16.9% and 29.7%, respectively (FY2015: 12.7% and 31.5%).

We are especially heartened by the progress made by ILTIZAM, Ekuinas' corporate social responsibility (CSR) programme. In 2016, ILTIZAM continued to help even more small Bumiputera entrepreneurs, students, young graduates and communities in realising their potential.

Chairman & CEO's Joint Statement

Moving forward, we will continue to build our capabilities and our expertise in line with our aspirations to become a regional market leading private equity fund management company.

Much like Ekuinas, ILTIZAM seeks to make the biggest positive impact with every ringgit spent. Where possible, ILTIZAM engages deserving micro-businesses or social enterprises to fulfil their objectives in 2016. This creates a win-win situation for all parties and creates a small but impactful multiplier effect on the broader community.

We spent RM4.8 million in ILTIZAM's activities in FY2016. This brings our total amount utilised for ILTIZAM's initiatives to more than RM18.0 million, a reflection of our commitment to continue to positively impact the community in which we live. Please refer to the section on Stakeholder Interests for more details on ILTIZAM's programmes and its progress.

2017 Outlook and Strategy

After a lacklustre 2016, economic activity is projected to pick up pace in 2017 and 2018 especially in emerging and developing markets. However, we must brace ourselves for possible shocks from political developments in Europe, the uncertainties of Brexit and protectionist trade policies in the US that may hurt the international flow of capital and global trade.

We have, for the coming year, already identified a number of high potential companies and are in the final stages of securing our investment in these companies. We look to build on this momentum and undertake more acquisitions, as well as divest our investments, at the right price and at the right time.

These efforts and our on-going initiatives to implement operational improvements and reap cost efficiencies for our portfolio companies should drive Ekuinas' bottom line and our funds' return on investment.

Moving forward, we will continue to build our capabilities and our expertise in line with our aspirations to become a regional market leading private equity fund management company.

We are cautiously optimistic about the year ahead and confident that Ekuinas is up to the challenges of FY2017 on the back of our proven track record built on a solid foundation of professionalism and sound governance.

With much gratitude and appreciation

On behalf of Ekuinas, we thank the Government of Malaysia, the Board of Trustees at Yayasan Ekuiti Nasional, the Minister in the Prime Minister's Department, Yang Berhormat Datuk Seri Abdul Rahman Dahlan, who is responsible for the Economic Planning Unit (EPU) and the agencies that it oversees including Ekuinas, as well as the Distribution Section of the EPU.

We take this opportunity to extend our appreciation to the teams of smart and dedicated people within Ekuinas and in our portfolio companies. We believe we have taken big steps in delivering on Ekuinas' objectives and we are steadfast in our commitment to doing our utmost in the coming years.

We also extend our deepest gratitude to the Board of Directors for their commitment and guidance during the year. We look forward to another exciting year ahead and remain confident that we can continue our track record of creating robust market leaders and deliver on our mandate of advancing sustainable Bumiputera economic participation.

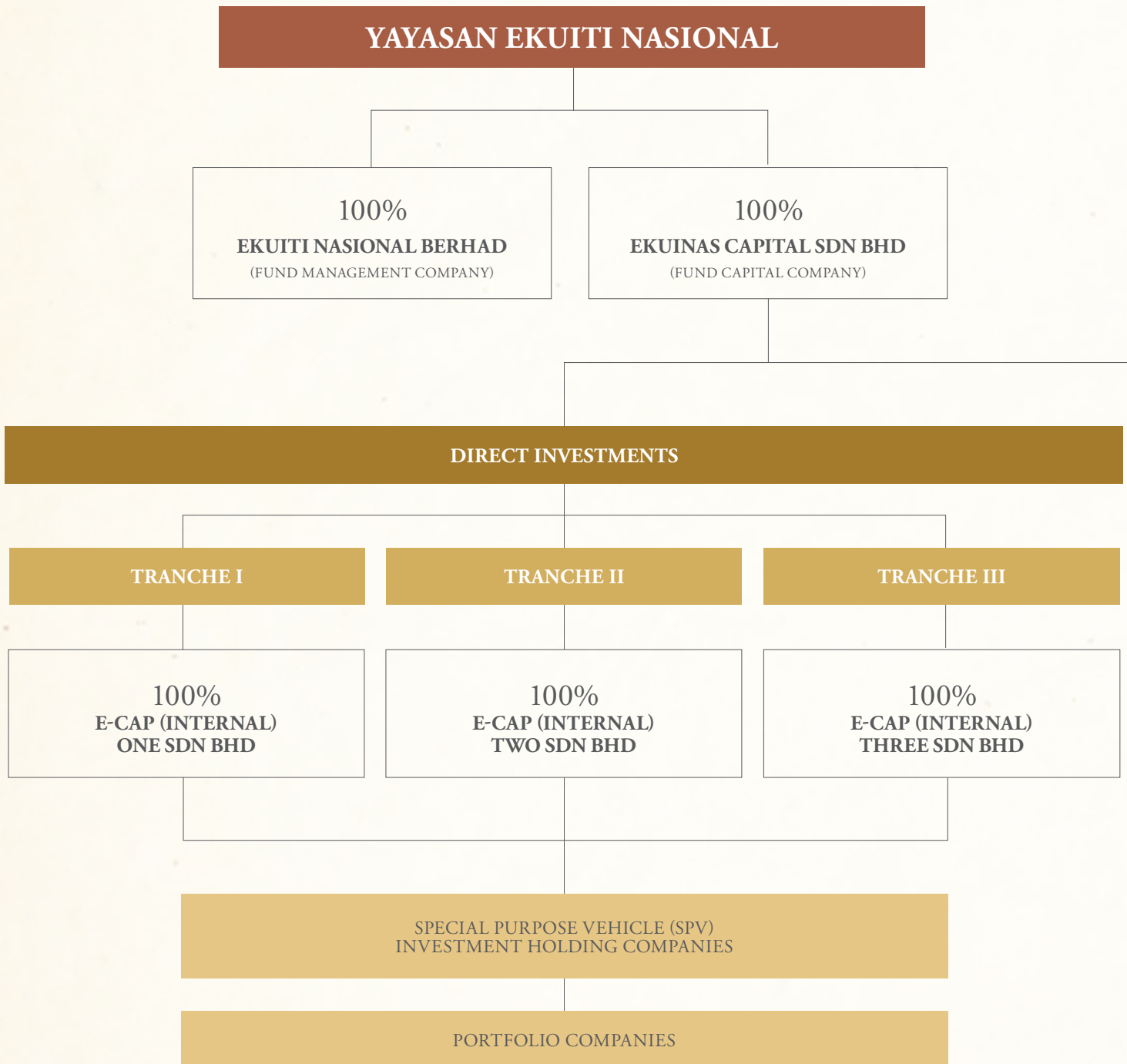
**Raja Tan Sri Dato' Seri Arshad
Raja Tun Uda**
Chairman

Syed Yasir Arafat Syed Abd Kadir
Chief Executive Officer

Leadership

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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
*(Alternate Director to
Datuk Seri Dr. Rahamat Bivi Yusoff)*

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

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

Nomination & Remuneration Committee

Tan Sri Dato' Seri Mohamed Jawhar Hassan
(Chairman)

Raja Tan Sri Dato' Seri Arshad
Raja Tun Uda

Tan Sri Mohamed Azman Yahya

Investment Committee

Tan Sri Mohamed Azman Yahya
(Chairman)

Datuk Ali Abdul Kadir

Syed Yasir Arafat Syed Abd Kadir

Mazhairul Jamaludin

Nik Johaan Nik Hashim

Idham Ismail

CSR Committee

Datuk Noriyah Ahmad
(Chairman)

Syed Yasir Arafat Syed Abd Kadir
(alternately Mazhairul Jamaludin)

Nik Johaan Nik Hashim

Hizwani Hassan

COMPANY SECRETARY

Saiful Nizam Yasin (LS 008955)
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 16, Surian Tower
No. 1, Jalan PJU 7/3
Mutiarra Damansara
47810 Petaling Jaya, Selangor

MANAGEMENT COMMITTEE

Syed Yasir Arafat Syed Abd Kadir
Chief Executive Officer

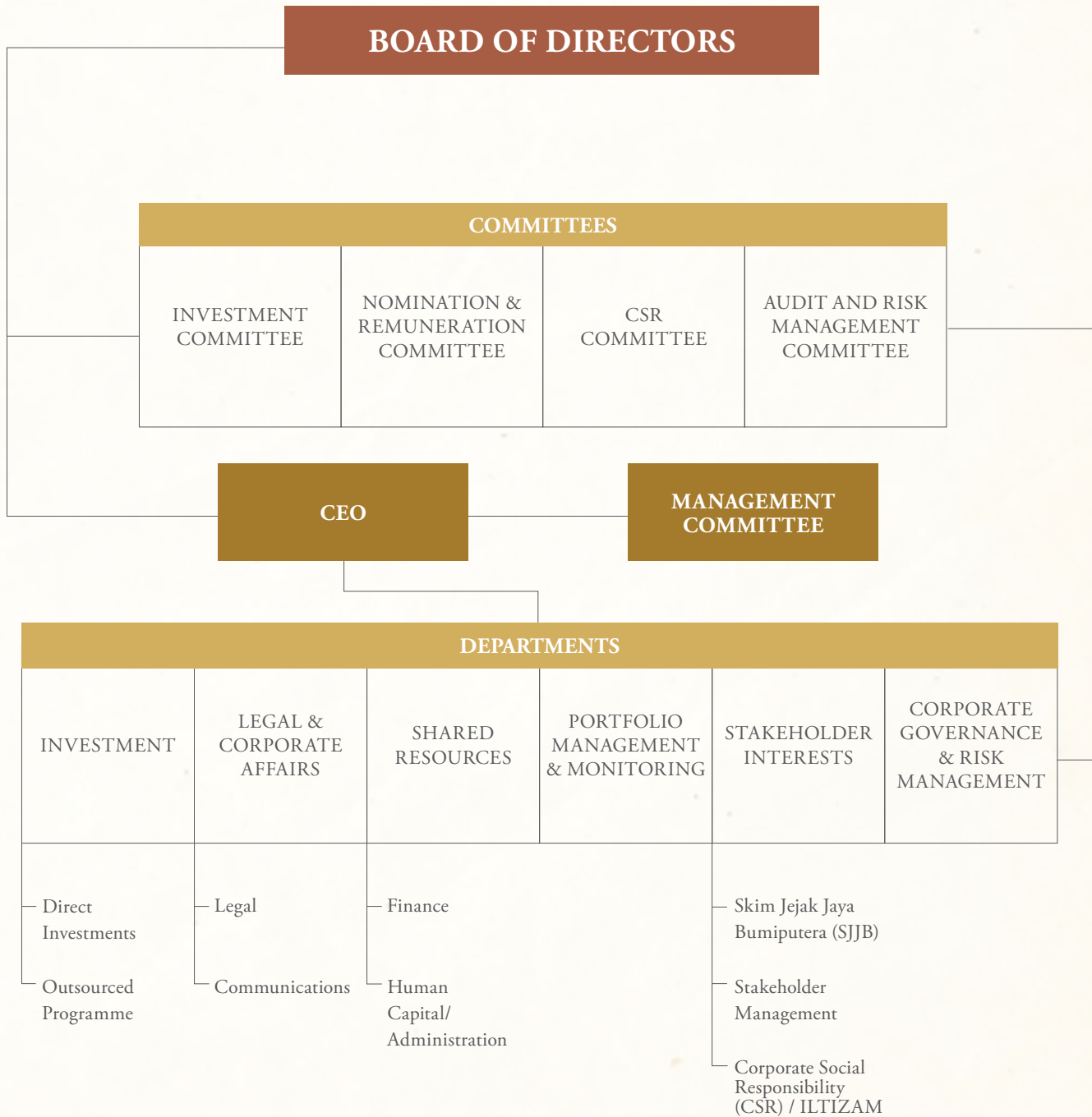
Mazhairul Jamaludin
*Chief Financial Officer/
Senior Director, Investment/Outsourcing*

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

Roselinda Hashim
Senior Director, Legal & Corporate Affairs

Idham Ismail
Senior Director, Investment

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 Committee and a member of the Nomination and Remuneration Committee.

Currently, Raja 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 Arshad is also the Chancellor of Universiti Selangor.

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

Board of Directors



Syed Yasir Arafat Syed Abd Kadir
Chief Executive Officer

Syed Yasir Arafat Syed Abd Kadir is the Chief Executive Officer (CEO). He leads the Management Committee and is a member of the Investment Committee. He was the Managing Partner, Investment at Ekuinas since the Company's inception and assumed the role of CEO in March 2016.

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 nine years, starting as VP Corporate Finance specialising in areas of mergers and acquisitions, equity and equity-linked fund raising, debt fund raising and financial advisory for some of Malaysia's leading companies in banking, plantations, automotive, telecommunications and property, among others.

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

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

Board of Directors



Tan Sri Dato' Seri Mohamed Jawhar Hassan
Independent Non-Executive Director

Tan Sri 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 Committee.

Tan Sri Dato' Seri Jawhar is also a Commission Member of the Securities Commission Malaysia and sits on the Board of Affin Bank Berhad.

Tan Sri Dato' Seri Jawhar was the Non-Executive Chairman of The New Straits Times Press (M) Berhad and also an Independent Non-Executive Director of Media Prima Berhad until his retirement from the posts in August 2016.

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, of the Economic Council Working Group and a member, of the Advisory Panel, Malaysian Anti-Corruption Commission. He was formerly Co-Chair of the Council for Security Cooperation in the Asia Pacific (CSCAP).

He is presently an Expert and Eminent Person of the ASEAN Regional Forum (ARF).

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 and AIA Group Limited. Tan Sri Azman serves as member of The Capital Market Advisory Group of the Securities Commission. 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.

Board of Directors



Datuk Seri Dr Rahamat Bivi Yusoff

Non-Executive Director

Datuk Seri Dr Rahamat Bivi Yusoff became the 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 Directors in other agencies such as Malaysia-Thailand Joint Authority (MTJA), Federal Land Development Authority (FELDA), 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.

Board of Directors

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 30 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, Institut Tadbiran Awam Negara (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 Authority (MTJA) and also a member of the Board of Directors of Malaysian Investment Development Authority (MIDA), Zecon Medicare Sdn Bhd, Zecon Berhad 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.



Datuk Noriyah Ahmad
Independent Non-Executive Director

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 is currently the Chairman of JcbNext Berhad, ENRA Group Berhad and Privasia Technology Berhad, and is a Board Member of Labuan Financial Services Authority, Glomac Berhad and Citibank Berhad. He was also a member of the Panel of Advisors at University Malaya'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 and was the President of MICPA.

Board of Directors



Johan Mahmood Merican

Non-Executive Director

Alternate Director to Datuk Seri Dr Rahamat Bivi Yusoff

Johan Mahmood Merican was appointed as an Independent Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas) on 1 October 2015 and was then re-designated as the Alternate Director to Datuk Seri Dr. Rahamat Bivi Yusoff when he returned to the Economic Planning Unit, Prime Minister Department (EPU) as the Deputy Director General (Human Capital).

He was the Chief Executive Officer of Talent Corporation Malaysia (TalentCorp) until his secondment ended in May 2016. Previously, Johan was the Principal Private Secretary to the Minister in the Prime Minister's Department 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).

Senior Management



Syed Yasir Arafat Syed Abd Kadir's

profile is presented on page 45.



Mazhairul Jamaludin

Mazhairul Jamaludin is the Chief Financial Officer (CFO) and Senior Director, Investment/Outsourcing as well as a member of the Investment Committee and Management Committee. Mazhairul heads Ekuinas' Outsourced Programme and is the Senior Director in charge of Ekuinas' education portfolio, ILMU Education Group (ILMU) and Tranglo Sdn Bhd. 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 Accountants in Business (PAIB) Committee of the MIA and sits on the board of Cradle Fund Sdn Bhd as an Independent Non-Executive Director.

Senior Management



Nik Johaan Nik Hashim

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

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.



Roselinda Hashim

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

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

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



Idham Ismail

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

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

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

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

Performance

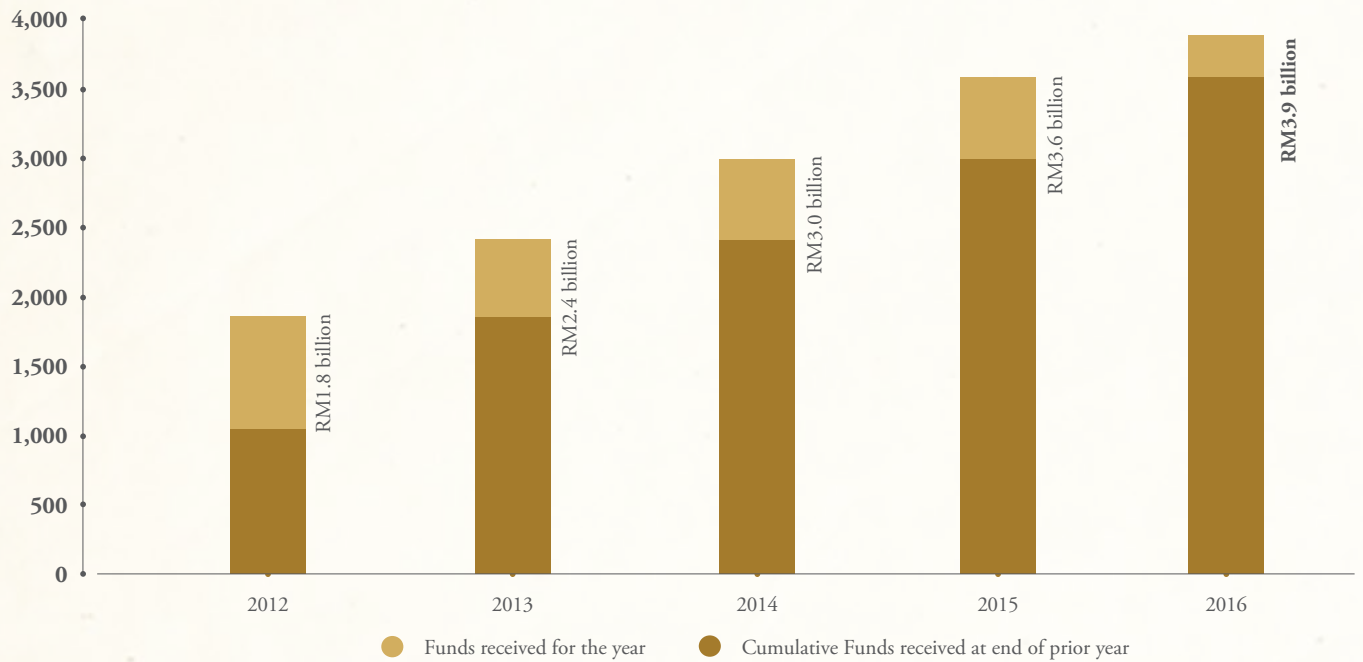
Investment Performance Report

A. OVERALL

1. Funds Received

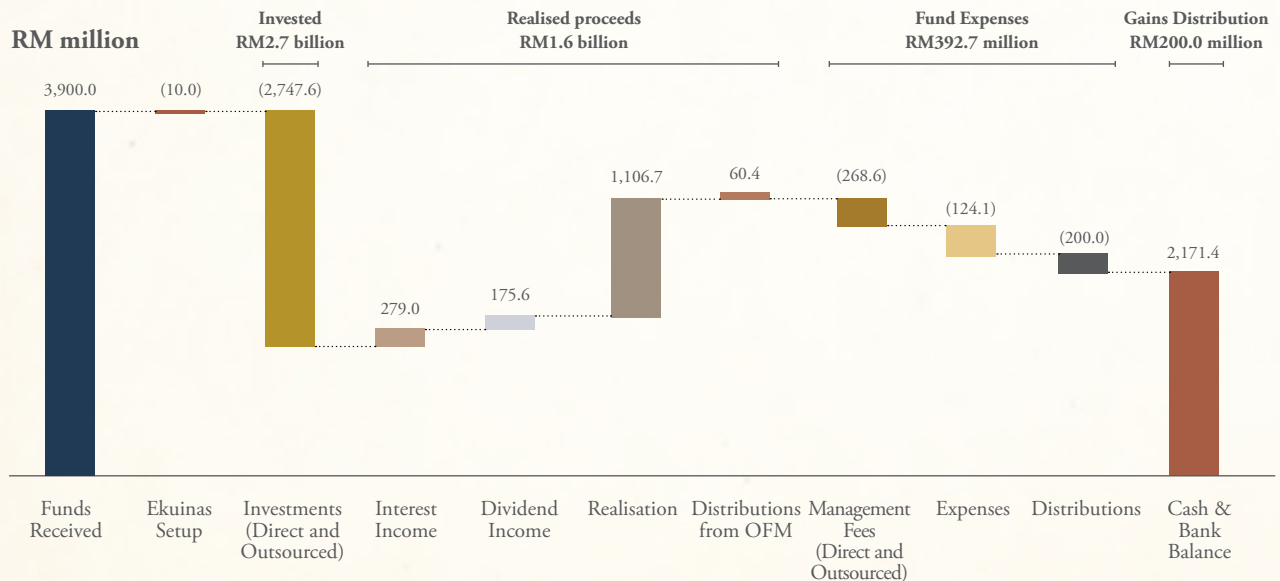
Total Cumulative Funds received of RM3.9 billion : RM300.0 million received in 2016

RM million



2. Funds Utilisation

Invested Capital of RM2.7 billion : RM1.6 billion already realised



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 + 2 + 1 years years year		Term 5 to 2 years years			
Investment Period 3 to 5 years 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 2016

RM million Portfolio Company	Sector	Stake	Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
Follow-on investments:					
1 Icon Offshore Berhad (ICON)	Oil & Gas	N/A	54.6	-	54.6
New investments:					
1 Al-Ikhsan Sports Sdn Bhd (Al-Ikhsan)	Retail	35.0%	68.6	-	68.6
Total for the year			123.2	-	123.2

Investment Performance Report

b) Cumulative Direct Investment activities as at 31 December 2016

RM million	Portfolio Company	Sector	Stake	Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
EkuiNAS Direct (Tranche I) Fund						
1	Alliance Cosmetics Group (ACG)	FMCG	20.0%	39.9	119.6	159.5
2	Tanjung Offshore Berhad (TOB)	Oil & Gas	24.0%	99.8	-	99.8
3	Konsortium Logistik Berhad (KLB)	Services	61.6%	241.0	-	241.0
4	APIIT Education Group (APIIT)	Education	51.0%	102.0	-	102.0
5	Burger King Group (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
EkuiNAS Direct (Tranche II) Fund						
1	Burger King Group (BK)	Retail - F&B	100.0%	99.8**	-	99.8
2	Icon Offshore Berhad (ICON)*	Oil & Gas	17.4%	277.7	-	277.7
3	PrimaBaguz Sdn Bhd (PrimaBaguz)	Food Manufacturing	100.0%	40.0	-	40.0
4	Asia Pacific Institute of Information Technology Lanka Pvt Ltd (APIIT Lanka)	Education	45.9%	20.3**	-	20.3
5	Lyndarahim Ventures Sdn Bhd (SF)*	Retail - F&B	-	5.0	-	5.0
6	Revenue Valley Group (RV)	Retail - F&B	-	10.0*	-	10.0
7	Coolblog Sdn Bhd (Coolblog)	Retail - F&B	60.0%	50.8	-	50.8
8	Orkim Sdn Bhd (Orkim)*	Oil & Gas	95.5%	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				1,043.9	-	1,043.9
EkuiNAS Direct (Tranche III) Fund						
1	MediExpress (Malaysia) Sdn Bhd (Medix)	Healthcare	60.0%	58.8	-	58.8
2	PMCare Sdn Bhd (PMCare)	Healthcare	60.0%	21.0	-	21.0
3	ILMU Education Group (ILMU)	Education	100.0%	150.0	-	150.0
4	Al-Ikhsan Sports Sdn Bhd (Al-Ikhsan)	Retail	35.0%	68.6	-	68.6
Total Investment Undertaken – Tranche III				298.4	-	298.4
Cumulative Total Investment Undertaken				2,600.5	122.1	2,722.6

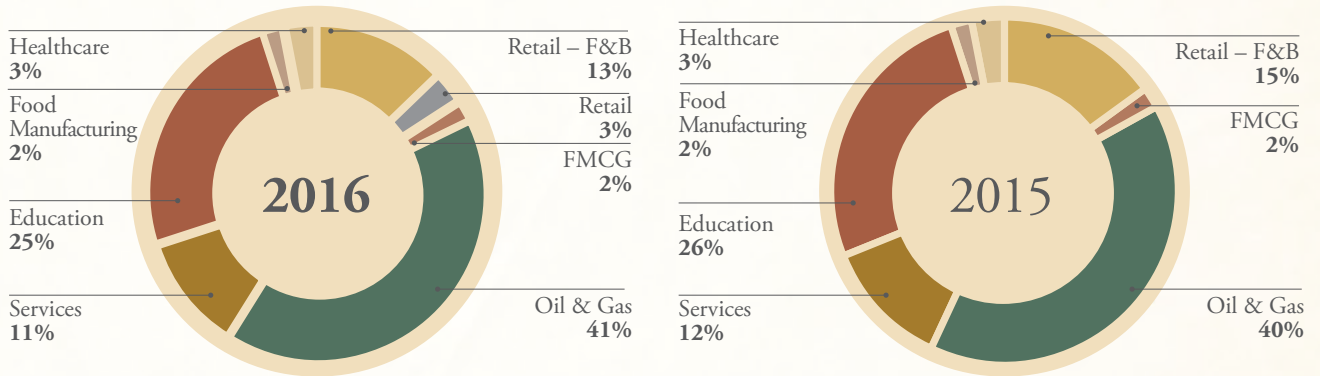
* Includes follow-on investments.

** After reallocation of unutilised commitment.

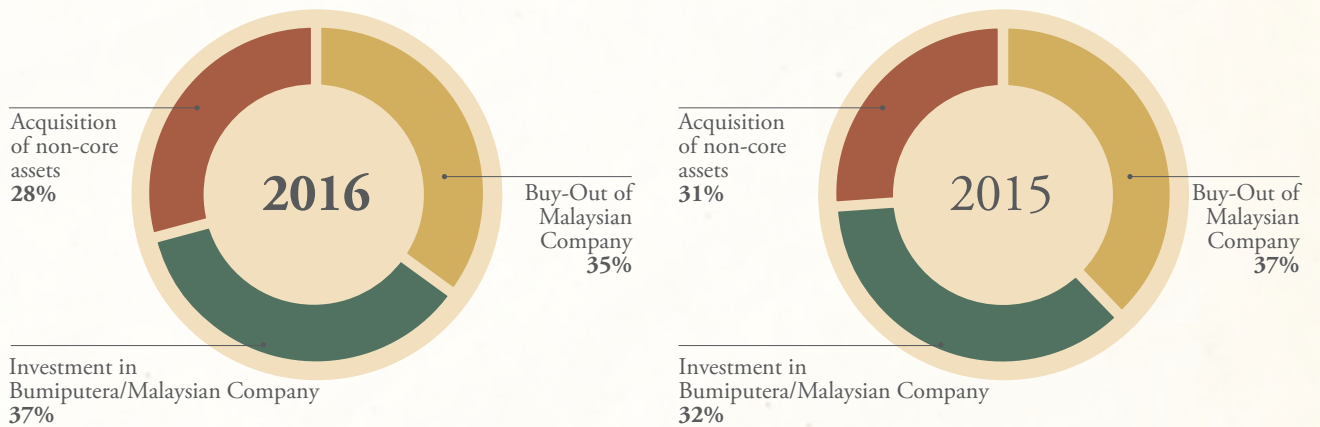
Investment Performance Report

c) Investment Composition Analysis

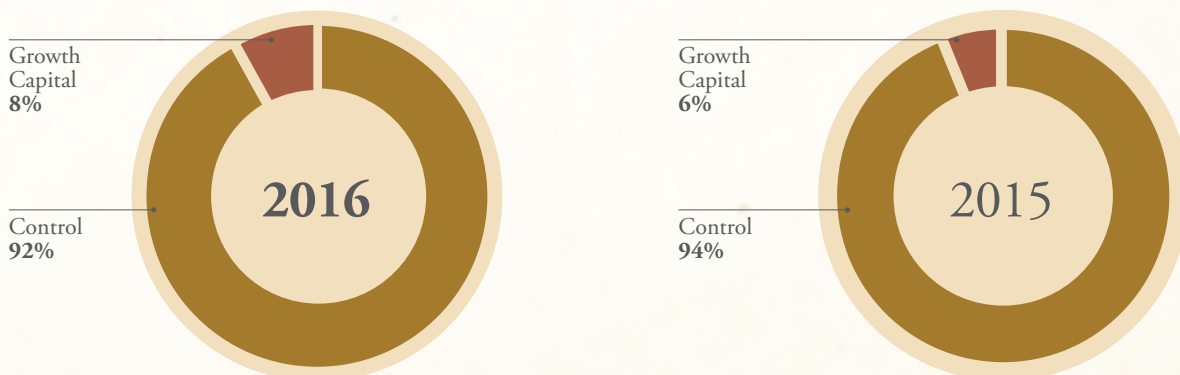
BY SECTOR



BY CATEGORY



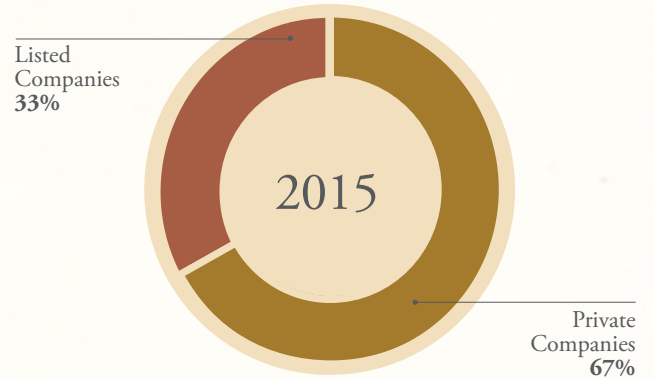
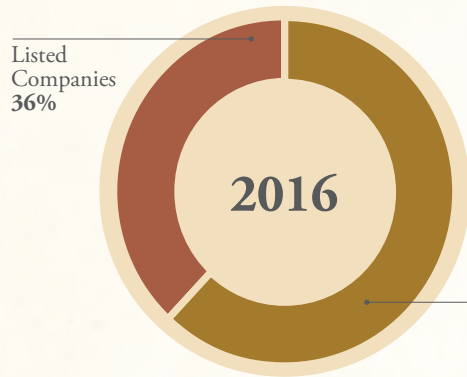
CONTROL VS GROWTH CAPITAL DEALS



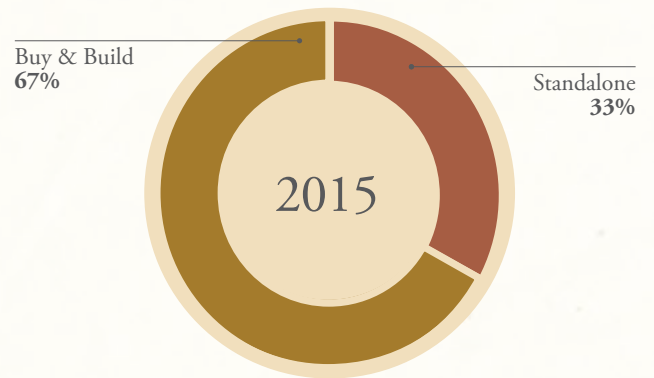
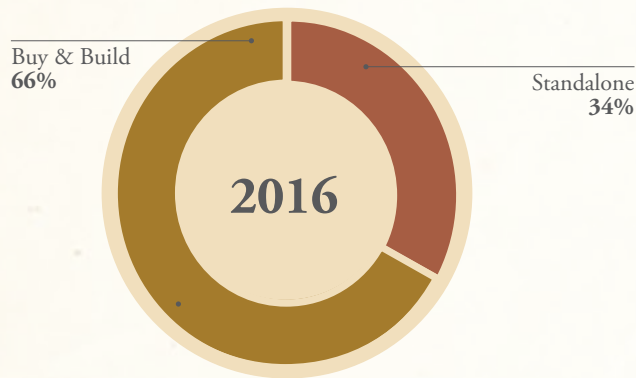
Investment Performance Report

c) Investment Composition Analysis (continued)

LISTED COMPANIES VS PRIVATE COMPANIES



STANDALONE VS BUY & BUILD



Investment Performance Report

3. Realisation Activities

a) Realisation Activities for 2016

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						
ACG	2016	100.0	39.9	61.8	9.0%	1.5
Total proceeds from realisation				61.8	9.0%	1.5

b) Cumulative Realisation Activities as at 31 December 2016

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	-19.7%	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
ACG	2016	100.0	39.9	61.8	9.0%	1.5
Partial realisation						
ICON#	2014	52.0	208.9	545.4	68.0%	2.6
Total proceeds from realisation			782.6	1,117.0	16.5%	1.4

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

* The realisation of Tanjung Offshore Berhad forms part of Ekuinas' restructuring of its Oil and Gas portfolio as it reinvested the proceeds into additional investment in Icon Offshore Berhad.

Investment Performance Report

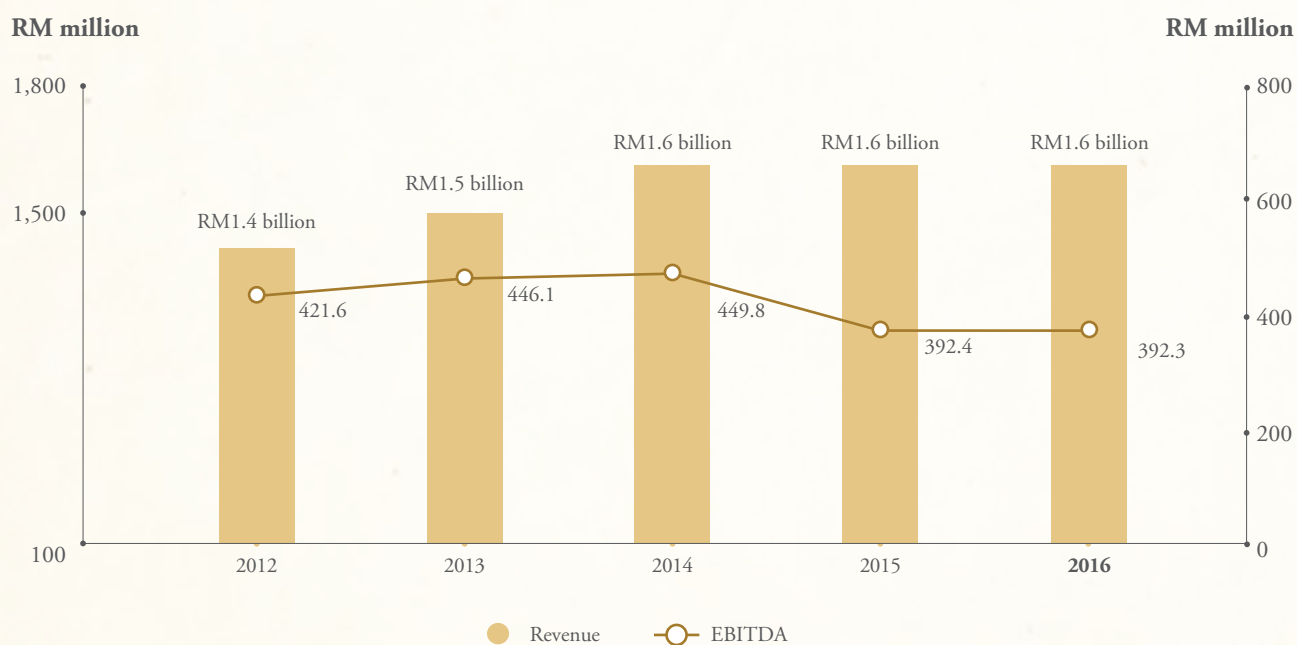
4. Portfolio Companies' Performance

a) Portfolio Companies' Performance – Combined Revenue and EBITDA

	Revenue (RM million)			EBITDA (RM million)*		
	2016 A	2015 B	% Growth A – B	2016 A	2015 B	% Growth A – B
Education	421.3	406.1	3.7%	110.9	106.4	4.2%
Food Group	395.6	380.9	3.9%	50.1	45.3	10.5%
ICON	226.8	266.6	-14.9%	93.7	118.4	-20.9%
Orkim	161.1	124.4	29.5%	86.0	75.0	14.6%
Tranglo	131.1	113.8	15.1%	5.2	5.2	-0.1%
Medix & PMCare	55.5	48.6	14.1%	22.3	16.5	35.2%
Al-Ikhsan	249.4	256.8	-2.9%	24.1	25.7	-6.2%
Combined Portfolio Companies	1,640.8	1,597.2	2.7%	392.3	392.4	0.0%

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

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



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

Investment Performance Report

5. Fund Performance

5.1 Ekuinas Direct (Tranche I) Fund

a) Fund Net Assets Value (NAV) as at 31 December 2016

	2015 RM million	Movement RM million	2016 RM million
A. Capital Commitment	1,000.0	-	1,000.0
B. Capital Called	1,112.8	12.6	1,125.4
C. Capital Reinvested	168.0	-	168.0
D. Total Capital Contributed (B+C)	1,280.8	12.6	1,293.4
E. Debt Drawdown (Amortised Cost)	37.3	(37.3)	-
F. Total Capital Invested (D+E)	1,318.1	(24.7)	1,293.4
Plus Increases/(Decreases) to Net Assets Value:			
Dividend Income	62.6	(26.8)	35.8
Net Unrealised Gain/(Loss) on Fair Value of Investments	256.5	(114.6)	141.9
Realised Gain from Divestment	289.9	16.9	306.8
Interest Expenses	(17.7)	(0.4)	(18.1)
Total Gross Portfolio Return	591.3	(124.9)	466.4
Organisational Expenses	(232.4)	(12.2)	(244.6)
Capital Distributions to Limited Partners (C+H)*	(878.5)	-	(878.5)
Net Decrease in Net Assets Value	(519.6)	(137.1)	(656.7)
G. Net Assets Value	798.5	(161.8)	636.7
Net Assets Value made up of:			
Investments – at cost	706.9	(59.9)	647.0
Net Unrealised Gain/(Loss) on Fair Value of Investments	256.5	(114.6)	141.9
Investments carried at Fair Value	963.4	(174.5)	788.9
Plus: Cash Balance	6.0	(2.2)	3.8
Plus: Working Capital	(170.9)	14.9	(156.0)
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	798.5	(161.8)	636.7
Net Assets Value	798.5	(161.8)	636.7
H. Capital Distributed	710.5	-	710.5
Total Net Assets Value plus Distributed Capital (G+H)	1,509.0	(161.8)	1,347.2
Gross IRR p.a.	14.8%		13.1%
Net IRR p.a. (before carried interest)	10.9%		9.4%

* Includes deemed distribution for reinvested capital.

Investment Performance Report

b) Ekuinas Direct (Tranche I) Fund Portfolio Performance as at 31 December 2016

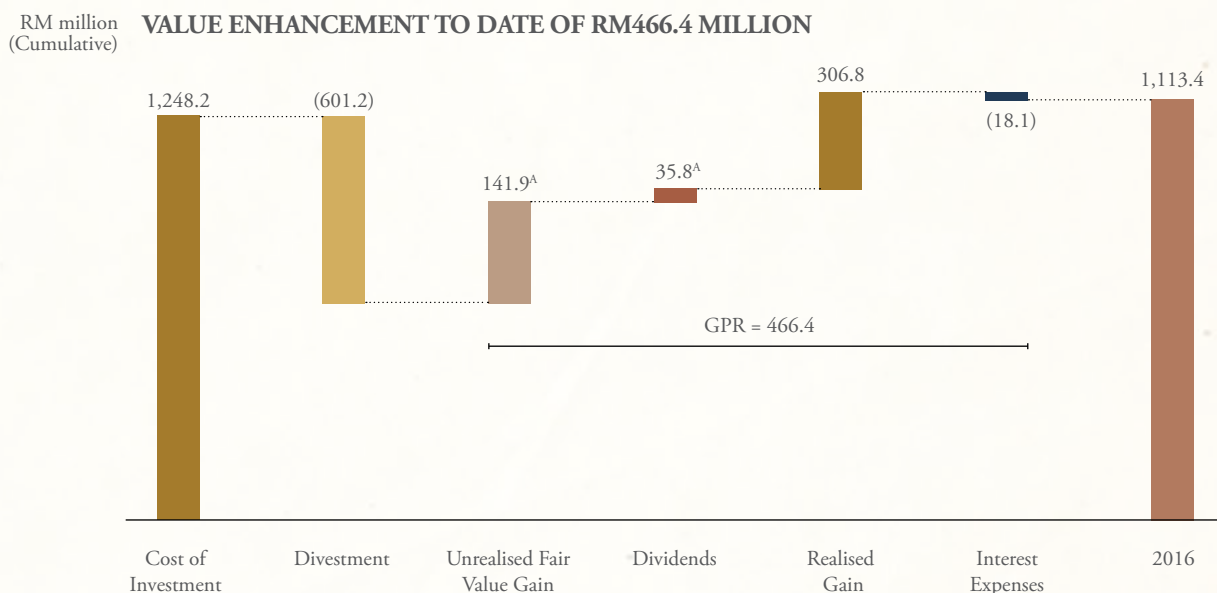
Company	Stake %	Cost of Investment [#] RM million
Investment:		
APIIT	51.0	102.0
Cosmopoint	90.0	246.0
UNITAR	90.0	58.5
RV	85.8	64.6
ICON	32.7	175.9
		647.0
Divestment:		
TOB	24.0	99.8
KLB	61.6	241.0
BKM	74.1	68.2
ICON	38.0	132.3
SF	90.0	20.0
ACG	20.0	39.9
		601.2
Total		1,248.2

[#] Cost of investment represents amount of committed investment utilised.

GROSS PORTFOLIO RETURN		TOTAL PORTFOLIO VALUE	
RM466.4 million		RM1.1 billion	
DIVIDEND INCOME	INCREASE IN FAIR VALUE	IRR %	
RM35.8 million	RM141.9 million	GROSS IRR	
		13.1% p.a.	
GAIN ON DIVESTMENT	INTEREST EXPENSES	NET IRR	
RM306.8 million	(RM18.1) million	9.4% p.a.	

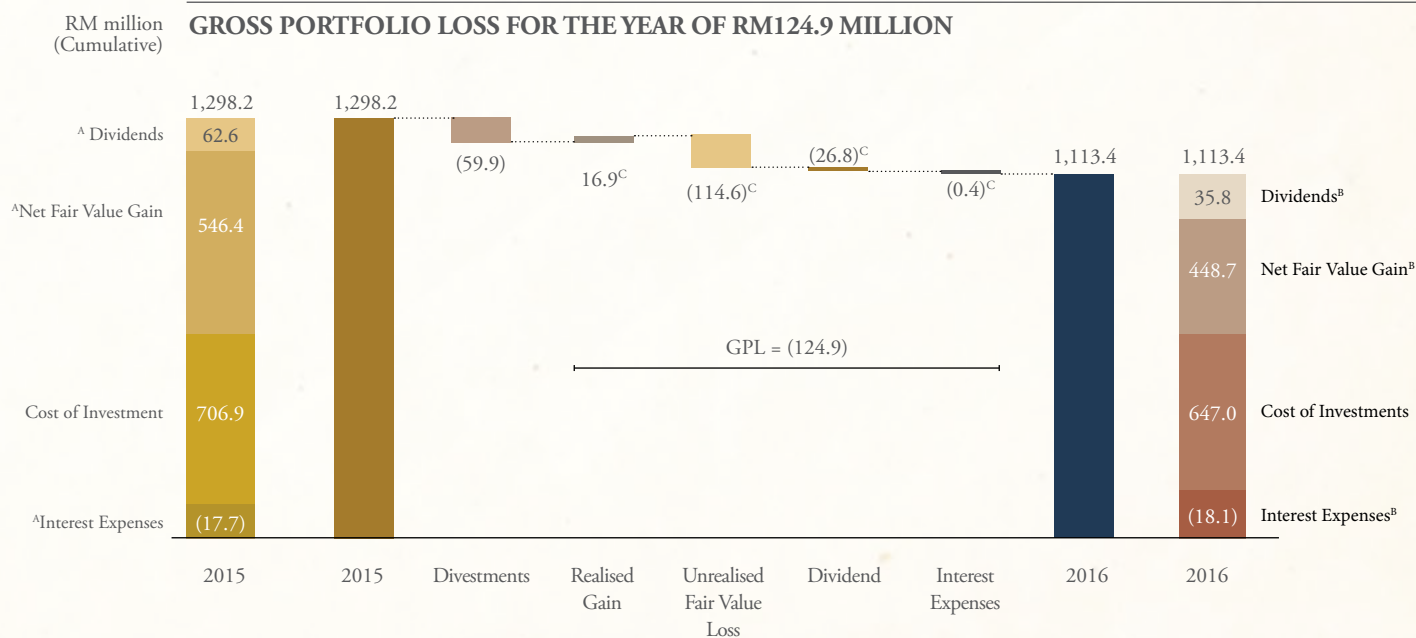
Investment Performance Report

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



^A These numbers combined make up to cumulative Gross Portfolio Return for 2016 of RM466.4 million.

d) Ekuinas Direct (Tranche I) Fund Portfolio Value Movement as at 31 December 2016



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

^B These numbers combined make up to cumulative Gross Portfolio Return for 2016 of RM466.4 million.

^C These numbers combined make up to movement for the year of RM124.9 million.

Investment Performance Report

5.2 Ekuinas Direct (Tranche II) Fund

a) Fund Net Assets Value (NAV) as at 31 December 2016

	2015 RM million	Movement RM million	2016 RM million
A. Capital Commitment	1,000.0	-	1,000.0
B. Capital Called	892.8	132.7	1,025.5
C. Capital Reinvested	4.8	-	4.8
D. Total Capital Contributed (B+C)	897.6	132.7	1,030.3
E. Debt Drawdown (Amortised Cost)	105.0	(5.0)	100.0
F. Total Capital Invested (D+E)	1,002.6	127.7	1,130.3
Plus Increases to Net Assets Value:			
Dividend Income	3.1	6.9	10.0
Net Unrealised Gain on Fair Value of Investments	106.2	188.7	294.9
Realised Gain from Divestment	26.6	1.0	27.6
Interest Income/(Expenses)	(2.6)	1.7	(0.9)
Total Gross Portfolio Return	133.3	198.3	331.6
Organisational Expenses	(78.7)	(48.5)	(127.2)
Capital Distributions to Limited Partners (C+H)*	(102.6)	-	(102.6)
Net Increase/(Decrease) in Net Assets Value	(48.0)	149.8	101.8
G. Net Assets Value	954.6	277.5	1,232.1
Net Assets Value made up of:			
Investments – at cost	707.6	79.2	786.8
Net Unrealised Gain on Fair Value of Investments	106.2	188.7	294.9
Investments carried at Fair Value	813.8	267.9	1,081.7
Plus: Cash Balance	6.3	6.7	13.0
Plus: Working Capital	116.4	6.6	123.0
Plus: Uncalled Capital	18.1	(3.7)	14.4
Equals Net Assets Value	954.6	277.5	1,232.1
Net Assets Value	954.6	277.5	1,232.1
H. Capital Distributed	97.8	-	97.8
Total Net Assets Value plus Distributed Capital (G+H)	1,052.4	277.5	1,329.9
Gross IRR p.a.	13.0%		18.1%
Net IRR p.a. (before carried interest)	5.7%		12.7%

* Includes deemed distribution for reinvested capital.

Investment Performance Report

b) Ekuinas Direct (Tranche II) Fund Portfolio Performance as at 31 December 2016

Company	Stake %	Cost of Investment [#] RM million
Investment:		
ICON	9.6	156.1
PrimaBaguz	100.0	40.0
APIIT Lanka	45.9	20.3
RV	-	10.0
Coolblog	60.0	45.8
Orkim	95.5	391.8
Tenby	70.0	70.0
Tranglo	60.0	52.8
		786.8
Divestment:		
BKS	100.0	47.2
BKM	20.9	52.6
ICON	7.8	76.6
SF	-	5.0
		181.4
Total		968.2

Cost of investment represents amount of committed investment utilised.

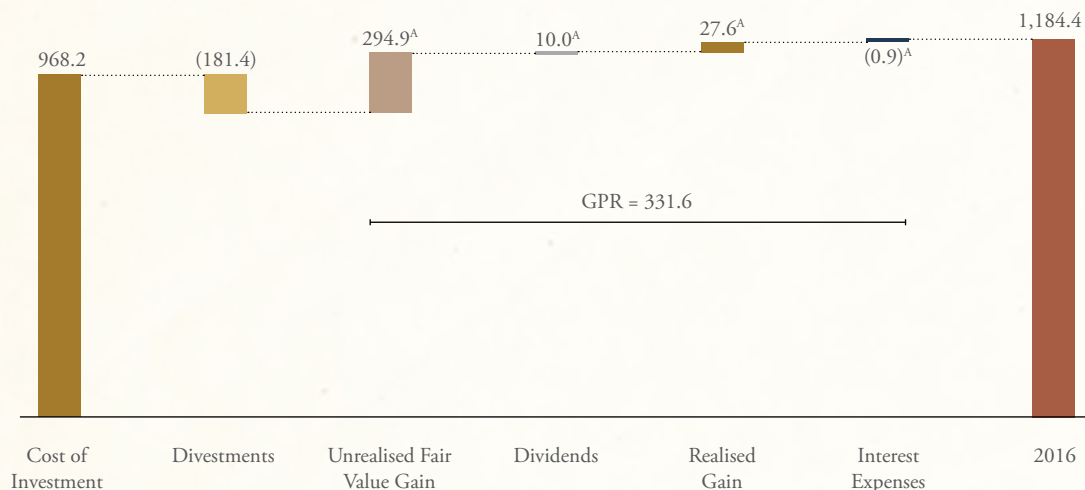
GROSS PORTFOLIO RETURN		TOTAL PORTFOLIO VALUE	
RM331.6 million		RM1.1 billion	
DIVIDEND INCOME	INCREASE IN FAIR VALUE	IRR %	
RM10.0 million	RM294.9 million	GROSS IRR	
		18.1% p.a.	
GAIN ON DIVESTMENT	INTEREST EXPENSES	NET IRR	
RM27.6 million	(RM0.9) million	12.7% p.a.	

Investment Performance Report

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

RM million
(Cumulative)

VALUE ENHANCEMENT TO DATE OF RM331.6 MILLION

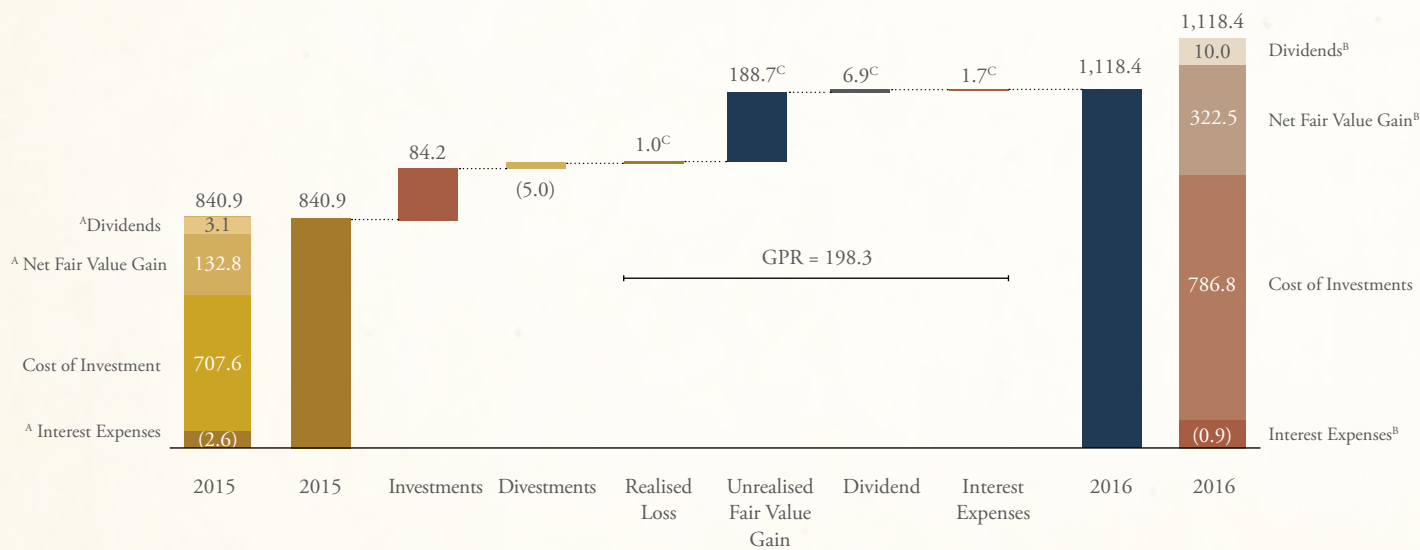


^A These numbers combined make up to cumulative Gross Portfolio Return for 2016 of RM331.6 million.

d) Ekuinas Direct (Tranche II) Fund Portfolio Value Movement as at 31 December 2016

RM million
(Cumulative)

GROSS PORTFOLIO GAIN FOR THE YEAR OF RM198.3 MILLION



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

^B These numbers combined make up to cumulative Gross Portfolio Return for 2016 of RM331.6 million.

^C These numbers combined make up to movement for the year of RM198.3 million.

Investment Performance Report

5.2 Ekuinas Direct (Tranche III) Fund

(a) Fund Net Assets Value (NAV) as at 31 December 2016

	2015 RM million	Movement RM million	2016 RM million
A. Capital Commitment	1,500.0	-	1,500.0
B. Capital Called	121.9	232.5	354.4
C. Capital Reinvested	-	-	-
D. Total Capital Contributed (B+C)	121.9	232.5	354.4
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	121.9	232.5	354.4
Plus Decreases to Net Assets Value:			
Dividend Income	-	19.8	19.8
Net Unrealised Loss on Fair Value of Investments	-	(37.2)	(37.2)
Realised Gain from Divestment	-	-	-
Interest Income/(Expenses)	-	-	-
Total Gross Portfolio Loss	-	(17.4)	(17.4)
Organisational Expenses	(33.3)	(28.2)	(61.5)
Capital Distributions to Limited Partners (C+H)*	-	-	-
Net Decrease in Net Assets Value	(33.3)	(45.6)	(78.9)
G. Net Assets Value	88.6	186.9	275.5
Net Assets Value made up of:			
Investments – at cost	88.6	204.3	292.9
Net Unrealised Loss on Fair Value of Investments	-	(37.2)	(37.2)
Investments carried at Fair Value	88.6	167.1	255.7
Plus: Cash Balance	-	-	-
Plus: Working Capital	(0.0)	19.8	19.8
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	88.6	186.9	275.5
Net Assets Value	88.6	186.9	275.5
H. Capital Distributed	-	-	-
Total Net Assets Value plus Distributed Capital (G+H)	88.6	186.9	275.5
Gross IRR p.a.	N/M [#]		N/M [#]
Net IRR p.a. (before carried interest)	N/M [#]		N/M [#]

[#] The Gross IRR and Net IRR for Ekuinas Direct (Tranche III) Fund are not presented as the fund is still in early stages of investments.

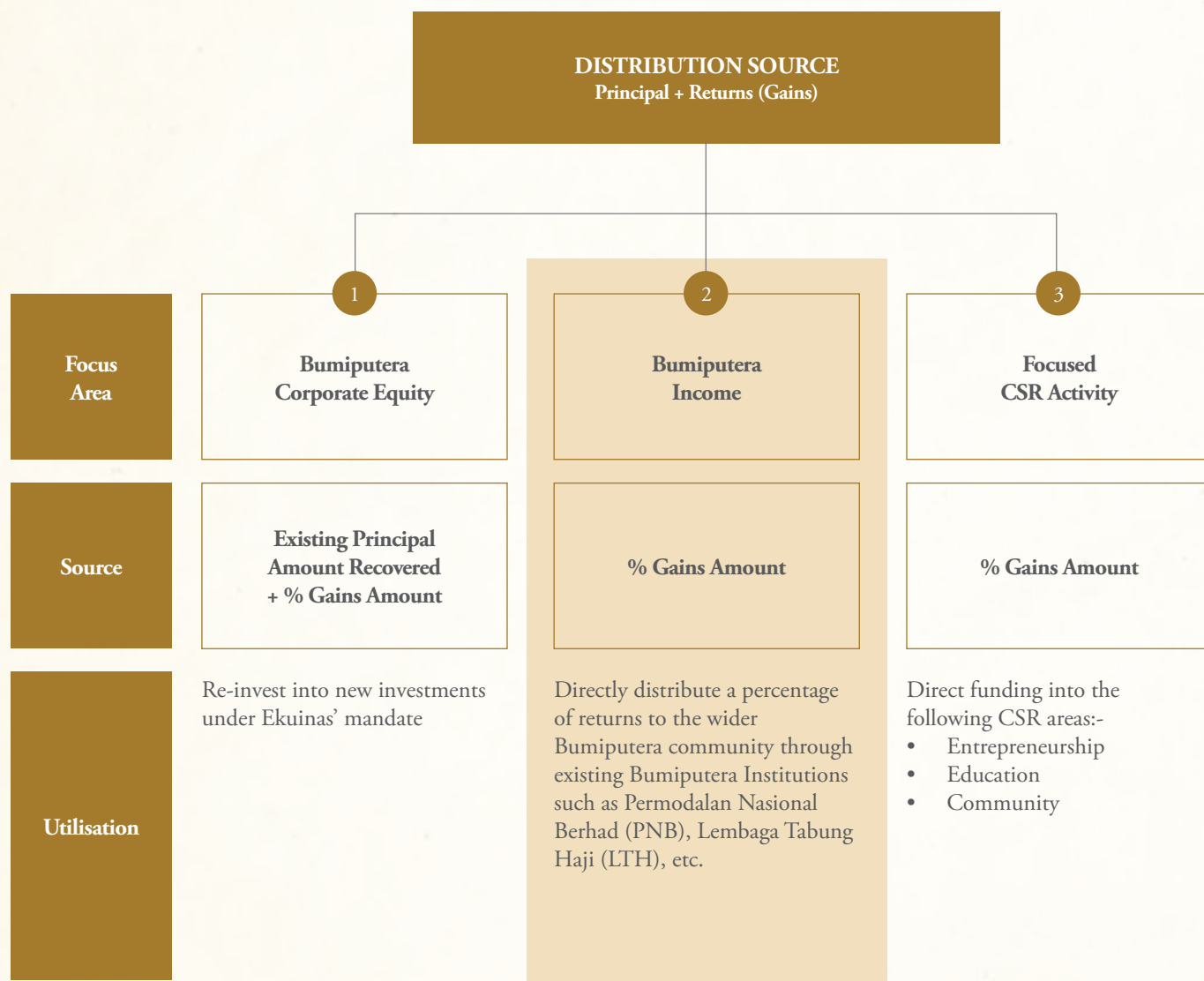
* Includes deemed distribution for reinvested capital.

Investment Performance Report

6. Distribution





Committed Amount	RM 500.0 million
Distributed Amount as at 31 December 2016	RM 200.0 million

DISTRIBUTION FRAMEWORK



Investment Performance Report

PORTFOLIO COMPANIES

    	<p>TENBY EDUCARE SDN BHD</p> <p>Investment type Majority investment in a strong Malaysian company</p> <p>Acquisition date March 2015</p> <p>Capital invested RM107.5 million</p> <p>Ownership 100.0%</p>	   	<p>PRIMA Baguz</p> <p>PRIMABAGUZ SDN BHD</p> <p>Investment type Majority investment in a strong Malaysian company</p> <p>Acquisition date November 2013</p> <p>Capital invested RM40.0 million</p> <p>Ownership 100.0%</p>	<p>Tranglo</p> <p>TRANGLO SDN BHD</p> <p>Investment type Majority investment in a strong Malaysian company</p> <p>Acquisition date March 2015</p> <p>Capital invested RM52.8 million</p> <p>Ownership 60.0%</p>	<p>al-ikhshan</p> <p>AL-IKHSAN SPORTS SDN BHD</p> <p>Investment Type Investment in a strong Malaysian company</p> <p>Acquisition Date July 2016</p> <p>Capital invested RM67.3million</p> <p>Ownership 35.0%</p>
<p>APIIT EDUCATION GROUP</p> <p>Investment type Buy-out of a non-core asset from PLC</p> <p>Acquisition date February 2011</p> <p>Capital invested RM197.8 million</p> <p>Ownership 100.0%</p>	 <p>UNITAR INTERNATIONAL UNIVERSITY</p> <p>Investment type Majority investment in a strong Malaysian company</p> <p>Acquisition date May 2012</p> <p>Capital invested RM72.3 million</p> <p>Ownership 100.0%</p>	<p>REVENUE VALLEY SDN BHD</p> <p>Investment type Majority investment in a strong Malaysian company</p> <p>Acquisition date January 2012</p> <p>Capital invested RM74.6 million</p> <p>Ownership 85.8%</p>	<p>ICON OFFSHORE</p> <p>ICON OFFSHORE BHD</p> <p>Investment type Majority investment in a strong Malaysian company</p> <p>Acquisition date November 2012, merger of TKS and Omni</p> <p>Capital invested RM540.9 million</p> <p>Ownership 42.3%</p> <p>Partial Divestment June 2014 + 45.8%</p>	  <p>MEDIEXPRESS (MALAYSIA) SDN BHD & PMCARE SDN BHD</p> <p>Investment type Majority investment in a strong Malaysian company</p> <p>Acquisition date December 2015</p> <p>Capital invested RM75.6 million</p> <p>Ownership 60.0%</p>	
<p>cosmopoint COLLEGE OF TECHNOLOGY</p>  <p>COSMOPOINT GROUP</p> <p>Investment type Majority investment in a strong Malaysian company</p> <p>Acquisition date March 2012</p> <p>Capital invested RM246.0 million</p> <p>Ownership 90.0%</p>	 <p>APIIT LANKA</p> <p>Investment type Follow-on investment to expand regionally</p> <p>Acquisition date December 2013</p> <p>Capital invested RM23.2 million</p> <p>Ownership 83.5%</p>	 <p>COOLBLOG DESSERTS SDN BHD</p> <p>Investment type Majority investment in a strong Malaysian company</p> <p>Acquisition date July 2014</p> <p>Capital invested RM45.8 million</p> <p>Ownership 60.0%</p>	 <p>ORKIM SDN BHD</p> <p>Investment type Buy-out of non-core assets of GLC</p> <p>Acquisition date December 2014</p> <p>Capital invested RM391.8 million</p> <p>Ownership 95.5%</p>		

Investment Performance Report

ILMU Education Group

INTEGRATED
MULTIBRAND
EDUCATION
PROVIDER

One of the leading
education groups
in Malaysia
with nearly
33,000
students

REVENUE

RM421.3
million

GROWTH

3.7%



TOTAL CAPITAL INVESTED

RM646.8
million



Investment Rationale

Sizeable industry with strong growth potential.

Education groups that have solid performance track record.

Investment Performance Report



PROFILES

APIIT Education Group

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

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: marketable industry-relevant courses that include IT, Business Management, Culinary Arts, Broadcasting and Multimedia
- Student population: More than 6,000

UNITAR International University

- Established: 1997
- Locations: Selangor + 8 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, Setia EcoHill, Johor and Penang
- Type of education: K-12
- Specialises in: Private K-12 education across both international and local syllabus
- Student population: Close to 5,000

	2016 Unaudited RM million	2015 Audited RM million	Growth %
Revenue	421.3	406.1	3.7
EBITDA before EI	110.9	106.4	4.2
Number of students	32,506	34,740	-6.4

EI: Extraordinary items.

Investment Performance Report

Food Group

NUMBER OF OUTLETS

More than
400
across Malaysia
and the region

REVENUE

RM395.6
million

GROWTH
3.9%



TOTAL CAPITAL INVESTED

RM160.4
million



Investment Rationale

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

Investment Performance Report

PROFILES

Revenue Valley Group

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

- Established: 2002
- Total outlets: 112
- Type: Casual dining and Quick Service Restaurants (QSR)

Coolblog Desserts Sdn Bhd

(Coolblog)

- 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 QSR, hotels, restaurants and caterers (HORECA) and wholesalers.



	2016 Unaudited RM million	2015 Audited RM million	Growth %
Revenue	395.6	380.9	3.9
EBITDA before EI	50.1	45.3	10.5
Number of outlets	437	394	10.9

EI: Extraordinary items.

Investment Performance Report

Icon Offshore Berhad

NUMBER OF VESSELS

33

operating in waters off Malaysia, Thailand and Qatar

REVENUE

RM226.8 million

GROWTH -14.9%



TOTAL CAPITAL INVESTED

RM540.9 million

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 has 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.

Investment Rationale

Strong track record of delivering growth.

Platform for building one of the largest local OSV players.

	2016 Unaudited RM million	2015 Audited RM million	Growth %
Revenue	226.8	266.6	-14.9
EBITDA before EI	93.7	118.4	-20.9
PAT before EI	(13.3)	25.3	>-100

EI: Extraordinary items.

Orkim Sdn Bhd

NUMBER OF
VESSELS**16**under ownership
and management

REVENUE

RM161.1
millionGROWTH
29.5%

TOTAL CAPITAL INVESTED

RM391.8
million

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 16 vessels under ownership and management.
- Transports CPP from refineries to various oil storage terminals throughout the country and currently has 30% market leading share.

Investment Rationale

Strong operational track record with a young fleet of 16 vessels under management at an average age of six years.

Solid company with favourable growth dynamics.

	2016 Unaudited RM million	2015 Audited RM million	Growth %
Revenue	161.1	124.4	29.5
EBITDA before EI	86.0	75.0	14.6
PAT before EI	31.2	32.5	-4.0

EI: Extraordinary items.

Investment Performance Report

Tranglo Sdn Bhd

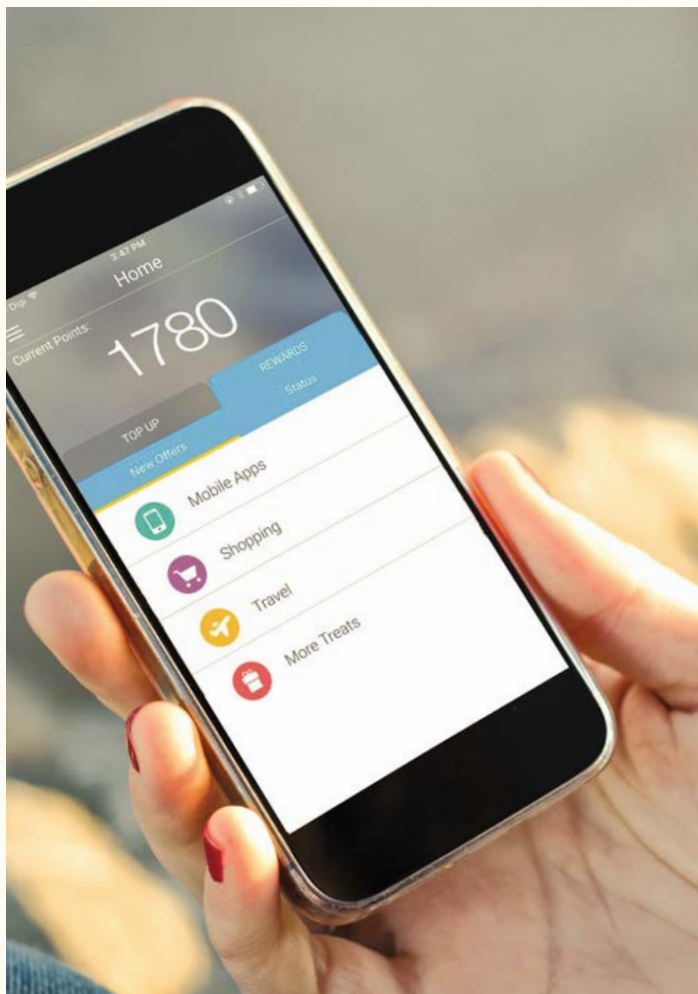
CROSSING BOUNDARIES

Pioneer
in global cross border
mobile money
remittance services

REVENUE

RM131.1
million

GROWTH
15.1%



TOTAL CAPITAL INVESTED

RM52.8
million

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.

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.

	2016 Unaudited RM million	2015 Audited RM million	Growth %
Revenue	131.1	113.8	15.1
EBITDA before EI	5.2	5.2	-0.1

EI: Extraordinary items.

Investment Performance Report

MediExpress (Malaysia) Sdn Bhd & PMCare Sdn Bhd

LARGEST TPA
IN MALAYSIA

with
40%
market share
in Malaysia

REVENUE

RM55.5
million

GROWTH
14.1%



TOTAL CAPITAL INVESTED

RM75.6
million

PROFILES

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

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% market share and servicing more than 2 million members.

	2016 Unaudited RM million	2015 Audited RM million	Growth %
Revenue	55.5	48.6	14.1
EBITDA before EI	22.3	16.5	35.2

EI: Extraordinary items.

Investment Performance Report

Al-Ikhsan Sports Sdn Bhd

NUMBER OF
OUTLETS

114
across Malaysia

REVENUE

RM249.4
million



TOTAL CAPITAL INVESTED

RM67.3
million

PROFILE

- Al-Ikhsan is a leading multi-brand sports retailer in Malaysia with over 114 corporate-owned outlets. The company retails sports equipment, apparel and footwear from major brands such as Adidas, Nike, Puma, Asics and Lotto.
- Al-Ikhsan is the principal owner of the brand AL and markets various sports goods under the trademark AL Logo.

Investment Rationale

Investment in the No.1 multi-brand sports retailer in Malaysia with >35% market share.

Opportunities for growth in profitability through operational improvement and sales growth.

	2016 Unaudited RM million	2015 Audited RM million	Growth %
Revenue	249.4	256.8	-2.9
EBITDA before EI	24.1	25.7	-6.2

EI: Extraordinary items.

Investment Performance Report

C. OUTSOURCED PROGRAMME

1. Fund Overview

EKUINAS OUTSOURCED (TRANCHE I) FUND		EKUINAS OUTSOURCED (TRANCHE II) FUND	
Vintage Year 2011		Vintage Year 2013	
Status	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.*

Investment Performance Report

2. Profiles of Appointed Outsourced Fund Managers (OFMs).

	<p style="text-align: center;">Navis Capital Partners</p> <p style="text-align: center;">Fund Name Navis Malaysia Growth Opportunities Fund 1, L.P.</p> <p style="text-align: center;">Fund Size RM301.9 million</p>
	<p style="text-align: center;">CIMB Private Equity</p> <p style="text-align: center;">Fund Name CIMB National Equity Fund Ltd. P.</p> <p style="text-align: center;">Fund Size RM125.0 million</p>
	<p style="text-align: center;">Tremendous Asia Partners</p> <p style="text-align: center;">Fund Name TAP Harimau Fund L.P.</p> <p style="text-align: center;">Fund Size RM125.0 million</p>
	<p style="text-align: center;">TAEL Partners</p> <p style="text-align: center;">Fund Name TAEL Tijari (OFM) L.P.</p> <p style="text-align: center;">Fund Size RM101.0 million</p>
	<p style="text-align: center;">RM Capital Partners (RMCP)</p> <p style="text-align: center;">Fund Name RMCP One Sdn Bhd</p> <p style="text-align: center;">Fund Size RM109.1 million</p>
	<p style="text-align: center;">CMS Opus Private Equity (COPE)</p> <p style="text-align: center;">Fund Name COPE Opportunities 3 Sdn Bhd</p> <p style="text-align: center;">Fund Size RM80.0 million</p>

Investment Performance Report

3. Investment Activities

(a) Outsourced Programme Investment Activities for 2016

RM million Portfolio Company	Fund	Sector	Committed Investment by OFMs				Total Economic Capital Deployed
			Ekuiinas' Committed Capital	Other LPs	Total OFMs	Other Co-Investors	
Packerman Sdn Bhd (Packerman)	RMCP	Manufacturing	12.0	9.8	21.8	-	21.8
MBG Holdings Sdn Bhd (MBG)	COPE	Retail - F&B	7.5	2.5	10.0	-	10.0
My Sutera Holding Sdn Bhd (MySutera)	COPE	Manufacturing	11.3	3.7	15.0	-	15.0
Tanamera Group Sdn Bhd (Tanamera)	RMCP	FMCG	6.6	5.4	12.0	-	12.0
Project Popeye [#]	RMCP	Services	12.0	9.8	21.8	-	21.8
Total for the year			49.4	31.2	80.6	-	80.6

[#] Commitment for potential investment, subject to completion.

Investment Performance Report

(b) Cumulative Outsourced Programme Investment Activities as at 31 December 2016

RM million	Portfolio Company	Fund	Sector	Committed Investment by OFMs				Total Economic Capital Deployed
				Ekuiinas' 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 Fortris Innovation (Malaysia) Sdn Bhd (Mega Fortris)	TAP	Manufacturing	18.0	7.0	25.0	-	25.0
10	Big Sdn Bhd (Big Group)	Navis MGO	Retail - F&B	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
5	Packerman Sdn Bhd (Packerman)	RMCP	Manufacturing	12.0	9.8	21.8	-	21.8
6	MBG Holdings Sdn Bhd (MBG)	COPE	Retail - F&B	7.5	2.5	10.0	-	10.0
7	My Sutera Holding Sdn Bhd (MySutera)	COPE	Manufacturing	11.3	3.7	15.0	-	15.0
8	Tanamera Group Sdn Bhd (Tanamera)	RMCP	FMCG	6.6	5.4	12.0	-	12.0
9	Project Popeye#	RMCP	Services	12.0	9.8	21.8	-	21.8
Total Investment Undertaken – Tranche II				87.6	55.8	143.4	19.0	162.4
Cumulative Total Investment Undertaken				351.6	166.0	517.6	353.2	870.8

* Includes follow-on investments.

Commitment for potential investment, subject to completion.

Investment Performance Report

4 Fund Performance

4.1 Ekuinas Outsourced (Tranche I) Fund

(a) Fund Net Assets Value (NAV) as at 31 December 2016

	2015 RM million	Movement RM million	2016 RM million
A. Capital Commitment	400.0	-	400.0
B. Capital Called	302.4	3.3	305.7
C. Capital Reinvested	15.1	8.7	23.8
D. Total Capital Contributed (B+C)	317.5	12.0	329.5
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	317.5	12.0	329.5
Plus Increases to Net Assets Value:			
Dividend Income	-	-	-
Net Unrealised Gain on Fair Value of Investments	38.9	83.6	122.5
Realised Loss on Fair Value of Investments	(1.8)	-	(1.8)
Interest Income/(Expenses)	-	-	-
Total Gross Portfolio Return	37.1	83.6	120.7
Organisational Expenses	(10.0)	(7.5)	(17.5)
Capital Distributions to Limited Partners (C+H)*	(15.1)	(8.7)	(23.8)
Net Increase in Net Assets Value	12.0	67.4	79.4
G. Net Assets Value	329.5	79.4	408.9
Net Assets Value made up of:			
Investments – at cost	290.6	(50.2)	240.4
Net Unrealised Gain on Fair Value of Investments	38.9	83.6	122.5
Investments carried at Fair Value	329.5	33.4	362.9
Plus: Cash Balance	-	-	-
Plus: Working Capital	-	46.0	46.0
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	329.5	79.4	408.9
Net Assets Value	329.5	79.4	408.9
H. Capital Distributed	-	-	-
Total Net Assets Value plus Distributed Capital (G+H)	329.5	79.4	408.9
Gross IRR p.a.	6.3%		9.8%
Net IRR p.a. (before carried interest)	5.0%		8.7%

* Includes deemed distribution for reinvested capital.

Investment Performance Report

4 Fund Performance

4.2 Ekuinas Outsourced (Tranche II) Fund

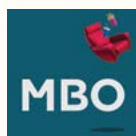
(a) Fund Net Assets Value (NAV) as at 31 December 2016

	2015 RM million	Movement RM million	2016 RM million
A. Capital Commitment	240.0	-	240.0
B. Capital Called	51.9	31.4	83.3
C. Capital Reinvested	-	-	-
D. Total Capital Contributed (B+C)	51.9	31.4	83.3
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	51.9	31.4	83.3
Plus Increases/(Decreases) to Net Assets Value:			
Dividend Income	-	-	-
Net Unrealised Gain/(Loss) on Fair Value of Investments	(15.0)	4.9	(10.1)
Realised Loss from Divestment	-	(2.3)	(2.3)
Interest Income/(Expenses)	-	-	-
Total Gross Portfolio Loss	(15.0)	2.6	(12.4)
Organisational Expenses	(3.6)	(0.7)	(4.3)
Capital Distributions to Limited Partners (C+H)*	-	-	-
Net Increase/(Decrease) in Net Assets Value	(18.6)	1.9	(16.7)
G. Net Assets Value	33.3	33.3	66.6
Net Assets Value made up of:			
Investments – at cost	48.3	28.4	76.7
Net Unrealised Gain/(Loss) on Fair Value of Investments	(15.0)	4.9	(10.1)
Investments carried at Fair Value	33.3	33.3	66.6
Plus: Cash Balance	-	-	-
Plus: Working Capital	-	-	-
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	33.3	33.3	66.6
Net Assets Value	33.3	33.3	66.6
H. Capital Distributed	-	-	-
Total Net Assets Value plus Distributed Capital (G+H)	33.3	33.3	66.6
Gross IRR p.a.	N/M[#]		N/M[#]
Net IRR p.a. (before carried interest)	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.

PORTFOLIO COMPANIES



MBO
**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



SEGi
**University
Group**
**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

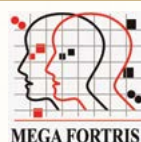


BIG SDN BHD

Transaction Details

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

Committed Capital
Contribution by Ekuinas: RM17.6 million



**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

Investment Performance Report

PORTFOLIO COMPANIES

ExcelVite

EXCELVITE SDN BHD

Transaction Details

OFM: TAE 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



PACKERMAN SDN BHD

Transaction Details

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

Committed Capital
Contribution by Ekuinas: RM12.0 million



MBG HOLDINGS
SDN BHD

Transaction Details

OFM: CMS Opus Private Equity
Sector: Retail - F&B
Acquisition Date: August 2016

Committed Capital
Contribution by Ekuinas: RM7.5 million



TANAMERA GROUP
SDN BHD

Transaction Details

OFM: RM Capital Partners
Sector: Fast Moving Consumer Goods (FMCG)
Acquisition Date: April 2017

Committed Capital
Contribution by Ekuinas: RM6.6 million



MY SUTERA HOLDINGS
SDN BHD

Transaction Details

OFM: CMS Opus Private Equity
Sector: Manufacturing
Acquisition Date: April 2017

Committed Capital
Contribution by Ekuinas: RM11.3 million

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
2016	2,198.2	4,341.5	3,925.7	1.4x	4,121.7	6,194.2	5,554.9	2.0x
2015	1,779.0	3,938.0	3,750.8	1.6x	3,708.5	5,544.7	4,702.7	2.1x

(b) Portfolio Companies – Management and Employees

	Bumiputera Headcount	Total Headcount	% Bumiputera to Total Headcount	% Increase in Bumiputera Headcount from Ex Ante
2016				
Management	201	498	40.4%	16.9%
Employees	9,669	16,038	60.3%	29.7%
2015				
Management	151	485	31.1%	12.7%
Employees	7,834	15,177	51.6%	31.5%

E EKUITI NASIONAL BERHAD – FUND MANAGEMENT COMPANY

Ekuiti Nasional Berhad (Fund Management Company)	2016 RM million	2015 RM million
Total Funds under Management (FuM)	4,140.0	4,140.0
Operating Expenditure (OPEX)	44.9	44.1
Ratio of OPEX to FuM	1.1%	1.1%
Profit After Tax and Zakat (PAT)	19.1	26.4

Governance

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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 of the members of the Board of Directors of EkuiNAS 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 (✓) Stakeholder Management (✓) Accountability and Audit (✓)	Internal Systems & Control (✓) Internal Audit Framework (✓) 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.

Statement On Corporate Governance

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

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

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

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

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

The following statement provides a description on how Ekuiinas 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

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

- i. The acquisition and disposal of investments;
- ii. The Company's annual plan, budget and strategy;
- iii. Key policies, procedures and delegation of authorities; and
- iv. Changes to Senior and Executive Management.

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

BOARD COMPOSITION AND BALANCE

One Non-Independent Non-Executive Director resigned in July 2016, decreasing the size of the Board to seven (7) 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 one (1) Non-Independent Non-Executive Director with an alternate director designated as Non-Independent Non-Executive Alternate Director. None of the independent directors has exceeded the cumulative term of nine (9) years of service.

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-sevenths 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 (ARMC)

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

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

Members : Tan Sri Dato' Seri Mohamed Jawhar Hassan
Datuk Noriyah Ahmad

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 111 to 115 of this Annual Report.

Statement On Corporate Governance

b. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) comprises three Independent Non-Executive Directors, all of whom are independent of Management and free from any business or other relationship which could interfere with the exercise of their independent judgement. They are as below:-

Chairman: Tan Sri Dato' Seri Mohamed Jawhar Hassan
Members : Raja Tan Sri Dato' Seri Arshad Raja Tun Uda
Tan Sri Mohamed Azman Yahya

There were three (3) meetings held during the financial year and the attendance record 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.

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 2016

During the financial year ended 31 December 2016, the NRC undertook a number of key activities as listed below:-

- Conducted the annual assessment on the composition and independence of the Independent Directors;
- Reviewed and considered the appointment of new Directors of Ekuiti Nasional Berhad;
- Deliberated and made recommendation to the Board on the achievement of Ekuinas Key Performance Indicators (KPI) for FYE2015, Bonus Payout and Merit Increment for 2016; and
- Reviewed the Proposed KPI Framework for the FYE 2016.

c. Investment Committee (IC)

The Investment Committee is made up of members of the Senior Management of the Company and two Independent Non-Executive Directors. 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 (CC)

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 provide updates on the CSR activities and programmes as and when required by the CSR Committee and/or the Board.

The key responsibilities and functions of the CC include:-

- 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; and
- deliberate any serious issues on CSR projects that have financial or reputational implications against Ekuinas.

Statement On Corporate Governance

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 ARMC and the Board in discharging its functions with regard to risk management in Ekuinas.

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	3 out of 3	-	-
Tan Sri Dato' Seri Mohamed Jawhar Hassan	8 out of 8	5 out of 5	3 out of 3	-	-
Tan Sri Mohamed Azman Yahya	8 out of 8	-	3 out of 3	5 out of 5	-
Datuk Seri Dr. Rahamat Bivi Yusoff (Inclusive Alternate Director's attendance)	5 out of 8	-	-	-	-
Datuk Noriyah Ahmad	7 out of 8	5 out of 5	-	-	1 out of 1
Datuk Ali Abdul Kadir	6 out of 8	-	-	5 out of 5	-
Syed Yasir Arafat Syed Abd Kadir	8 out of 8	-	-	5 out of 5	-
Johan Mahmood Merican ⁵	2 out of 2	-	-	-	-

Notes:

1 ARMC – Audit and Risk Management Committee

2 NRC – Nomination and Remuneration Committee

3 IC – Investment Committee

4 CC – CSR Committee

5 Resigned as a Non-Executive Director effective 1st July 2016 and appointed as alternate director to Datuk Seri Dr. Rahamat Bivi Yusoff effective 14th October 2016. The attendance reflects the number of meetings scheduled during the time the Director held office.

Statement On Corporate Governance

MAINTAINING AN INDEPENDENT, STRONG AND EFFECTIVE BOARD

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. The formal and full evaluation on the Board's performance was last conducted in 2013 and the subsequent evaluation is proposed to be performed in 2017/2018.

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 page 44 to 51 of this Annual Report.

Statement On Corporate Governance

CODE OF CONDUCT

Ekuiнас has adopted the Directors' Code of Ethics for all the Directors of Ekuiнас 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 Ekuiнас and therefore, assumes responsibility for the following:-

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

DIRECTORS' REMUNERATION

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

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

The details on the aggregate remuneration of Directors for the financial year ended 31 December 2016, with categorisation into appropriate components are as follows:-

Remuneration	Total Amount (RM)
Salary/Fees	RM2,310,781
Other remuneration (e.g. Allowances and other benefits)	RM485,560

The remuneration paid to Directors during the year, analysed into bands of RM50,000, which complies with the disclosure requirements under Bursa Malaysia MMLR is as follows:-

Range of remuneration (RM)	Executive Directors	Non-Executive Directors
RM50,000 – RM100,000		2
RM100,000 – RM150,000		5
RM2,050,000 – RM2,100,000	1	

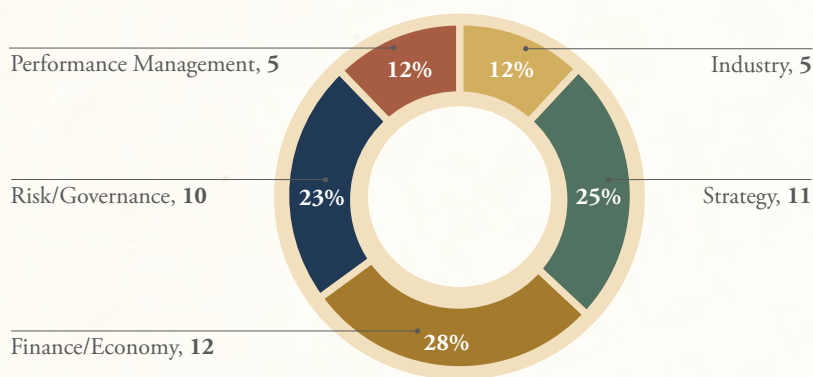
Statement On Corporate Governance

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 2016 were as follows:-

DIRECTOR'S TRAINING ATTENDANCE (By Category And Number of Events)



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 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.

Statement On Corporate Governance

INTEGRITY IN FINANCIAL REPORTING

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

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

INDEPENDENCE OF EXTERNAL AUDITORS

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

The Board is aware of the potential conflict of interest situation that may arise if the Company's external auditors are engaged to provide other non-audit services to the Company. To mitigate this risk, the Audit and Risk Management Committee reviews the performance, independence and fees of the external auditor. The Company's Annual Report also discloses fees received by the external auditors for non-audit work.

MANAGEMENT OF RISKS AND INTERNAL CONTROL

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

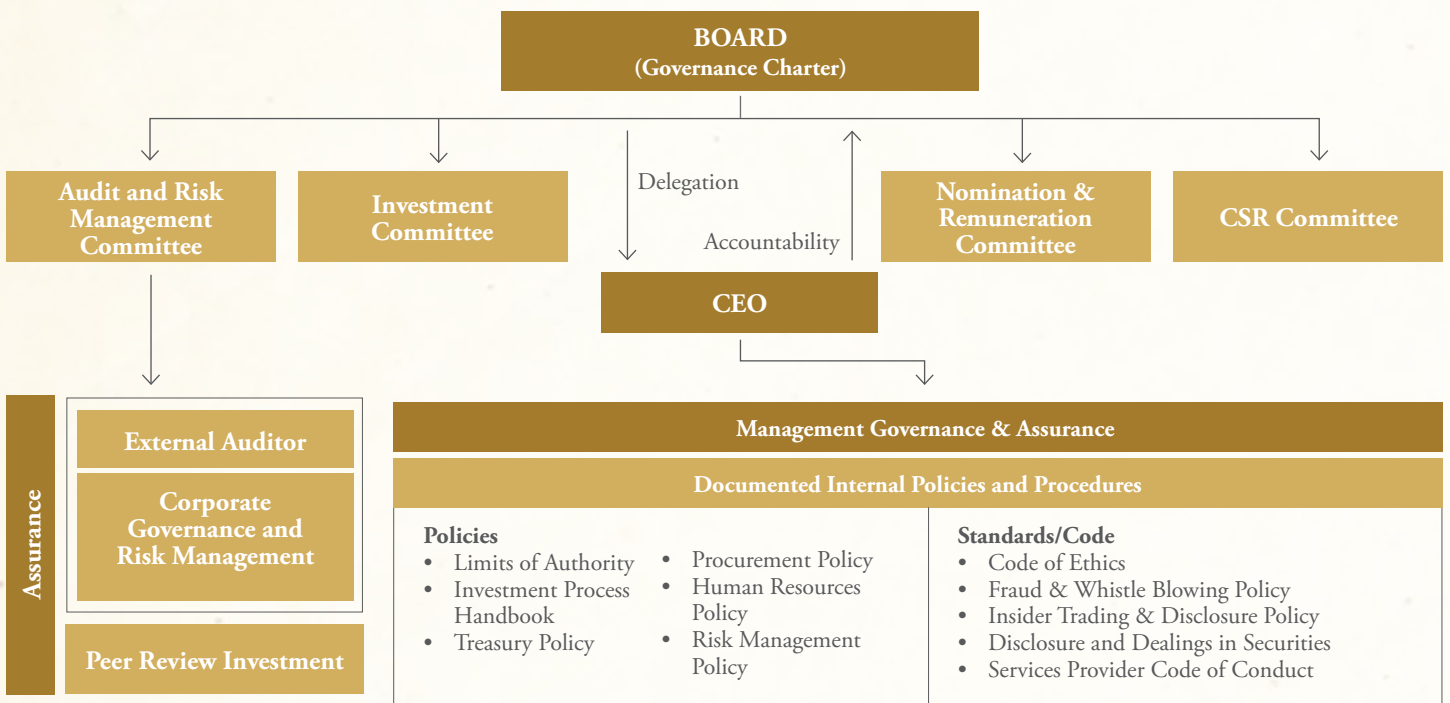
The Statement of Risk Management and Internal Control, which provides an overview of the state of internal controls within the Company, is set out on page 104 to 110 of this Annual Report.

Statement On Corporate Governance

Internal Audit Function

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

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



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 14 March 2017.

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), the Chief Executive Officer (CEO) and Senior Management in implementing the Board's policies and procedures on risks and control.

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

Adequacy of Risk Management and Internal Control System

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

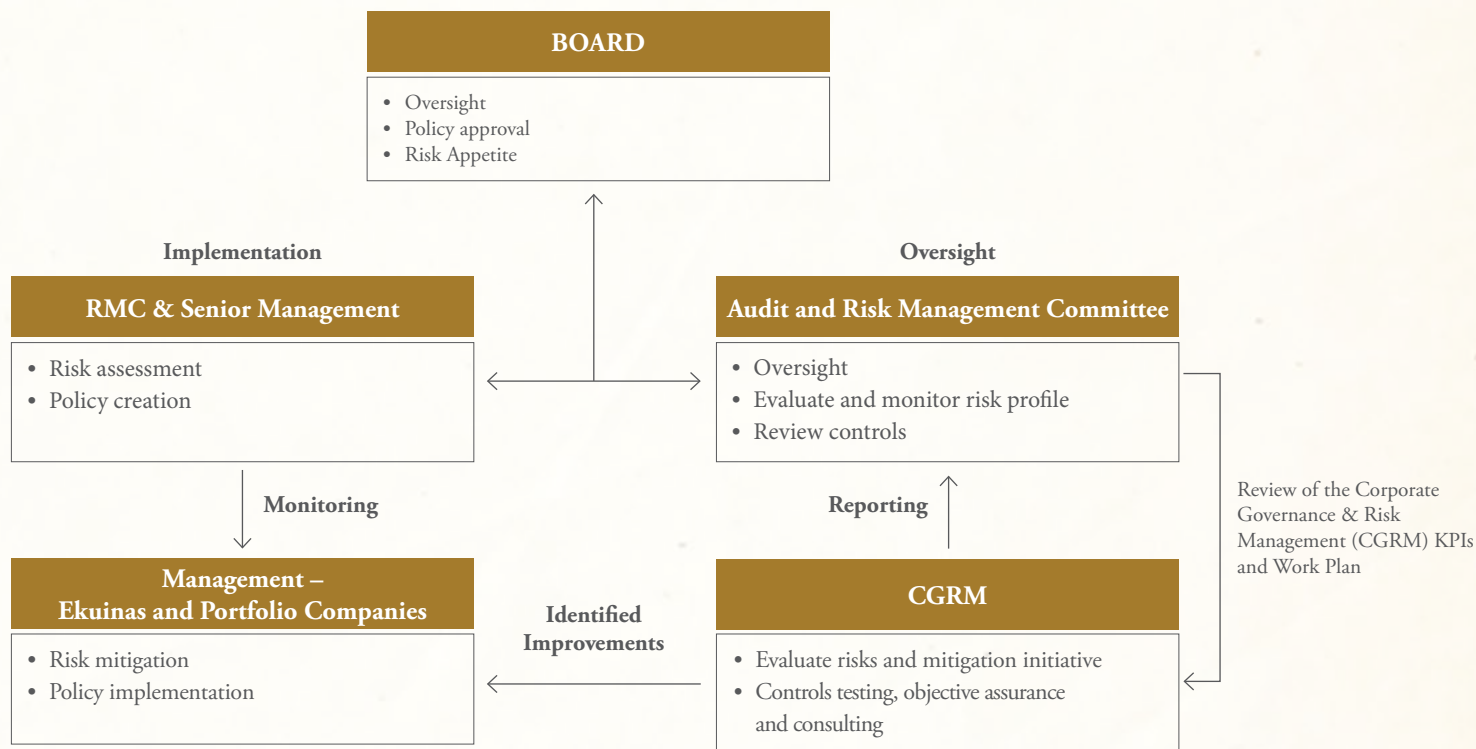
RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

The Board is ultimately responsible for risk management, which includes the Company's governance or oversight structure and maintaining an appropriate internal control framework. The Management's responsibility is to manage risk on behalf of the Board. 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.

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.

Statement On Risk Management and Internal Control

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.

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 2016. The resulting quarterly Risk Management reports were presented and approved by the ARMC and the Board.

Corporate Governance and Risk Management (CGRM) Department

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

The CGRM Annual Plan and KPIs are reviewed and approved by the ARMC and the Board, and the results of audits are communicated and reported periodically to the Management and the ARMC.

RISK MANAGEMENT AND INTERNAL CONTROL ACTIVITIES

Risk Mitigation Strategies

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

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

Statement On Risk Management and Internal Control

EKUINAS' RISKS (COMPANY)			
Strategic	Direct Investment	Outsourced Programme	Operational
<ul style="list-style-type: none"> External 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

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

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

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

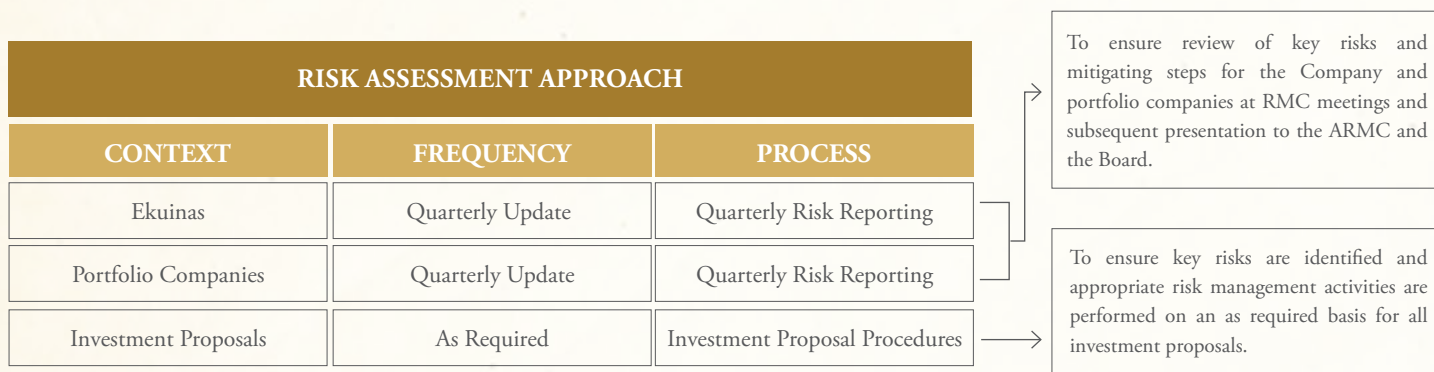
To mitigate investment risks, the Company's investment decision-making process is guided by investment parameters instituted via the Company's Investment Framework, to ensure deals undertaken are within the key investment criteria where the priority sectors are identified based on a transparent screening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

The Investment Framework also incorporates risk management with a rigorous review of risks for all strategic and specific proposal or transactions to ensure risks are identified, analysed, prioritised and managed in a consistent manner. All investments are subject to thorough scrutiny to ensure that they are in line with the Company's strategic focus, rates of return and cover all other relevant risk factors such as industry and execution risks. In addition, the Board requires that all investment proposals submitted to the Board are accompanied by a comprehensive risk assessment and corresponding proposed mitigation strategies by Management.

Statement On Risk Management and Internal Control

Risk Management Reporting

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



KEY INTERNAL CONTROL PROCESSES

The Board is fully committed to maintaining a strong control structure and environment for 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. The SOP Framework for the Company is illustrated on the next page.

Statement On Risk Management and Internal Control



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

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

Note: (✓) Completed and approved for adoption

- 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.

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 future services.

- **Documented Limits of Authority**

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

- **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 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 2016.

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 14 March 2017.

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 2016.

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

MEETINGS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

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

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Corporate Governance and Risk Management (CGRM) and external auditor's representatives attend the meetings as and when appropriate. The ARMC has also conducted a meeting with the external auditor without the presence of management during the ARMC meeting on 21 March 2016 and 30 September 2016.

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.

Audit And Risk Management Committee Report

TERMS OF REFERENCE

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

Composition of Members

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

- the ARMC must be composed of not less than three (3) members;
- a majority of the members must be independent directors and all members must be non-executive; and
- at least one member of the ARMC,
 - must be a member of the Malaysian Institute of Accountants (MIA); or
 - if s/he is not a member of the MIA, s/he must have at least three (3) years' working experience and:
 - s/he must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - s/he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
- the Chairman shall be an Independent, Non-Executive Director. No alternate director is appointed as a member of the ARMC;
- 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.

Audit And Risk Management Committee Report

Meetings

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

Duties and Responsibilities

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

a. Board

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

Audit And Risk Management Committee Report

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.

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 14 March 2017.

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.

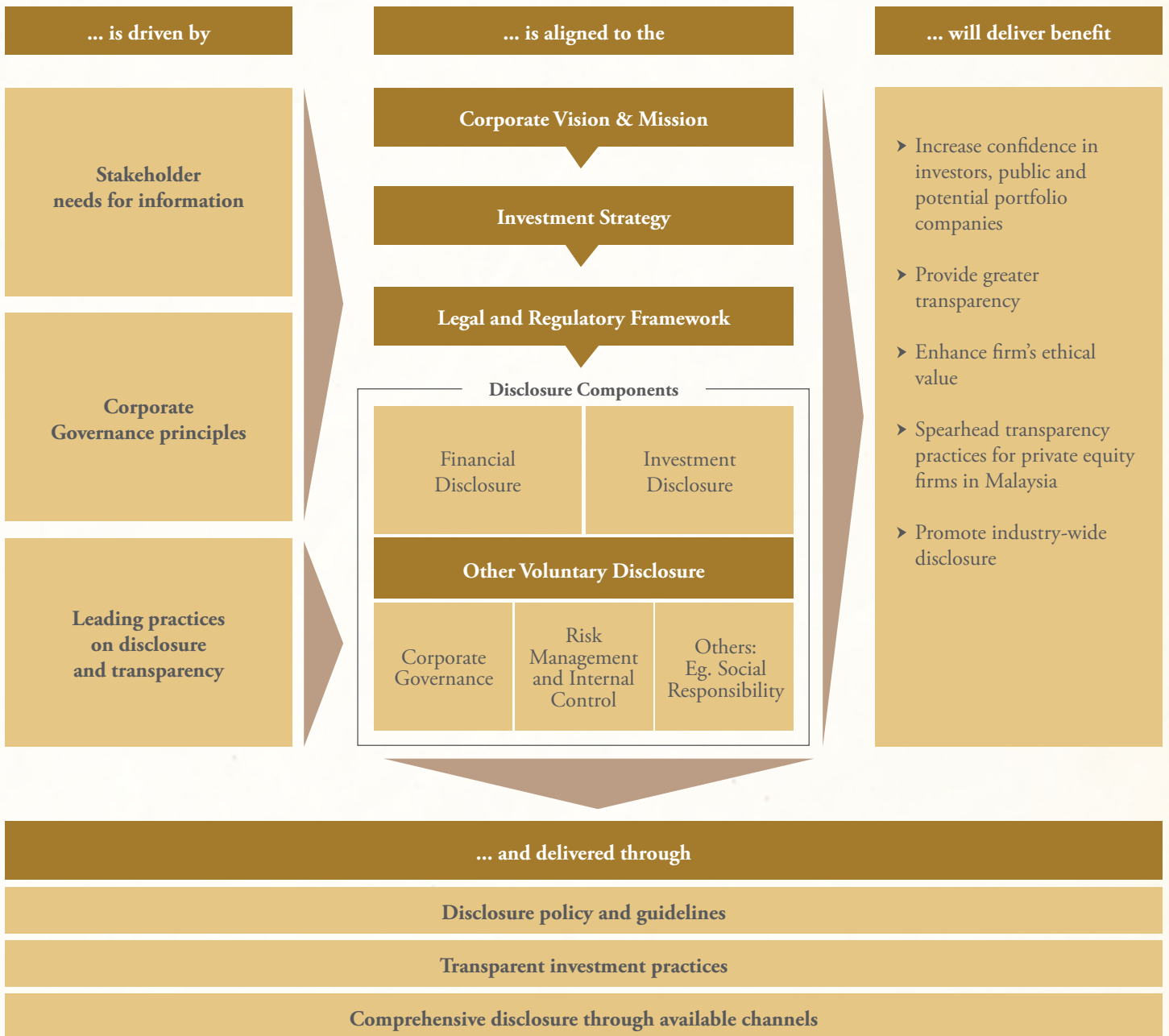
The disclosures ranged from providing minimum information such as contact details and basic information on company websites, to the average provision of strategies and objectives, acquisitions and disposals, as well as portfolio performance. The benchmarks for Ekuinas were, however, organisations such 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.

EkuiNAS Disclosure Framework



*Stakeholder
Interests*

120	ILTIZAM by Ekuinas
122	ILTIZAM for Entrepreneurship
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129	Skim Jejak Jaya Bumiputera

ILTIZAM by Ekuinas

Ekuinas has a clear mission: to identify and grow profitable companies.

In doing so, it serves its mandate of promoting Bumiputera economic participation, which in turn, helps communities to prosper and develop. This vision provides the foundation for all our decision-making and embeds a set of values and behaviours that underpins our activities; decisions; transparency and desire for fair and impactful operations; and our commitment to the community.

ILTIZAM, our Corporate Social Responsibility (CSR) programme, provides a structure for us to plan and execute activities as a way to closely monitor progress and respond with decisions and actions that create positive impact for all involved.

ILTIZAM aims to empower the Bumiputera community and impact them to realise their potential. It has three strategic pillars: Entrepreneurship, Education and Community, which direct its commitment and activities throughout the year.

ILTIZAM selects its beneficiaries carefully and thoroughly. This ensures that we do not lose sight of the true meaning of CSR and our resources are allocated toward creating meaningful impact for the recipient and broader society.

Transparency, good governance policies and best practices implemented at Ekuinas, are also the cornerstones of ILTIZAM. As a professional CSR programme, every ringgit spent by ILTIZAM can be accounted for and its results, tangible and intangible outcomes of its activities, are reported.

This allows the Board to establish where and how our assistance and funds have been most efficient and meaningful. ILTIZAM reports to the Corporate Social Responsibility committee, chaired by a member of the Board.

ILTIZAM's Pillars and Programmes



Entrepreneurship ♦ Education ♦ Community



Entrepreneur Mentorship Programme



- Professional Development Programme
- Education Empowerment Programme
 - Yayasan Peneraju Pendidikan Bumiputera
 - ILMU Education Fund
 - Oil & Gas Marine Training and Development Programme



Community Enrichment Programme



ILTIZAM's Growth Story

At Ekuinas, our corporate social initiatives started in 2013 when employees spent their time voluntarily to support local entrepreneurs and selected communities. The aim was to encourage the spirit of altruism among employees and this exercise resulted in tangible benefits for selected recipients. It was also deeply rewarding on a corporate and personal level.

The Ekuinas Corporate Social Responsibility Framework was launched in late 2013, formalising the company's commitment towards contributing to the broader society. Two years later, it was branded as ILTIZAM, and officially launched on 25 February 2016.

A dedicated CSR department, with full-time employees, has managed ILTIZAM and its pillars and programmes since 2015. This allows for activities to be carried out consistently throughout the year and widens our reach.

ILTIZAM is a Bahasa Malaysia word which means commitment, determination and will. It reflects the unbreakable spirit in the tenacious pursuit of goals, the ability to overcome obstacles and the desire to transform adversity into opportunities through hard work and an unwavering belief in positive outcomes.

With ILTIZAM, Ekuinas hopes to inspire and enable those that want to reach for their dreams and maximise their fullest potential.



ILTIZAM for Entrepreneurship



Building the skills to succeed



One of ILTIZAM's objectives is to empower genuine Bumiputera entrepreneurs. We believe that building sustainable small businesses is a powerful and direct way of helping families and communities to prosper.

Our Entrepreneur Mentorship Programme (EMP) is directed towards building the skills that a micro and small enterprise (MASE) needs to realise its potential and enhance its capability.

Essentially, we want to help small Bumiputera entrepreneurs that do not fall under Ekuinas' investment criteria, to take their business to the next level. This is done by giving them access to our partners, knowledge, expertise, network and by fostering collaboration and partnerships.

In line with ILTIZAM's overarching goal of maximising our impact, we look for passionate entrepreneurs with business potential. Their company must demonstrate great business potential and more importantly, it must have a clear need for support, an area where ILTIZAM can assist and add value.

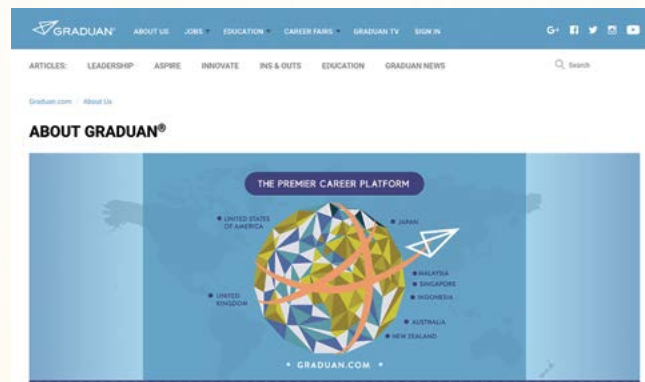
These companies are taken through a six months to one year engagement process. During this period, key business issues are identified and the team, together with third-party consultants engaged by ILTIZAM will identify ways to overcome these challenges and provide supportive services through

coaching. Supportive services range from entrepreneurial education, human resources, marketing, finance and accounting, legal advice and other ancillary activities.

Our efforts are designed to have a positive and lasting impact on the entrepreneur and enterprise, far beyond our engagement. This way, our involvement truly adds value and only meaningful operational improvements are undertaken.

The enabler of this programme is a Diagnostic Tool developed by Ekuinas and

the Boston Consulting Group. This tool acts as an organisational 'health-check' and allows us to quickly identify preliminary issues faced by companies that seek to be part of our programme. By prioritising the main challenges through this tool, we develop action plans or make recommendations based on best practice for the respective industry to address their top three issues. The tool is a starting point. Using the results from the Diagnostic Tool, we will harness Ekuinas' resources and network to assist the chosen entrepreneurs.



ILTIZAM for Entrepreneurship

Entrepreneur Mentorship Programme

Processed

54

requests for assistance from micro and small enterprises

11

companies registered interest and

7

companies underwent the Diagnostic Tool

2

companies shortlisted

Pusat Perkembangan Minda



New companies selected in 2016

ILTIZAM processed a total of 54 requests for assistance from micro and small enterprises (MASE) during the year. Out of these, 11 companies registered their interest to join our programme and seven companies from various industries underwent our Diagnostic Tool.

Two companies were selected to be part of our programme: Proquaz Sdn Bhd that manages a chain of children enrichment centres under the brand name Children Islamic Centre (CIC) and Biz Connexion Sdn Bhd, an employer branding and graduate career recruitment business known as Graduan. We constantly have a flowing pipeline that evaluates businesses for the programme throughout the year.

CIC is an Islamic enrichment centre which focuses on providing enrichment programmes for children from the age of three to 12 years old. It currently has 53 centres with 3,000 students and is supported by more than 300 employees. Like many profitable small and medium-sized companies, its financial management and business processes needed improvement to support its growing operations.

PricewaterhouseCoopers (PwC) was engaged by Ekuinas to conduct a finance function effectiveness review. Process improvements and standard financial operating procedures have been recommended and are in the process to be implemented to address issues surrounding revenue collection and data, and financial reporting between 53 centres and its headquarters.

Graduan is an employer branding and graduate career recruitment business, offering various types of services including publishing, event management, web portal development, research and video production. It is the only Bumiputera employer branding company which serves as one-stop resource for fresh graduates and Malaysian talents. Graduates can use its services and platforms to gain comprehensive and practical information on recruitment opportunities, career prospects, job placements and industry requirements. The company grew by 20% in the past four years but found it difficult to scale up and serve a bigger market due to its limited internal business support.

Through our ILTIZAM Entrepreneur Mentorship Programme, the team identified that Graduan needed to upgrade its IT system to cater to its expanding database. Ekuinas assisted to install a suitable customer relationship management system and an accounting system to improve efficiency and effectiveness of their business processes. In addition, we assisted in revamping its official website, www.graduan.com, in line with its next growth phase which is to move into the digital space. The upgraded website is able to tap on the potential to monetise the platform to attract advertising spend by employers.

To reach out to more entrepreneurs and extend our reach, ILTIZAM collaborated with The Entrepreneurs Edge (TEE) and Centre for Entrepreneur Development and Research (CEDAR) in 2016. TEE is a collaboration between BFM 89.9 Radio and The Edge Publications which provides a platform to support local entrepreneurs by tapping on the wealth of experience that their mentors bring through a 12-month personalised consulting and mentorship programme.

Under TEE, ILTIZAM is currently sponsoring three Bumiputera entrepreneurs, namely Vanity Cosmeceutical Sdn Bhd, a beauty retail company operating under the brand 'Cosmoderm', Terato Tech Sdn Bhd, one of the pioneer players in the software development field and Madcat World, a mobile application development company.

Meanwhile, CEDAR, a wholly-owned subsidiary of SME Bank, offers a six-month coaching programme under its Business Transformation Programme (BTP) which is strategically designed with the core objectives of co-ordinating, training, business coaching and monitoring selected small and medium enterprises toward becoming competitive and sustainable businesses. Under CEDAR's BTP programme, ILTIZAM is currently sponsoring three Bumiputera companies, namely iKids Education Sdn Bhd, an international pre-school business, Scubatex Resources Sdn Bhd, a distributor for international scuba diving equipment and dive agency, and TJE Group (M) Sdn Bhd, a company dealing with and supplying fishery product.

The expected outcome of these two programmes are the ability of these companies to increase their profits and business sustainability and subsequently secure and retain their respective customers. Additionally, it is also our aim that there will be companies from these two programmes who will be part of ILTIZAM EMP.

ILTIZAM for Education



Increasing access to a better future



ILTIZAM's second objective is to directly impact the Bumiputera community by supporting them in realising their potential. Education is a priority for ILTIZAM as it is a force for public good and critical in creating an inclusive society as well as a tool for social mobility and to help break out of poverty. Education is also at the heart of a knowledge economy, a national development objective identified by the Government to sustain rapid economic growth and enhance the country's international competitiveness needed to achieve Vision 2020 and Transformasi Nasional 2050 (TN50).

Education Empowerment Programme

RM2.9 million
in 2016

RM600,000
was allocated to Yayasan Peneraju Pendidikan Bumiputera (YPPB)'s scholarship programme

Disbursed **RM2.3 million** to ILMU Education Fund

ILTIZAM Education Empowerment Programme disbursed a total of RM2.9 million in 2016 to assist approximately 585 students from low-income households. From this amount, RM600,000 was allocated to Yayasan Peneraju Pendidikan Bumiputera (YPPB) scholarship programme. This enabled 15 deserving students to pursue their tertiary education at institutions within ILMU Education Group (ILMU).

For the past four years, we have been supporting YPPB's mission to develop young Bumiputera's talents who can contribute to society and the country's ambitions. This brings our total contribution to YPPB's Peneraju Tunas Potensi scholarship programme to RM1.6 million, enabling 115 students to pursue tertiary education.

During the year, ILTIZAM disbursed RM2.3 million to ILMU Education Fund to provide financial assistance and sponsorships to students from underprivileged backgrounds studying at institutions under ILMU, namely Kuala Lumpur Metropolitan University College, Cosmopoint College and UNITAR International University. A salient feature of this programme is its focus on opening the doors of higher education to the top-performing students, as well as deserving 'average students' from lower income households.

Applicants are screened and rigorous checks are made to ensure the criteria is met. As a result of this approach, ILMU is truly reflective of Malaysia's multicultural heritage and its campuses are home to diverse group of students from different states, and various ethnic groups, as well as social backgrounds.

In 2017, ILTIZAM plans to continue supporting students who achieve outstanding results, high potential students who face financial difficulties, and students with the passion and ability but are not eligible for scholarship programmes offered by private companies or other government entities.



Oil & Gas Marine Training and Development Programme

RM500,000
allocated for O&G Officers

For 2016
6 employees
from ICON
4 employees
from Orkim

Upskilling Malaysian talent for the maritime industry

In 2016, an opportunity emerged to directly impact our oil and gas portfolio by increasing the number of Malaysian senior officers in the maritime industry. This came about when Ekuinas' portfolio companies, Icon Offshore Bhd (ICON) and Orkim Sdn Bhd (Orkim), expressed a need for more senior officers to operate their vessels to meet clients' (the charterer's) requirements for a crew matrix that comprises employees of specific seniority.

In support of our companies and the maritime industry, we started the Oil & Gas Marine Training and Development Programme by sponsoring deserving Bumiputera employees to undergo full-time training at Akademi Laut Malaysia (ALAM). Senior officer positions are rarely held by Malaysians as it is financially demanding for junior officers to fund the training themselves.

The programme was allocated a sum of RM500,000 in 2016. This was utilised to sponsor six employees from ICON and four employees from Orkim with relevant experience to be a part of the inaugural cadet programme. The duration of the programme is typically nine to 12 months.



Helping young graduates achieve their ambitions

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

With the participation of external companies, this programme allows us to broaden our reach and accept more trainees for 2016. Progress of the trainees is closely monitored to ensure they are benefiting from their work experience and developing the necessary skills as a professional.

The programme also aims to build English proficiency among trainees through book clubs and drama classes. Coaching and mentoring sessions are held to develop the right attitude and mind-set as an employee. The trainees also take part in team building activities and work on special projects.

Work experience in this programme provides practical and inspiring insights into the world of employment and equips trainees with core skills needed for the workplace. They are expected to acquire the knowledge and abilities for a successful long-term career in the corporate world after the one-year programme.

The success of this programme is measured by the employability of our trainees. To date, this programme, which started in

2012, has a 90% success rate. In 2016, the 75 graduates, who were accepted in this programme, have been placed at Ekuinas, our portfolio companies and partner companies such as Fatihah Frozen Sdn Bhd, KAF Investment Fund, Yayasan Peneraju Pendidikan Bumiputera, Habib Jewels and Kumpulan Perangsang Selangor Bhd.

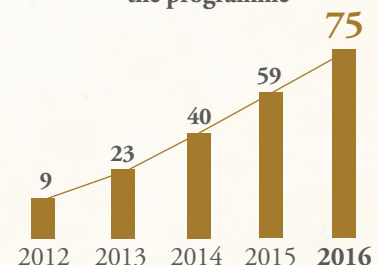
We are pleased that the feedback on ILTIZAM PDP has been positive, as reflected in the increased number of graduates applying over the years. The current batch received a total of 3,000 applicants as compared to 1,500 in 2015. From this, 120 applicants were shortlisted and eventually 75 graduates were selected to join the programme.

For 2017, we will accept another 75 new trainees for the 2017/2018 batch.

Professional Development Programme

Started in 2012 and has a
90%
success rate

Total graduates offered placement for the programme



ILTIZAM for Community



Positively changing the communities where we live and work



We recognise that if Malaysian businesses are to prosper over the long term, so must the communities in which we operate. ILTIZAM Community Enrichment Programme looks to help those from a disadvantaged background to improve their quality of life. A small allocation is also made to promote and preserve local arts, culture and heritage.



An on-going project in this programme is the assistance rendered Sekolah Kebangsaan Bukit Lanjan (Asli) (SKBL). Most of the students of this school, located within a two kilometre radius from Ekuinas' office, are indigenous Bumiputera from the Temuan tribe.

ILTIZAM started assisting SKBL in 2013 by sponsoring tuition classes for students and by upgrading their school library. The idea was to increase the number of students passing and achieving 5As in the national Primary School Achievement Test (UPSR). The school had its first student achieve 5As in 2015. The aggregate score for its students have also improved and this has spurred our desire to do more for SKBL and its students.

In 2016, the school's Cumulative Grade improved with an increase of the number of the pupils passing the subjects of Bahasa Malaysia (94%) and Science (88.5%). (2015: Bahasa Malaysia (90%), Science (40%)).

To formalise our commitment to SKBL and increase our impact, we partnered with Khazanah Nasional Bhd's PINTAR Foundation (PINTAR) to officially 'adopt' the school in 2016. PINTAR is an acronym for promoting intelligence, nurturing talent and advocating responsibility.

Being part of PINTAR allows us to utilise their modular framework to holistically develop the teachers and students. We are also looking to leverage on PINTAR's expertise, experience, network and resources to improve the overall standard of SKBL and the teaching skills among its teachers through assessment and monitoring of the school's performance. We work closely with PINTAR to tap on their network at the Ministry of Education as well as be involved in any events conducted by PINTAR to provide exposure for the pupils.

ILTIZAM for Community

We will continue to provide English, Bahasa Malaysia and Mathematics tuition classes to pupils from standard four to standard six. In October 2016, we organised an educational field trip with their first LRT ride to Petrosains and the Petronas Twin Tower's Skybridge which gave them valuable experience and exciting exposure to Science and Technology via a sightseeing adventure.

Various other initiatives were done during the month of Ramadhan. This includes cash contributions and buka puasa celebrations for poor families in Perlis, school children at SKBL and children living at Rumah Kasih Pertiwi. We distributed food to underprivileged students at UNITAR International University, Kuala Lumpur Metropolitan University College, Cosmopoint Colleges, and to the public via the Al-Khalifah Foundation for Street Dakwah 2016. Additionally, cash donations were given to selected non-government organisations (NGOs).

Besides our Ramadhan 2016 initiatives, we funded a back-to-school programme for 821 poor students from all over Malaysia and 40 orphans from Pertubuhan Kebajikan & Pendidikan Nur Kasih in Klang. We collaborated with a social enterprise, SURI to maximise the impact. Single mothers that work for SURI produced school bags which we then distributed to 100 underprivileged students.

Community Enrichment Programme

Funded the back-to-school programme for

821

poor students from all over Malaysia and

40 orphans

from Pertubuhan Kebajikan & Pendidikan Nur Kasih

Other contributions and sponsorships to the disadvantaged communities include:

- 1) Hospital beds and shower trolley for the senior citizens in Rumah Ehsan Warga Emas in Kuala Kubu Bharu;
- 2) Hearing aids to patients who suffer from hearing problems through Pertubuhan Membantu Pesakit Parah Miskin; and
- 3) Basic items such as kitchen appliances, music and IT equipment to Program Pendidikan Khas Integrasi of Sekolah Kebangsaan Klang, to be utilised for the blind students as part of their training programme to acquire relevant life skills.

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

We hope our initiatives executed in the year under review had a meaningful impact to the beneficiaries as well as the communities they live in. We look forward to reach out to more communities to expand ILTIZAM's footprints across the country.

Creating a positive spill over effect from our CSR activities



ILTIZAM aims to improve the well-being of the communities where we live and work by looking at ways of making the biggest possible impact with every ringgit spent. Finding ways to create as much value as possible for society is part of our CSR strategy and this requires us to take a multifaceted approach towards our activities.

2016 Highlights



Entrepreneurship ♦ Education ♦ Community

ENTREPRENEURSHIP

Entrepreneur Mentorship Programme

Allocation of
RM500,000

2 Bumiputera companies

- **Proquaz Sdn Bhd**, an Islamic based enrichment centre for kids under the 'CIC' brand. Ekuinas engaged PricewaterhouseCoopers (PwC) to conduct finance function effectiveness review which resulted in **improvement of financial and payment process and implementation of Standard Operating Procedures (SOP)**.
- **Biz Connexion Sdn Bhd** an employer branding company under the 'Graduan' brand. Ekuinas assisted to **install an IT system which can cater to Graduan's expanding database**.

Continued assistance and monitoring for an existing company,
Fatihah Frozen Food
in developing a sustainable operating model.

Collaborations with
The Entrepreneurs Edge (TEE)
& **Centre For Entrepreneur Development And Research (CEDAR)**
to reach out to assist more Bumiputera entrepreneurs.

EDUCATION

Education Empowerment Programme & Professional Development Programme

Allocation of
RM5,400,000

- **Education Empowerment Programme**
Benefited approximately **585 students** with a total of **RM600,000** for **Yayasan Peneraju Pendidikan Bumiputera**.

RM500,000

for **Oil & Gas Marine Training and Development Programme**.
An inaugural programme for cadets from **Icon Offshore Bhd (ICON) & Orkim Sdn Bhd** cadets in the oil & gas industry.

- **Professional Development Programme**

3,000

applications received for the Professional Development Programme 2016/2017 intake, out of which

75

were selected and are currently undergoing their training.

COMMUNITY

Community Enrichment Programme

Allocation of
RM200,000

Distributed food to
2,000
underprivileged students
through

UNITAR International University (UNITAR), Kuala Lumpur Metropolitan University College (KLMUC) and Cosmopoint Colleges across Malaysia.

Started a
back-to-school
programme

benefitting
821
poor students
in **Perlis, Penang, Kedah, Perak, Selangor, Negeri Sembilan, Johor, Kelantan, Pahang, Sabah and Sarawak** and
40 orphans
from **Pertubuhan Kebajikan & Pendidikan Nur Kasih**.

Skim Jejak Jaya Bumiputera

As at 31 December 2016, the Skim Jejak Jaya Bumiputera (SJJB), a programme jointly managed by Ekuinas and Unit Peneraju Agenda Bumiputera (TERAJU), has 27 companies assessed and registered in the programme.

In 2016, SJJB assisted in the implementation of five Value Creation Plan (VCP) initiatives for existing SJJB companies which led to an increase of market capitalisation for three public listed SJJB companies by RM180.0 million. One of the VCPs executed in 2016 materialised in the listing of one SJJB company in February 2017.

Collectively, SJJB's public listed companies increased in market capitalisation by RM2.2 billion since their respective Initial Public Offerings.

Portfolio Reporting

For The Financial Year Ended 31 December 2016

132	Ekuiņas Direct (Tranche I) Fund
135	Ekuiņas Direct (Tranche II) Fund
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EkuiNAS Direct (Tranche I) Fund

As At 31 December 2016

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	<ul style="list-style-type: none"> - Education - Oil & Gas - Fast Moving Consumer Goods (FMCG) - Retail & Leisure - Healthcare - Services

2 Fund Net Assets Value (NAV) as at 31 December 2016

	2015 RM million	Movement RM million	2016 RM million
A. Capital Commitment	1,000.0	-	1,000.0
B. Capital Called	1,112.8	12.6	1,125.4
C. Capital Reinvested	168.0	-	168.0
D. Total Capital Contributed (B+C)	1,280.8	12.6	1,293.4
E. Debt Drawdown (Amortised Cost)	37.3	(37.3)	-
F. Total Capital Invested (D+E)	1,318.1	(24.7)	1,293.4
Plus Increases/(Decreases) to Net Assets Value:			
Dividend Income	62.6	(26.8)	35.8
Net Unrealised Gain/(Loss) on Fair Value of Investments	256.5	(114.6)	141.9
Realised Gain from Divestment	289.9	16.9	306.8
Interest Expenses	(17.7)	(0.4)	(18.1)
Total Gross Portfolio Return	591.3	(124.9)	466.4
Organisational Expenses	(232.4)	(12.2)	(244.6)
Capital Distributions to Limited Partners (C+H)*	(878.5)	-	(878.5)
Net Decrease in Net Assets Value	(519.6)	(137.1)	(656.7)
G. Net Assets Value	798.5	(161.8)	636.7
Net Assets Value made up of:			
Investments - at cost	706.9	(59.9)	647.0
Net Unrealised Gain/(Loss) on Fair Value of Investments	256.5	(114.6)	141.9
Investments carried at Fair Value	963.4	(174.5)	788.9
Plus: Cash Balance	6.0	(2.2)	3.8
Plus: Working Capital	(170.9)	14.9	(156.0)
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	798.5	(161.8)	636.7
Net Assets Value	798.5	(161.8)	636.7
H. Capital Distributed	710.5	-	710.5
Total Net Assets Value plus Distributed Capital (G+H)	1,509.0	(161.8)	1,347.2
Gross IRR p.a.	14.8%		13.1%
Net IRR p.a. (before carried interest)	10.9%		9.4%
Carried Interest (RM million)	89.7		82.7
H/B Cash Distributions to Capital Called	0.6		0.6
G/B Net Assets Value to Capital Called	0.7		0.6
(G+H)/B Total Value to Capital Called	1.4		1.2
B/A Capital Called to Committed Capital	1.1		1.1

* Includes deemed distribution for reinvested capital.

Ekuinas Direct (Tranche I) Fund

As At 31 December 2016

3 INVESTMENT PERFORMANCE

(a) Current Portfolio Summary as at 31 December 2016

Company	Date of Initial Investment	Stake %	Cost of Investment RM million	Fair Value RM million	Gross Portfolio Return RM million
APIIT Education Group	18 February 2011	51.0	102.0	788.9	159.6
Cosmopoint Group	2 April 2012	90.0	246.0		
UNITAR International University	21 May 2012	90.0	58.5		
Revenue Valley Group	15 March 2012	85.8	64.6		
Icon Offshore Berhad	19 November 2012	32.7	175.9		
			647.0		

Gross IRR 13.1% p.a.

Net IRR 9.4% 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 2016

Company	Date of Disposal	Stake %	Cost of 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
Lyndarahim Ventures Sdn Bhd	28 March 2016	90.0	20.0	15.0
Alliance Cosmetics Group	1 August 2016	20.0	39.9	61.8
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.

Ekuias Direct (Tranche II) Fund

As At 31 December 2016

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	<ul style="list-style-type: none"> - Education - Oil & Gas - Fast Moving Consumer Goods (FMCG) - Retail & Leisure - Healthcare - Services

Ekuinas Direct (Tranche II) Fund

As At 31 December 2016

2 Fund Net Assets Value (NAV) as at 31 December 2016

	2015 RM million	Movement RM million	2016 RM million
A. Capital Commitment	1,000.0	-	1,000.0
B. Capital Called	892.8	132.7	1,025.5
C. Capital Reinvested	4.8	-	4.8
D. Total Capital Contributed (B+C)	897.6	132.7	1,030.3
E. Debt Drawdown (Amortised Cost)	105.0	(5.0)	100.0
F. Total Capital Invested (D+E)	1,002.6	127.7	1,130.3
Plus Increases to Net Assets Value:			
Dividend Income	3.1	6.9	10.0
Net Unrealised Gain on Fair Value of Investments	106.2	188.7	294.9
Realised Gain from Divestment	26.6	1.0	27.6
Interest Income/(Expenses)	(2.6)	1.7	(0.9)
Total Gross Portfolio Return	133.3	198.3	331.6
Organisational Expenses	(78.7)	(48.5)	(127.2)
Capital Distributions to Limited Partners (C+H)*	(102.6)	-	(102.6)
Net Increase/(Decrease) in Net Assets Value	(48.0)	149.8	101.8
G. Net Assets Value	954.6	277.5	1,232.1
Net Assets Value made up of:			
Investments - at cost	707.6	79.2	786.8
Net Unrealised Gain on Fair Value of Investments	106.2	188.7	294.9
Investments carried at Fair Value	813.8	267.9	1,081.7
Plus: Cash Balance	6.3	6.7	13.0
Plus: Working Capital	116.4	6.6	123.0
Plus: Uncalled Capital	18.1	(3.7)	14.4
Equals Net Assets Value	954.6	277.5	1,232.1
Net Assets Value	954.6	277.5	1,232.1
H. Capital Distributed	97.8	-	97.8
Total Net Assets Value plus Distributed Capital (G+H)	1,052.4	277.5	1,329.9
Gross IRR p.a.	13.0%		18.1%
Net IRR p.a. (before carried interest)	5.7%		12.7%
Carried Interest (RM million)	14.3		49.7
H/B Cash Distributions to Capital Called	0.1		0.1
G/B Net Assets Value to Capital Called	1.1		1.2
(G+H)/B Total Value to Capital Called	1.2		1.3
B/A Capital Called to Committed Capital	0.9		1.0

* Includes deemed distribution for reinvested capital.

3 INVESTMENT PERFORMANCE

(a) Current Portfolio Summary as at 31 December 2016

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	156.1		
PrimaBaguz Sdn Bhd	27 November 2013	100.0	40.0		
Asia Pacific Institute of Information Technology Lanka Pvt Ltd	20 December 2013	45.9	20.3		
Revenue Valley Group	27 June 2014	-	10.0	1,081.7	304.0
Coolblog Sdn Bhd	24 July 2014	60.0	45.8		
Orkim Sdn Bhd	18 December 2014	95.5	391.8		
Tenby Educare Sdn Bhd	19 March 2015	70.0	70.0		
Tranglo Sdn Bhd	31 March 2015	60.0	52.8		
Total			786.8		

Gross IRR 18.1% p.a.

Net IRR 12.7% 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 2016

Company	Date of Disposal	Stake %	Cost of Investment RM million	Total Realisation RM million
Full realisation				
Burger King Singapore	18 August 2015	100.0	47.2	23.9
Burger King Malaysia	18 August 2015	20.9	52.6	25.1
Lyndarahim Ventures Sdn Bhd	28 March 2016	-	5.0	6.0
Partial realisation				
Icon Offshore Berhad	25 June 2014	7.8	76.6	154.0

Ekuias Direct (Tranche III) Fund

As At 31 December 2016

1 Fund Overview

Fund Name	Ekuias Direct (Tranche III) Fund
Vintage Year	2014
Status	Investing
Capital Commitment	RM1.5 billion
Term	5 Years + 2 Years
Investment Period	3 to 5 Years
Legal Form & Structure	One fund manager and one investor Fund: Ekuias Direct (Tranche III) Fund Fund Manager: Ekuiti Nasional Berhad Fund's Domicile: Malaysia
Geographical Focus	Malaysia
Investment Focus	Buy-Out and Growth Capital Fund
Industry Focus	<ul style="list-style-type: none"> - Education - Oil & Gas - Fast Moving Consumer Goods (FMCG) - Retail & Leisure - Healthcare - Services

2 Fund Net Assets Value (NAV) as at 31 December 2016

	2015 RM million	Movement RM million	2016 RM million
A. Capital Commitment	1,500.0	-	1,500.0
B. Capital Called	121.9	232.5	354.4
C. Capital Reinvested	-	-	-
D. Total Capital Contributed (B+C)	121.9	232.5	354.4
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	121.9	232.5	354.4
Plus Decreases to Net Assets Value:			
Dividend Income	-	19.8	19.8
Net Unrealised Loss on Fair Value of Investments	-	(37.2)	(37.2)
Realised Gain/(Loss) from Divestment	-	-	-
Interest Income/(Expenses)	-	-	-
Total Gross Portfolio Loss	-	(17.4)	(17.4)
Organisational Expenses	(33.3)	(28.2)	(61.5)
Capital Distributions to Limited Partners (C+H)*	-	-	-
Net Decrease in Net Assets Value	(33.3)	(45.6)	(78.9)
G. Net Assets Value	88.6	186.9	275.5
Net Assets Value made up of:			
Investments - at cost	88.6	204.3	292.9
Net Unrealised Loss on Fair Value of Investments	-	(37.2)	(37.2)
Investments carried at Fair Value	88.6	167.1	255.7
Plus: Cash Balance	-	-	-
Plus: Working Capital	(0.0)	19.8	19.8
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	88.6	186.9	275.5
Net Assets Value	88.6	186.9	275.5
H. Capital Distributed	-	-	-
Total Net Assets Value plus Distributed Capital (G+H)	88.6	-	275.5
Gross IRR p.a.	N/M		N/M
Net IRR p.a. (before carried interest)	N/M		N/M
Carried Interest (RM million)	-		-
H/B Cash Distributions to Capital Called	-		-
G/B Net Assets Value to Capital Called	0.7		0.8
(G+H)/B Total Value to Capital Called	0.7		0.8
B/A Capital Called to Committed Capital	0.1		0.2

* Includes deemed distribution for reinvested capital.

Ekuinas Direct (Tranche III) Fund

As At 31 December 2016

3 INVESTMENT PERFORMANCE

(a) Current Portfolio Summary as at 31 December 2016

Company	Date of Initial Investment	Stake %	Cost of Investment RM million	Fair Value RM million	Gross Portfolio Loss RM million
PMCare Sdn Bhd	29 December 2015	60.0	16.8		
MediExpress (Malaysia) Sdn Bhd	29 December 2015	60.0	58.8		
Al-Ikhsan Sports Sdn Bhd	22 July 2016	35.0	67.3	-	-
ILMU Education Group	15 December 2015	25.4	150.0		
Total			292.9		
				Gross IRR	N/M
				Net IRR	N/M

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

Ekuinas Outsourced (Tranche I) Fund

As At 31 December 2016

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

Ekuinas Outsourced (Tranche I) Fund

As At 31 December 2016

2 Fund Net Assets Value (NAV) as at 31 December 2016

	2015	Movement	2016
	RM million	RM million	RM million
A. Capital Commitment	400.0	-	400.0
B. Capital Called	302.4	3.3	305.7
C. Capital Reinvested	15.1	8.7	23.8
D. Total Capital Contributed (B+C)	317.5	12.0	329.5
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	317.5	12.0	329.5
Plus Increases to Net Assets Value:			
Dividend Income	-	-	-
Net Unrealised Gain on Fair Value of Investments	38.9	83.6	122.5
Realised Loss from Divestment	(1.8)	-	(1.8)
Interest Income/(Expenses)	-	-	-
Total Gross Portfolio Return	37.1	83.6	120.7
Organisational Expenses	(10.0)	(7.5)	(17.5)
Capital Distributions to Limited Partners (C+H)*	(15.1)	(8.7)	(23.8)
Net Increase in Net Assets Value	12.0	67.4	79.4
G. Net Assets Value	329.5	79.4	408.9
Net Assets Value made up of:			
Investments - at cost	290.6	(50.2)	240.4
Net Unrealised Gain on Fair Value of Investments	38.9	83.6	122.5
Investments carried at Fair Value	329.5	33.4	362.9
Plus: Cash Balance	-	-	-
Plus: Working Capital	-	46.0	46.0
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	329.5	79.4	408.9
Net Assets Value	329.5	79.4	408.9
H. Capital Distributed	-	-	-
Total Net Assets Value plus Distributed Capital (G+H)	329.5	79.4	408.9
Gross IRR p.a.	6.3%		9.8%
Net IRR p.a. (before carried interest)	5.0%		8.7%
Carried Interest (RM million)	-		5.7
H/B Cash Distributions to Capital Called	-		-
G/B Net Assets Value to Capital Called	1.1		1.3
(G+H)/B Total Value to Capital Called	1.1		1.3
B/A Capital Called to Committed Capital	0.8		0.8

* Includes deemed distribution for reinvested capital.

Ekuinas Outsourced (Tranche I) Fund

As At 31 December 2016

3 INVESTMENT PERFORMANCE

Current Portfolio Summary as at 31 December 2016

Company	Ekuinas Commitment RM million	Private Capital Commitment RM million	Total Fund Size RM million	Ekuinas Net Invested Capital RM million	Investment by Others RM million	Net Assets Value RM million
Navis Malaysia Growth Opportunities Fund I, L.P.	400.0	151.9	551.9	240.4	170.7	408.9
CIMB National Equity Fund Ltd. P.						
TAP Harimau Fund L.P.						

Gross IRR 9.8% p.a.

Net IRR 8.7% p.a.

Ekuiнас Outsourced (Tranche II) Fund

As At 31 December 2016

1 Fund Overview

Fund Name	Ekuiнас 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: TAEL Tijari Partners Ltd. Fund's Domicile: Cayman Islands
Geographical Focus	Malaysia
Investment Focus	Minority Growth Capital Fund
Industry Focus	General except for Ekuinas' negative investment list

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

Ekuinas Outsourced (Tranche II) Fund

As At 31 December 2016

2 Fund Net Assets Value (NAV) as at 31 December 2016

	2015 RM million	Movement RM million	2016 RM million
A. Capital Commitment	240.0	-	240.0
B. Capital Called	51.9	31.4	83.3
C. Capital Reinvested	-	-	-
D. Total Capital Contributed (B+C)	51.9	31.4	83.3
E. Debt Drawdown (Amortised Cost)	-	-	-
F. Total Capital Invested (D+E)	51.9	31.4	83.3
Plus Increases/(Decreases) to Net Assets Value:			
Dividend Income	-	-	-
Net Unrealised Gain/(Loss) on Fair Value of Investments	(15.0)	4.9	(10.1)
Realised Loss from Divestment	-	(2.3)	(2.3)
Interest Income/(Expenses)	-	-	-
Total Gross Portfolio Loss	(15.0)	2.6	(12.4)
Organisational Expenses	(3.6)	(0.7)	(4.3)
Capital Distributions to Limited Partners (C+H)*	-	-	-
Net Increase/(Decrease) in Net Assets Value	(18.6)	1.9	(16.7)
G. Net Assets Value	33.3	33.3	66.6
Net Assets Value made up of:			
Investments - at cost	48.3	28.4	76.7
Net Unrealised Gain/(Loss) on Fair Value of Investments	(15.0)	4.9	(10.1)
Investments carried at Fair Value	33.3	33.3	66.6
Plus: Cash Balance	-	-	-
Plus: Working Capital	-	-	-
Plus: Uncalled Capital	-	-	-
Equals Net Assets Value	33.3	33.3	66.6
Net Assets Value	33.3	33.3	66.6
H. Capital Distributed	-	-	-
Total Net Assets Value plus Distributed Capital (G+H)	33.3	33.3	66.6
Gross IRR p.a.	N/M		N/M
Net IRR p.a. (before carried interest)	N/M		N/M
Carried Interest (RM million)	-		-
H/B Cash Distributions to Capital Called	-		-
G/B Net Assets Value to Capital Called	0.6		0.8
(G+H)/B Total Value to Capital Called	0.6		0.8
B/A Capital Called to Committed Capital	0.2		0.3

* Includes deemed distribution for reinvested capital.

Ekuiнас Outsourced (Tranche II) Fund

As At 31 December 2016

3 INVESTMENT PERFORMANCE

Current Portfolio Summary as at 31 December 2016

Company*	Ekuiнас Commitment RM million	Private Capital Commitment RM million	Total Fund Size RM million	Ekuiнас Net Invested Capital RM million	Investment by Others RM million	Net Assets Value RM million
RMCP One Sdn Bhd						
COPE Opportunities 3 Sdn Bhd	180.0	110.1	290.1	76.7	47.5	66.6
Tael Tijari (OFM) L.P.						
					Gross IRR	N/M
					Net IRR	N/M

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

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

Notes To The Portfolio Reporting

1 Notes to the Portfolio Reporting

The external auditor, PwC, was engaged by Ekuinas to perform certain procedures on the Portfolio Reporting on pages 132 to 146 for the financial year ended 31 December 2016, and has checked the information on Funds' Net Assets Value and Investment Performance as at 31 December 2016 included therein to supporting source data, and re-performed computations, where applicable.

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.

Divestment

Reduction of an asset or sale of an existing business by a firm.

Drawdown

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

Dry Powder

Amount of cash reserves or liquid assets available to deploy for 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.

Private Investment in Public Equity (PIPE)

Investment by a private equity fund in a publicly traded company.

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

