

Annual Report  
2020



**ekuinas**  
EKUITI NASIONAL BERHAD



Sabr (Arabic: صبر *sabr*) is the Islamic virtue of “perseverance” or “endurance”. *Sabr* is characterised as being one of the two parts of faith (the other being *shukr*). Perseverance is the first weapon for the believer to use when facing hardship.

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## VISION

To be a world-class private equity fund management company

## MISSION

To create Malaysia's next generation of leading companies whilst promoting equitable and sustainable Bumiputera wealth creation and economic participation based on the principles of market-friendliness, merit and transparency

## VALUES



## 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 wealth creation and economic participation based on the principles of market-friendliness, merit and transparency via the creation of Malaysia's next generation of leading companies.

## HOW DOES EKUINAS OPERATE?

Based on the PE model of:

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

## KEY OBJECTIVES

### Enhance sustainable corporate equity ownership

- **Direct equity:**  
Apportioning a certain amount of equity stake to management based on performance
- **Indirect equity:**  
Institutionalise shareholding for sustainability via institutional funds

### Increase meaningful employment in key areas

- Create more opportunities for **employment** via growth in target sectors & companies
- Ensure growth in employment are focused in **key skilled areas**
- Focus on growth of **senior management talent pool**

### Strengthen Entrepreneurship

- **Provides sustainable risk capital** sufficient to take significant stake
- **Skills:**
  - Enhance existing **entrepreneurs** capabilities
  - Tap **professional managers** to establish strong and incentivised management team
- Governance: impose **high expectations on performance**, monitored via Board representation





## HIGHLIGHTS

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# 2020 AT A GLANCE

## INVESTMENT PERFORMANCE

EKUINAS DIRECT (TRANCHE II) FUND	EKUINAS DIRECT (TRANCHE III) FUND	EKUINAS OUTSOURCED (TRANCHE I) FUND	EKUINAS OUTSOURCED (TRANCHE II) FUND
GROSS PORTFOLIO RETURN	GROSS PORTFOLIO LOSS	GROSS PORTFOLIO RETURN	GROSS PORTFOLIO LOSS
<b>RM571.2 MILLION</b>	<b>RM(75.4) MILLION</b>	<b>RM62.0 MILLION</b>	<b>RM(12.2) MILLION</b>
GROSS IRR	GROSS IRR	GROSS IRR	GROSS IRR
<b>11.9% P.A.</b>	<b>-3.2% P.A.</b>	<b>3.4% P.A.</b>	<b>-2.8% P.A.</b>
NET IRR	NET IRR	NET IRR	NET IRR
<b>8.2% P.A.</b>	<b>N/M*</b> <small>* Not presented as capital is still being deployed</small>	<b>2.6% P.A.</b>	<b>-4.1% P.A.</b>

## TOTAL CUMULATIVE INVESTMENT PORTFOLIO

TOTAL NUMBER OF INVESTMENTS DIRECT AND OUTSOURCED	DIRECT INVESTMENT	OUTSOURCED PROGRAMME
<b>69</b>	<b>46</b>	<b>23</b>
TOTAL COMMITTED INVESTMENT BY EKUINAS	TOTAL ECONOMIC CAPITAL DEPLOYED, TOGETHER WITH PRIVATE SECTOR PARTNERS	
<b>RM4.4 BILLION</b>	<b>RM5.0 BILLION</b>	

## SOCIAL OBJECTIVE PERFORMANCE

### COMBINED DIRECT INVESTMENT AND OUTSOURCED PROGRAMME

INCREASE IN BUMIPUTERA EQUITY	INCREASE IN TOTAL SHAREHOLDERS' VALUE	INCREASE IN BUMIPUTERA MANAGEMENT SINCE EKUINAS' ENTRY	INCREASE IN BUMIPUTERA EMPLOYEES SINCE EKUINAS' ENTRY
<b>RM5.6 BILLION</b> 1.4x capital invested	<b>RM7.0 BILLION</b> 1.8x capital invested	<b>13.3%</b>	<b>10.5%</b>

## FUND MANAGEMENT COMPANY

TOTAL FUNDS UNDER MANAGEMENT (FuM)	OPERATING EXPENDITURE (OPEX)	RATIO OF OPEX TO FuM	PROFIT AFTER TAX AND ZAKAT
<b>RM4.1 BILLION</b>	<b>RM45.8* MILLION</b>	<b>1.1%*</b>	<b>RM0.4* MILLION</b>

\* Includes COVID-19-related donations of RM4.7 million

# 2020 KEY FINANCIAL HIGHLIGHTS

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

	2020 RM million	2019 RM million
Funds disbursement from YEN during the year	–	50.0
Cumulative funds disbursement from YEN	<b>4,000.0</b>	4,000.0
Capital returned to YEN during the year	<b>120.0</b>	–
Cumulative capital returned to YEN	<b>320.0</b>	200.0

## 2. FUNDS ESTABLISHED

	Vintage Year	Fund Size RM million	Investment Focus	Term	Deployment Status
Ekuias Direct (Tranche I) Fund	2010	1,000.0	Buyout and Growth Capital	5 + 2 + 1 years	Fully realised
Ekuias Direct (Tranche II) Fund	2012	1,000.0	Buyout and Growth Capital	5 + 2 + 1.5 + 2 years	Deployed
Ekuias Direct (Tranche III) Fund	2014	1,500.0	Buyout and Growth Capital	5 + 1 + 2 years	Investing
Ekuias Direct (Tranche IV) Fund	2019	1,000.0	Buyout and Growth Capital	5 + 1 + 1 years	Investing
Ekuias Outsourced (Tranche I) Fund	2011	400.0	Growth Capital	6 + 1 + 1 + 1 + 1 years	Deployed
Ekuias Outsourced (Tranche II) Fund	2013	240.0	Growth Capital	7 + 1 years	Deployed

## 3. TOTAL FUNDS UNDER MANAGEMENT

	2020 RM million	2019 RM million
Direct	<b>3,500.0</b>	3,500.0
Outsourced	<b>640.0</b>	640.0
	<b>4,140.0</b>	4,140.0
Total Funds available for Investments, including private capital	<b>4,402.0</b>	4,402.0

#### 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
<b>2020</b>			
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	15	1,063.9	1,063.9
Ekuinas Direct (Tranche III) Fund	19	1,672.5	1,672.5
Ekuinas Direct (Tranche IV) Fund	1	69.6	69.6
Total - Direct	46	4,064.2	4,186.3
Ekuinas Outsourced (Tranche I) Fund	15	264.0	708.4
Ekuinas Outsourced (Tranche II) Fund	8	75.6	140.6
Total - Outsourced	23	339.6	849.0
<b>Total - Direct and Outsourced</b>	<b>69</b>	<b>4,403.8</b>	<b>5,035.3</b>
<b>2019</b>			
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,258.2	1,380.3
Ekuinas Direct (Tranche II) Fund	15	1,063.9	1,063.9
Ekuinas Direct (Tranche III) Fund	16	1,491.9	1,491.9
Total - Direct	42	3,814.0	3,936.1
Ekuinas Outsourced (Tranche I) Fund	15	264.0	708.4
Ekuinas Outsourced (Tranche II) Fund	8	75.6	140.6
Total - Outsourced	23	339.6	849.0
<b>Total - Direct and Outsourced</b>	<b>65</b>	<b>4,153.6</b>	<b>4,785.1</b>

## 2020 Key Financial Highlights

### b. Summary of Cumulative Realisation Activity

	Total Number of Realisation	Total Realisation Amount RM million
<b>2020</b>		
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,624.4
Ekuinas Direct (Tranche II) Fund	11	901.1
Ekuinas Direct (Tranche III) Fund	6	645.3
<b>Total</b>	<b>28</b>	<b>3,170.8</b>
<b>2019</b>		
Ekuinas Direct (Tranche I) Fund - <i>Realised</i>	11	1,624.4
Ekuinas Direct (Tranche II) Fund	9	836.6
Ekuinas Direct (Tranche III) Fund	6	645.3
<b>Total</b>	<b>26</b>	<b>3,106.3</b>

### c. Summary of Cumulative Financial Performance

	Gross Portfolio Return RM million	Gross Internal Rate of Return (IRR)	Net IRR
<b>Direct Fund</b>			
<b>2020</b>			
Ekuinas Direct (Tranche II) Fund	571.2	11.9% p.a.	8.2% p.a.
Ekuinas Direct (Tranche III) Fund	(75.4)	-3.2% p.a.	N/M <sup>^</sup>
<b>2019</b>			
Ekuinas Direct (Tranche II) Fund	582.9	13.5% p.a.	9.6% p.a.
Ekuinas Direct (Tranche III) Fund	(170.5)	-10.8% p.a.	N/M <sup>^</sup>
<b>Outsourced Fund</b>			
<b>2020</b>			
Ekuinas Outsourced (Tranche I) Fund	62.0	3.4% p.a.	2.6% p.a.
Ekuinas Outsourced (Tranche II) Fund	(12.2)	-2.8% p.a.	-4.1% p.a.
<b>2019</b>			
Ekuinas Outsourced (Tranche I) Fund	144.7	7.4% p.a.	6.5% p.a.
Ekuinas Outsourced (Tranche II) Fund	(17.9)	-5.2% p.a.	-6.6% p.a.

<sup>^</sup> Not presented as capital is being deployed

## 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
<b>2020</b>	<b>5,557.5</b>	<b>1.4x</b>	<b>6,986.2</b>	<b>1.8x</b>
2019	5,396.6	1.5x	6,870.8	1.9x

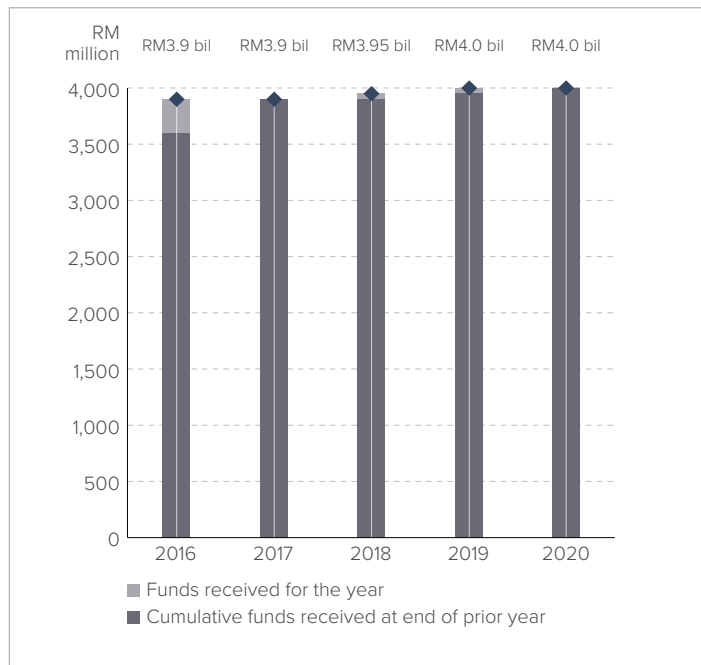
## 5. EKUITI NASIONAL BERHAD (FUND MANAGEMENT COMPANY)

	2020 RM million	2019 RM million
Total Funds under Management (FuM)	<b>4,140.0</b>	4,140.0
Operating Expenditure (OPEX)	<b>45.8*</b>	38.6
Ratio of OPEX to FuM	<b>1.1%*</b>	0.9%
Profit After Tax and Zakat (PAT)	<b>0.4*</b>	12.8

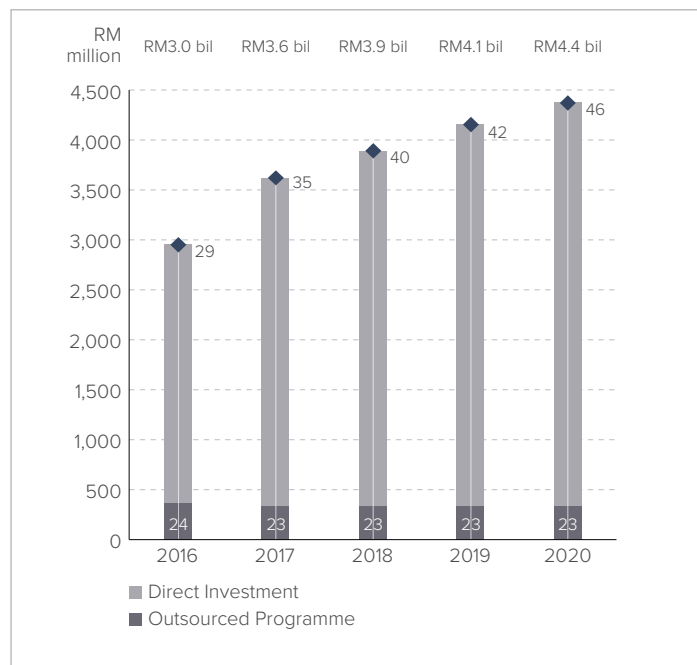
\* Includes COVID-19-related donations of RM4.7 million

# FIVE-YEAR FINANCIAL HIGHLIGHTS

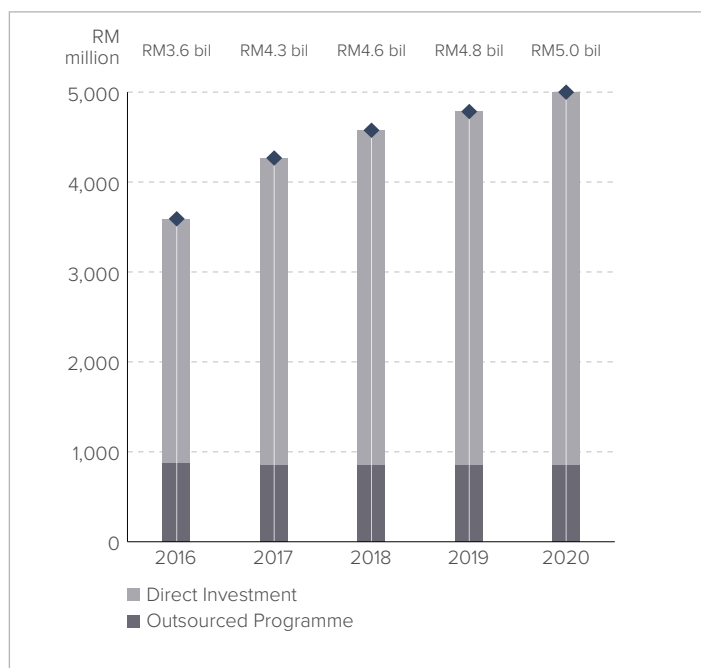
## TOTAL FUNDS RECEIVED



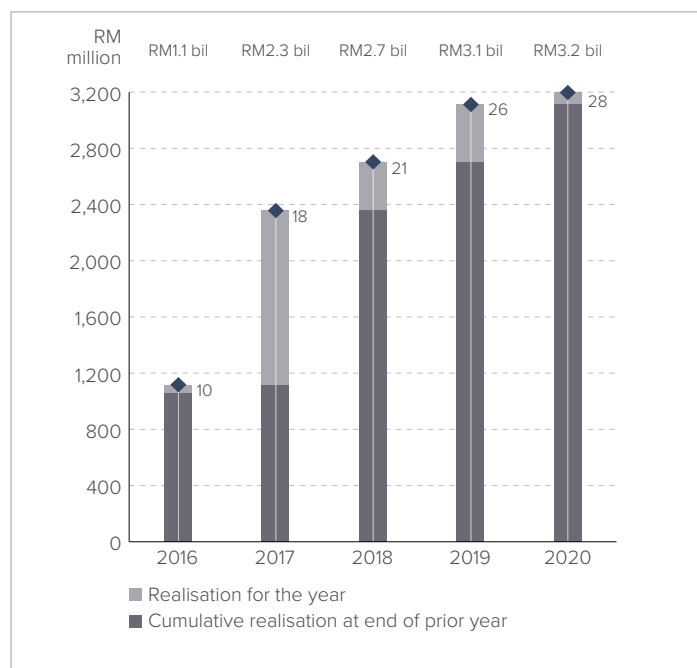
## TOTAL NUMBER AND VALUE OF COMMITTED INVESTMENTS



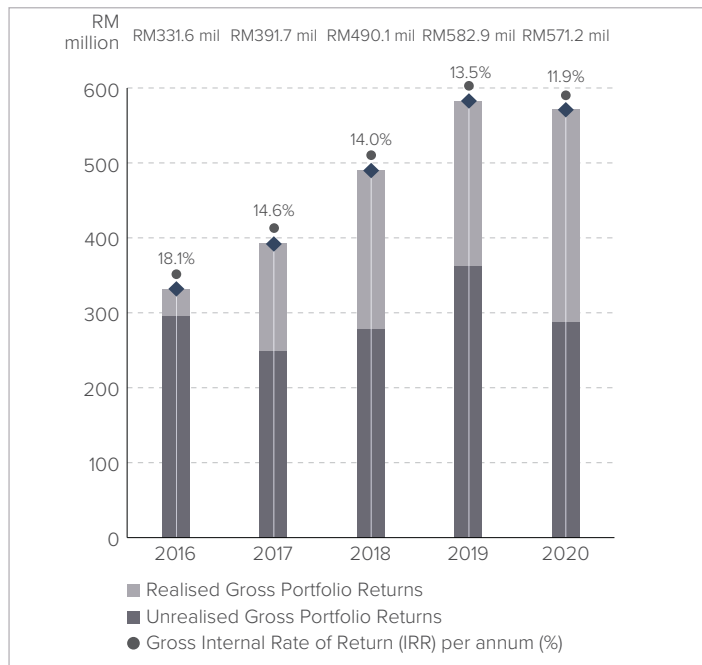
## TOTAL ECONOMIC CAPITAL DEPLOYED



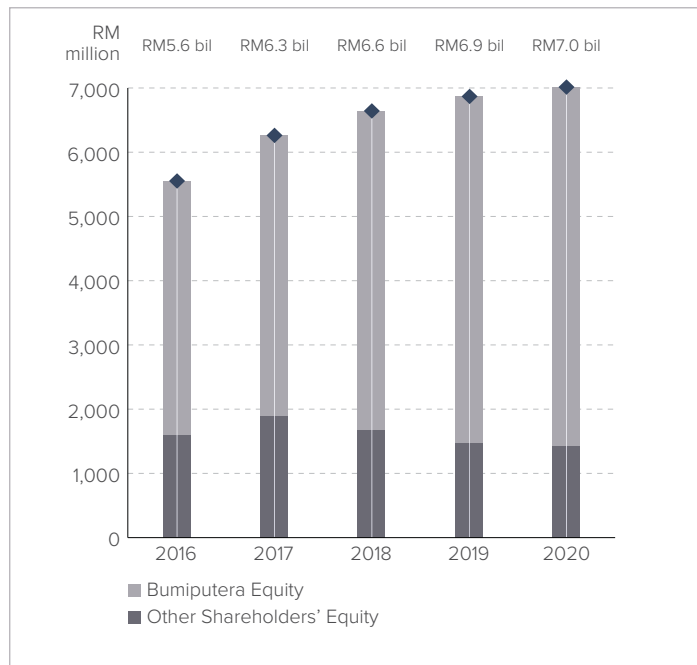
## DIRECT INVESTMENT - TOTAL NUMBER AND REALISATION FROM DIVESTMENTS



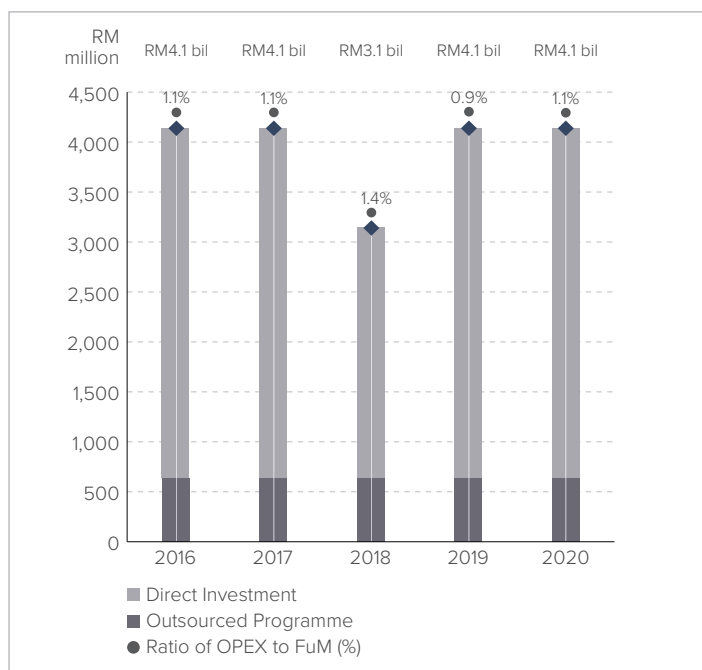
### FUND PERFORMANCE - EKUINAS DIRECT (TRANCHE II) FUND



### TOTAL BUMIPUTERA EQUITY AND OTHER SHAREHOLDERS' VALUE CREATED



### FUNDS UNDER MANAGEMENT AND FuM OPEX RATIO



# CHAIRMAN & CEO'S JOINT STATEMENT



**RAJA TAN SRI DATO' SERI ARSHAD RAJA TUN UDA**  
Chairman

**SYED YASIR ARAFAT SYED ABD KADIR**  
Chief Executive Officer



Dear Stakeholders,

## A Review of 2020: A year like no other

2020 was a watershed year for businesses and companies worldwide. It was a year of perseverance, persistence and endurance, which formed the theme of our annual report this year, **Sabr**.

Fresh off our 10<sup>th</sup> year milestone and a decade of strong performance, Ekuinas found itself having to gear up quickly to be battle-ready as the global COVID-19 pandemic hit home shores hard. Our vigilance, perseverance, prudence and efforts to grow and build resilient portfolio companies by leveraging our talent pool and knowledge over the years paid off. We were quickly able to capitalise on our momentum gained over the past years to focus on the preservation of our portfolios amidst a global pandemic as well as our programmes' beneficiaries under our Corporate Social Responsibility (CSR) arm, ILTIZAM.

For perspective, in 2019 Ekuinas discussed the growth and evolution of Malaysia's Private Equity (PE) landscape over the past decade, and Ekuinas' efforts and contribution to the development and appreciation of PE as a growth strategy for the nation. This was captured in our 2019 Annual Report as a frame, stepping into 2020.

In this new decade, our unique role remains and perhaps, is amplified by the growing global emphasis on private markets. Over the years, Ekuinas had been evolving and transitioning our talent and portfolio from a classic buyout PE firm, to being able to manage and employ different strategies to maximise the growth of our portfolio companies. We have also continued to maintain our track record in our ability to execute our investments and exits.

Globally, 2020 was off to a rocky start. PE activities fell off sharply in the first quarter, as activities or decisions were put on hold due to the inability to travel as well as a pull-back in sentiment, with confidence taking an abrupt turn for the worst. However, the disruption brought about by the pandemic did not

last long and the PE industry saw a rapid rebound, as reflected in the third quarter numbers of 2020 (Q3 2020)<sup>1</sup>. The momentum carried well into the rest of the year and saw the total buyout activity in the third quarter (Q3 2020) clocking in at USD148.0 billion, surpassing the 2019 levels by 10 per cent<sup>2</sup>. Towards the end of 2020, the Asia Pacific region saw a 13 per cent increment in buyouts compared to 2019 and formed the premise of the optimism going into 2021.

This swift rebound, compounded by record amounts of dry powder of nearly USD1.9 trillion, which was triple the aggregate sum of 2019's PE deals of USD450.0 billion<sup>3</sup>, defied initial expectations of a slower start. With unspent capital sloshing around the system, spurred further by rising liquidity in the global financial system, the anticipation of a correction in valuations and investment multiples on the back of difficult market conditions did not materialise. What we saw, however, was that the tougher environment did not appear to deter investors, but rather added to the fierce competition and strain in delivering results.

Locally, private markets continued to develop well, in tandem with the Securities Commission Malaysia expanding its registration framework to include PE firms since 2015. Within the short frame of time, the local PE industry demonstrated encouraging growth potential with total committed funds reaching RM6.0 billion (as at end 2019). Malaysia's vibrant entrepreneurship ecosystem, supported by clear policies, has continued to ensure that high potential Malaysian companies could get the necessary backing to grow to become future regional and global champions.

<sup>1</sup> Source: Bain 2021 Global Private Equity report

## Chairman & CEO's Joint Statement

### Doing more, reaching above and beyond

In a time where many were taking their foot off the pedal, Ekuinas pivoted to refocus on the preservation and futureproofing of our portfolio companies, stakeholders under ILTIZAM and employees. At the same time, we kept an eye out for opportunities – to continue investing, growing, and expanding.

By working closely as a team – within Ekuinas and with our portfolio companies – we persevered. Together, we implemented policies and processes that would allow us to pivot businesses where needed to find new markets, develop new products and services, identify and integrate new channels and platforms to conduct business seamlessly, adopt new processes to cater to the new normal, as well as retain jobs within the portfolio companies.

We will share more detail on the initiatives implemented within our portfolio companies later in this report.

### Market Review: 2020 a test of resilience and perseverance

2020 was a year of halves, before and after the pandemic, those who benefited from and those who were hardest hit and in the aftermath of ferocity of the initial impact, those who were swiftest to recover versus those still struggling to cope with the subsequent waves – leading to highly divergent recoveries worldwide.

Economically, the world registered its worst recession in history due to movement restrictions enacted to control the virus and alleviate pressure on strained health systems. Whilst governments were swift to deploy multiple stimulus packages to prop up ailing economies, businesses and households, it was not enough to prevent millions from being pushed into extreme poverty<sup>2</sup>.

On the capital market front, the stock market was bookended by two different bull markets, with a short-lived bear market in the middle. Global public equity and credit markets were hammered early by COVID-19 concerns but rebounded swiftly over Q2 2020 onwards, pulling private asset prices along with them. The deep V pattern seen across the benchmark indices was also present in PE investments, exits and fund-raising as rapid stimulus implemented by central banks worldwide boosted confidence, and made available a flood of cheap debt.

Similarly, market uncertainties persisted for the energy markets, with high inventory levels forcing Brent crude oil spot prices down from a monthly average of USD64 per barrel in January 2020 to only USD18 in April 2020. Oil markets started to shift in the summer months as nations began to emerge from lockdown, and production cuts by OPEC and their partner countries (OPEC+) contributed to the decrease in global supply and a much-needed stabilisation of oil prices. By November 2020, prices had increased to an average of USD43 per barrel and has continued to rally towards the USD70 per barrel mark as OPEC+ chose not to relax supply curbs in 2021<sup>3</sup>.

Locally, Malaysia's overall GDP shrank by 5.6%, the biggest contraction since the 1998 Asian Financial Crisis. The number exceeded the Finance Ministry's initial projection to shrink at 4.5% versus a 4.3% GDP growth in 2019 as the country continued to battle wave after wave of COVID-19 infections. To date, construction, mining, and services sectors posted the biggest decline in the year, contracting by 19.4%, 10.0% and 5.5% respectively. The labour market was expected to remain weak in the first half of 2021 (1H 2021) before improving. Unemployment rate stood at 4.8% at the end of 2020, after surpassing 5% in the middle of 2020, the highest rate in three decades<sup>4</sup>.

Against this backdrop, 2020 was the year Malaysia saw the return of the retail investor to the stock market with a net buy amounting to RM14.3 billion compared with local institutions at RM10.3 billion. Unsurprisingly, key beneficiaries of the funds were healthcare and technology-related counters, such as gloves as well as the smaller cap and fledgling stocks<sup>5</sup>. Based on fund flow data, foreign funds registered a net outflow of RM24.9 billion for the year compared to RM11.1 billion in 2019<sup>6</sup>.

<sup>2</sup> Source: 2021 Global Private Equity Outlook, S&P

<sup>3</sup> Source: 2021 Global Private Equity Outlook, S&P

<sup>4</sup> Source: World Bank Blogs

<sup>5</sup> Source: WorldOil.com

## 2020 Financial Highlights

Amidst a global pandemic and volatile economic environment, Ekuinas continued to deliver value, execute our investments and divestments whilst promoting Bumiputera equity ownership.

On a macro level, we continued to support the local economy with a total committed investment of RM4.4 billion (FY2019: RM4.1 billion), since its inception in 2009. At the end of the year, our total cumulative investment portfolio comprised 42 companies, out of which, 24 were direct investments whilst 18 were made through our Outsourced Programme.

On our part, sourcing and deploying investments as well as divesting our assets, took on a whole new meaning as we were unable to travel to locations, to meet teams and view the assets. To ensure we continued to adhere to our thorough processes and conduct our due diligence to the level of rigour required, we adopted a hybrid approach, took advantage of travel windows in between lockdowns under strict standard operating procedures (SOP), leverage more on our industry network to source qualified and trusted information and validation, and identified novel ways to capitalise on video calls to obtain the necessary information or assurances to transition the company to its new investors.

We also continued to adhere to our investment discipline of investing into quality deals at attractive valuations that fit our investment criteria. Our deal sourcing efforts intensified. Through more extensive research, both online and offline supplemented by capitalising on our expanded network, we continued to actively source investments, which have seen clear outcomes in the form of our investments and divestments in 2020.

### Total Committed Investments

RM  
**4.4**  
billion

### Total Economic Deployment

RM  
**5.0**  
billion

### Total Cumulative Investments

**42**  
companies

Notably, although we shifted to portfolio triage as a precautionary stance, we are pleased to share that none of our portfolio companies needed additional capital injections in 2020, highlighting the strength of their respective financials and wise, prudent management by their leadership teams.

During this period, we successfully divested Coolblog Apps Sdn Bhd for RM64.5 million, which brings our total realisation, including income from dividends and interests to RM3.2 billion (FY2019: RM3.1 billion). It was a process we planned and initiated prior to the lockdowns but was completed within the period. It required the team to adopt a hybrid approach – from researching potential investors, connecting, and marketing especially. Virtual sale pitches, and follow up engagements to the due diligence process were undertaken. As a team, Ekuinas had to redefine steps and processes that would allow us to maintain our standard rigour in both, obtaining and providing, the necessary information and assurances for the divestment.

Our high performance focus remains as a yardstick against global benchmarks with regards to the cost of asset management in our performance-based operations. We also continue to emphasise cost-efficiency and a lean but highly effective team. We believe this is important as we continue to lead by example. We achieved an operating expense ratio of 1.1% against our total Funds under Management of RM4.1 billion which included COVID-19-related donations (FY2019: 0.9% of RM4.1 billion).

We continue to measure ourselves based on the impact on the broader Malaysian economy. In 2020, our overall investment activities generated a total economic deployment of RM5.0 billion (FY2019: RM4.8 billion) for the year under review.

<sup>6</sup> Source: Straits Times, 11 February 2021

<sup>7</sup> Source: Securities Commission Malaysia Annual Report 2020

<sup>8</sup> Source: Better year seen for the stock market in 2021, The Star

## Chairman & CEO's Joint Statement

### Performance of our funds

Ekuinas' strict commercial discipline to create value whilst maintaining the highest levels of governance and accountability remains at the forefront of our priorities in managing our portfolio. As steward of public funds, we take a long-term view on our investments and continuously seek high potential local companies with the goal to create Malaysia's next generation of leading companies, whilst promoting equitable and sustainable Bumiputera wealth creation and economic participation.

For the financial year 2020 (FY2020), Ekuinas Direct (Tranche II) Fund recorded a Gross Portfolio Return of RM571.2 million and a Gross Internal Rate of Return (IRR) of 11.9% p.a., (FY2019: RM582.9 million and 13.5% p.a.). This fund has been fully deployed and is targeted to complete its crystallisation process in 2021.

Ekuinas Direct (Tranche III) Fund made a Gross Portfolio Loss of RM75.4 million, which translates to a negative Gross IRR of 3.2% p.a. (FY2019: Gross Portfolio Loss of RM170.5 million and negative IRR of 10.8%). However, this performance represents an improvement of 7.6% for the same period and is a testament of the stringent and comprehensive value creation plans (VCP) that were put in place for four of our portfolio companies to restore competitiveness, and execute turnarounds in their operational and financial performance to improve their valuations. We believe that we are now on track to eventually bring our Direct (Tranche III) Fund back into positive territory in the near future.

“  
Ekuinas' strict commercial discipline to create value whilst maintaining the highest levels of governance and accountability remains at the forefront of our priorities in managing our portfolio.”

For our outsourced funds, the Ekuinas Outsourced (Tranche I) Fund delivered a Gross Portfolio Return of RM62.0 million which translates to a Gross IRR of 3.4% p.a. (FY2019: RM144.7 million and 7.4% p.a.).

The Ekuinas Outsourced (Tranche II) Fund recorded a Gross Portfolio Loss of RM12.2 million which translates to a negative Gross IRR of 2.8% p.a. (FY2019: Gross Portfolio Loss of RM17.9 million and negative IRR of 5.2%). Improvements to the portfolio performance were due to the divestment of an asset in FY2020 and strong performance by one of the Outsourced Fund Managers. We are hopeful that as the fund comes nearer to the end of its charter period, the eventual exits will see an improvement in the fund's overall performance.

In summary, the performance of our funds continues to be resilient and in line with expectations as its operating environment deteriorated. We entered 2020 fully cognisant of the challenges in the near term as companies continue to wrestle with uncertainties.

Malaysia's public equity market ended the year with a bang, having seen the total market capitalisation of Malaysian equity market rebound by as much as 48.7%, or RM600 billion, to RM1.9 trillion on 16 December 2020 from a low of RM1.2 trillion on 19 March 2020<sup>9</sup>. The total market cap grew 6.2% to RM1.8 trillion whilst the FTSE Bursa Malaysia KLCI (FBMKLCI) benchmark index closed the year at 1,627.2 points, despite net outflow from foreign investors.

### Value Creation Activities

Acceleration was the theme for 2020. The focus was to drive growth and profitability through enhancements of products and services, sales and marketing, as well as digital and technology. We emphasised focus and alignment to business plans and greater integration between portfolio monitoring and investments through rigorous and strict monitoring of our companies to ensure we were able to deliver results.

Significant part of our value creation activities was focused on Revenue Valley Group (RV), Davex Sdn Bhd (Davex) and Flexi Versa Group (FVG) due to changes in market environment and operating landscape brought about by the pandemic.

<sup>9</sup> Source: 2020 Annual Report - Securities Commission Malaysia

For RV, the movement control order affected consumer demand, driving down footfalls at malls or retail outlets, and therefore, in-restaurant dining. As a basis for our pivot plan, we identified pain-points and opportunities that resulted in effective digital marketing and the implementation of technology solutions which played a critical role in operational efficiency to facilitate seamless customer experience. Looking ahead, we assessed and launched new concepts and brands in efforts to tap into different and new customer segments as well as to identify pockets of opportunity to acquire and keep our customers coming back for more.

Enterprise Resource Planning (ERP) manufacturing and finance solutions were implemented in two of our companies, specifically FVG and Davex. Whilst the ERP focus for each company was different, the objective remains to accelerate operational efficiency, improve sales effectiveness, and expedite data-driven decision making to drive performance.

Well into its second year, Ekuinas continues to focus on building up Exabytes' regional market business, with a specific focus on their turnaround and growth strategy, as well as other opportunities to facilitate its next stage of growth.

As the first virtual university in Southeast Asia and a higher education group that aims to offer a holistic learning ecosystem, UNITAR was prepared to leapfrog the distancing requirements during the pandemic and pivoted quickly by offering more online and adult courses which were well-received.

In addition, we fully supported Icon Offshore Berhad's (ICON) decision to own and operate the jack-up rig, the Perisai Pacific 101. The acquisition is in line with ICON's strategy to redefine itself in a move away from being a pure-play offshore support vessel provider and we are particularly excited about this as it will give ICON the advantage to become an integrated service provider in the future. In addition, following ICON's successful debt restructuring exercise in 2019, ICON returned to black, registering a 5.5% year-on-year (YoY) revenue growth of RM212.1 million and a Profit After Tax (PAT) of RM1.4 million\* for the year ended 31 December 2020 compared to RM25.4 million\* Loss After Tax for the preceding year 2019. The achievement illustrates the team's strong execution capability of the turnaround plan and ability to grow the business, despite tough operating conditions in the O&G industry.

## Investments and Divestments

In 2020, Ekuinas committed a total of RM250.2 million in efforts to strengthen our portfolio companies from within, as well as to add to our stable high potential companies with clear and focused value propositions that met with our investment criteria.

We acquired a controlling stake in Medispec (M) Sdn Bhd (Medispec), based on an enterprise value of RM88.5 million. Medispec is a leading distributor and marketer of local pharmaceutical and supplement products with a track record of over 35 years, offering more than 100 pharmaceutical drugs and 30 health supplements under both prescription and over-the-counter categories. Our entry into the healthcare and pharmaceutical space is timely as we look to capitalise on global megatrends and demographic shifts amid the emergence of COVID-19. In addition to its large established supply chain and distribution network, we look to work closely with Medispec to expand its healthy product pipeline and distribution of its in-house brand, Vitamode, both locally and regionally to other countries within the ASEAN region.

Others were follow-on investments in FVG for RM5.5 million and a transfer of ICON from Fund II for RM0.1 million. Another notable commitment was the RM175.0 million in ICON to help them secure the jack-up rig, Perisai Pacific 101.

Our efforts with Coolblog in analysing its customer base, product offerings and procurement processes paid off as we successfully divested the company in 2020. Throughout the investment period, our VCP focused on advancing operational efficiency to support its franchise model and expansion efforts. It was evident that the success of the company was its franchise model, ability to penetrate markets, particularly the smaller cities and towns in Malaysia, and its product offerings. Other VCP initiatives included streamlining the operational processes and systems, corporate outlet expansion and penetration into new mass-market regions, as well as enhancements in its product offerings and marketing strategies.

\* Before Extraordinary Items

## Chairman & CEO's Joint Statement



### Delivering on our social objectives

Ekuinas has, since inception, endeavoured to create positive social impact by facilitating Bumiputera communities to achieve abiding success. We remain steadfast in building a platform and community that will facilitate continuous social and financial progress for individuals, families, and communities alike.

In FY2020, through our direct and outsourced funds, Ekuinas has successfully increased Bumiputera equity ownership to RM5.6 billion or 1.4 times the capital invested (FY2019: RM5.4 billion and 1.5 times). Notwithstanding the economic impact due to the pandemic, we managed to increase the number of Bumiputera managers and employees in our portfolio companies by 13.3% and 10.5% respectively (FY2019: 23.5% and 14.1%, respectively).

In addition, we continue to distribute the gains from our investments back to the Bumiputera community, following the closure and full realisation of our maiden Ekuinas Direct (Tranche I) Fund. We presented RM120.0 million to Yayasan Pelaburan Bumiputera (YPB) for the benefit of its Bumiputera unit holders of trust funds managed by Permodalan Nasional Bhd (PNB) in September 2020. This brings our total distribution to PNB to RM320.0 million, including the RM200.0 million that was disbursed in 2014.

We are also pleased with the development made through our CSR arm, ILTIZAM that aims to directly impact the Bumiputera community positively by providing assistance to small Bumiputera companies, young graduates and communities. Despite the unprecedented situation and movement control order, ILTIZAM's framework allowed us to enhance our programmes and efforts in areas that are more meaningful. Our focus for the year was to help sustain individuals, communities, and businesses impacted by ensuring they were able to survive and pick up once the situation improves.

“  
STEADFAST IN BUILDING A PLATFORM AND  
COMMUNITY THAT WILL FACILITATE CONTINUOUS  
SOCIAL AND FINANCIAL PROGRESS FOR  
INDIVIDUALS, FAMILIES, AND COMMUNITIES ALIKE.”

<sup>10</sup> Source: 2021 Global Private Equity Outlook, 2 March 2021

In 2020, ILTIZAM disbursed RM9.8 million across the three pillars, benefiting close to 6,600 beneficiaries. This brings our total amount utilised for ILTIZAM's initiatives to RM50.8 million over the last seven years, a reflection of our commitment to make continuous impact to the community. Please refer to the section on ILTIZAM by Ekuinas for more details on its programmes and progress on pages 104 - 113.

In light of the pandemic, Ekuinas introduced Dana Ihsan COVID-19 ILTIZAM (Dana Ihsan) with an allocation of RM10.0 million to support the country in its battle against the pandemic and to respond to the heightened need for aid to front-liners, small businesses, families, and individuals in need to ensure the safety and the well-being of the communities are taken care of. More details on Dana Ihsan are shared on pages 111 - 112.

### Outlook and plans for 2021: Looking Ahead

As we entered the New Year 2021, many held fast to the sense of optimism buoyed by the worldwide rollout of the vaccination programmes, a new U.S. presidency and Brexit finally coming to a close. Asia Pacific investors were most buoyant amongst global PE investors, where three quarters of PE professionals from the region anticipated the upward trend of transaction volumes to continue<sup>10</sup>. A few anticipated a deterioration in the landscape in the coming months, a stark contrast with the 2020 survey where almost 20 per cent anticipated a worsening investment outlook.

While the US-China trade war remains unresolved, investors and businesses continued to focus on strengthening the markets and new networks established in efforts to replace lost revenues and disrupted supply chains caused by the pandemic.

It is too early to say what 2021 would look like, but there are bound to be short-term hiccups on the road to recovery and a period of fractured growth underpinned by the divergence in pace of recovery of the various economies. Notwithstanding, private markets outlook remain robust. Stunned initially by the fallout induced by COVID-19, investors recoiled but quickly redeployed in the 2H 2020, driving up the deal values. Fewer funds closed in 2020, but those that did were skewed towards larger funds, and closed well above their targets. As with all crises, there was a visible flight to quality and funds with established track records, a trend that bodes well for Ekuinas.

We took note of the trends globally as we calibrated our strategy and action plans for 2021 to guard against future headwinds for us and our portfolio companies. The points to note are:

- I. **Growing local focus due to travel restrictions heightens competition:** As a PE investor with a domestic focus and a proven track record, Ekuinas is in a position of strength. However, we remain cognisant of the unpredictability of market forces compounded by the speed of change heightened by technology. As such, we continue to emphasise asset quality and ongoing talent development to ensure we can successfully execute against our value creation plans, and a stringent approach in our governance to mitigate risk.
- II. **Increased allocations to PE compounded by burgeoning valuations and multiples strain performance:** Expectations are for valuations to hold its steady upward trajectory, as the world remains flushed with liquidity. PE assets under management (AuM) growth is expected to remain on track for USD9.0 trillion by 2025 as investors seek to increase their allocations to PE over the next five (5) years<sup>11</sup>. Ekuinas will continue to emphasise asset quality and prudence in our approach whilst deploying different strategies to mitigate potentially pricier investments to protect performance.
- III. **Purpose driven investments:** Investing according to the Environment, Social and Governance (ESG) principles is an area of significant and growing focus for PE. Whilst it is not new, several firms have taken additional steps to increase their responsibility in committing to a climate framework and to drive social value.

On our part, Ekuinas' key focus for 2021 will be on intensifying deal sourcing and portfolio management, whilst maintaining the overall corporate strategic direction. We have built up a robust deal pipeline comprising quality and diverse potential investments and will continue to nurture deal flows through expanded deal criteria, supplemented by improved research and networking.

Our mandate and performance remain in the forefront. To that end, our commitment to ensure consistent and disciplined execution will see us continue to emphasise discipline on three fronts through increasing value creation activities to ensure resilience and performance delivery, stringent adherence to governance requirements and business alignment through detailed performance management.

<sup>11</sup> Source: PE Pulse Q42020, EY

## Chairman & CEO's Joint Statement

2021 is a year we hope to accelerate the execution of our VCP initiatives and continue to strengthen portfolio monitoring as we gear up for the closure of Fund II. We are also confident that we will continue to maintain our execution track record, which remains intrinsic in our overall management philosophy and culture.

Whilst growth and profitability will be the focus of all the enhancement initiatives, we are cognisant of our broader responsibility to ensure that the wider impact on society and the Bumiputera community will remain a priority.

Internally, people have and continue to be a key focus. Our performance and ability to continue to do so since inception has been premised on a strong people-centric belief. Our ability to attract, nurture and grow talent is a strength that continues to allow us to drive competitiveness. The pandemic has proven that a company or organisation's potential to pivot, survive and then thrive, is largely premised on the capabilities of its talent. Therefore, as highlighted earlier, our strategy in strengthening due diligence and discipline in investment processes, coupled with a strict adherence to governance requirements, whilst ensuring business alignment through performance management, will continue to be driven by our focus on nurturing talented professionals. This will set Ekuinas on the right path towards strong and consistent performance.

As we move forward, we remain focused on contributing back to the community, nation and the planet. In addition to expanding our support for programmes under ILTIZAM, we will also be looking to update our Gains Distribution Framework, to feature greater and specific emphasis on education opportunities. Maintaining our engagements with the Government to ensure close alignment with the Economic Planning Unit in the Prime Minister's Department (EPU) that oversees Ekuinas, and all other relevant stakeholders will be foremost in our efforts, as we grow our commitment to contribute more towards the Bumiputera community.

We will also be embarking on new initiatives such as the introduction of a new Environment, Social and Governance (ESG) framework and approach for Ekuinas and its portfolio companies. We see this commitment as a natural progression of our role in contributing towards a wider audience with growing impact, especially towards Bumiputera wealth creation. Furthermore, we will also look to employ new investing strategies in the future, to potentially include other investment strategies within the private markets space that would help to further strengthen Ekuinas' ability to deliver on its mandate.

### A note of appreciation and thanks

2020 has been a year of many revelations, challenges, and blessings. Despite the difficult environment, Ekuinas has continued to achieve our key performance indicators (KPIs). We recognise that this was not solely on our own effort and on this front, we want to acknowledge the many stakeholders who have continued to support us on this journey and for giving us the opportunity to play a role in the growth and development of the Malaysian PE industry.

Our deepest appreciation goes to the Government of Malaysia and the EPU. We thank you for your continued support and confidence in our ability to deliver our mandate.

We would also like to express our sincere thanks and gratitude to our Board of Directors for your stewardship throughout their respective tenures over the past 11 years. Your sound wisdom and firm counsel have been instrumental to our success and especially so in this very volatile, uncertain, and increasingly complex environment. We also want to take this opportunity to welcome to the board, Dato' Abdul Hamid Sheikh Mohamad as an Independent Non-Executive Director. Dato' Abdul Hamid brings with him a wealth of experience in the public as well as private markets, and we are confident that the Board will be stronger with his contributions.

To all of our staff and employees of our portfolio companies, present and past: 2020 has been a test of resilience and perseverance for all. Thank you for your confidence in the company, continued hard work and dedication in seeing through the challenging times and for going the extra mile to deliver on the roles entrusted to each of you. Ekuinas' achievements today were possible because of your efforts and shared belief.

As we look forward, Ekuinas remains steadfast in our role and purpose to create long-term value for our stakeholders and portfolio companies. We are confident that with your continued support, this next decade will usher in exciting and transformational growth areas and opportunities for Malaysia's PE industry as well as homegrown companies, which will position the country as an attractive and globally competitive PE and investment destination.

Let us move forward with purpose and confidence.

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

Chairman

**Syed Yasir Arafat Syed Abd Kadir**

Chief Executive Officer

# AMIDST THE PANDEMIC: HOW COVID-19 AFFECTED PRIVATE EQUITY IN ASIA-PACIFIC AND MALAYSIA

## BY BAIN AND COMPANY

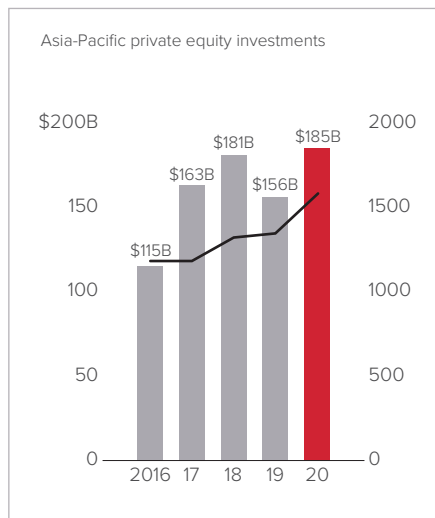
### A MIXED YEAR FOR ASIA-PACIFIC

When COVID-19 struck in early 2020, investors around the world braced for a very tough year ahead. After two years of record investment value in Asia-Pacific, the region had ended 2019 with a ~15% decline. Exit and fundraising had plunged even more, and with a record amount of dry powder in the region, the last thing investors wanted was a macro shock that would put their portfolio companies at risk and dry up the deal flow.

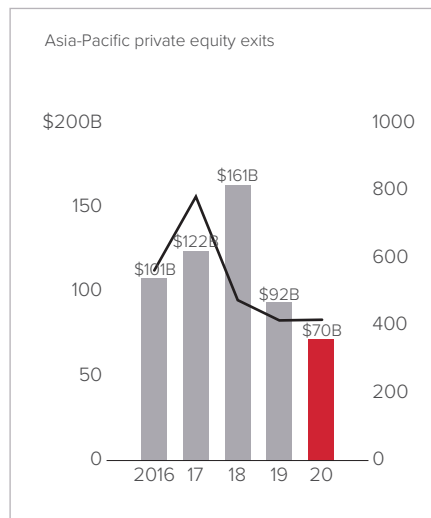
But 2020 did not turn out to be all doom and gloom. It was indeed a challenging year: GPs had to put “all hands on deck” to safeguard their portfolio companies in the first half of the year – specifically those in sectors most impacted by the movement restrictions and lockdowns – but robust dealmaking helped Asia-Pacific increase its weight in the global PE market, and returns remained strong with Asia-Pacific PE funds outperforming public markets on both a 5, 10 and 20-year horizon.

That said, it was still a difficult year for PE. Exits and fundraising were curtailed across the region, even if the revival of stock markets in the second quarter opened up the IPO channel. Record levels of dry powder remain, exacerbating competition amidst already high multiples.

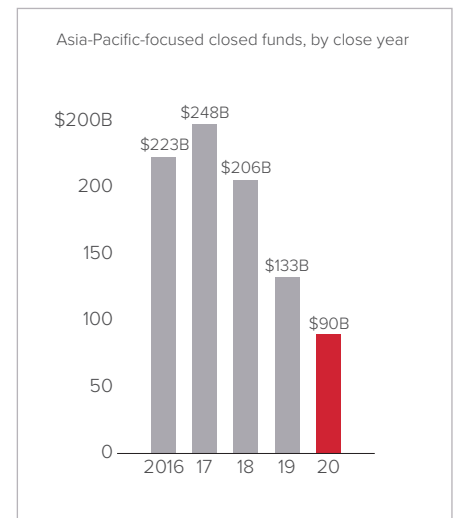
#### DEAL VALUE CLIMBED TO RECORD HIGH



#### EXIT VALUE PLUNGED FURTHER



#### FUNDRAISING TUMBLED FOR THE THIRD YEAR



Note: Excludes real estate and infrastructure  
Source: AVCJ; Preqin

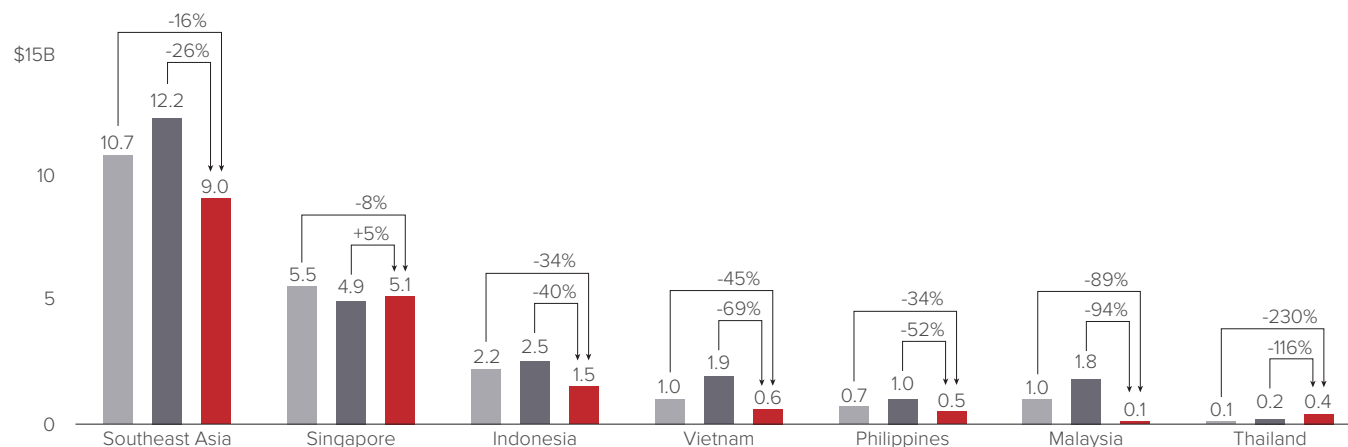
■ Value — Count

# Amidst the Pandemic: How COVID-19 Affected Private Equity in Asia-Pacific and Malaysia by Bain and Company

## A CHALLENGING YEAR IN SOUTHEAST ASIA AND MALAYSIA

In Southeast Asia, 2020 was a particularly challenging year. Overall deal value dropped -26% to \$9B from \$12B in 2019, which was itself similar to 2018 but far from the historical peak of \$16B in 2017.

Southeast Asia private equity investment value, by market

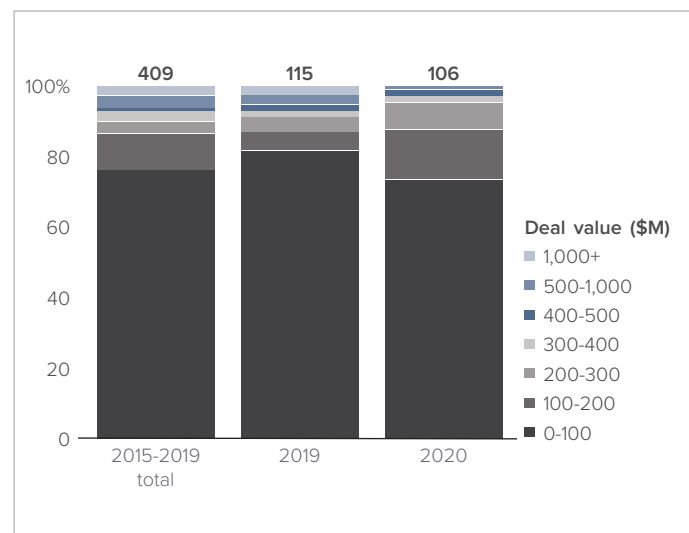


Note: Excludes real estate and infrastructure

Source: AVCJ

That said, this was mostly due to a decrease in average deal value - \$85M in 2020 vs. \$106M in 2019 – while the number of deals went only slightly down from 115 to 106. In particular, 2020 saw fewer “big cheques” – in 2019, there had been 6 deals above \$500M vs. only 3 in 2020: Grab, Equis Development, and Irrawaddy Green Towers – while 2020 saw more deals in the \$100-500M range (25 vs. 15 in 2019).

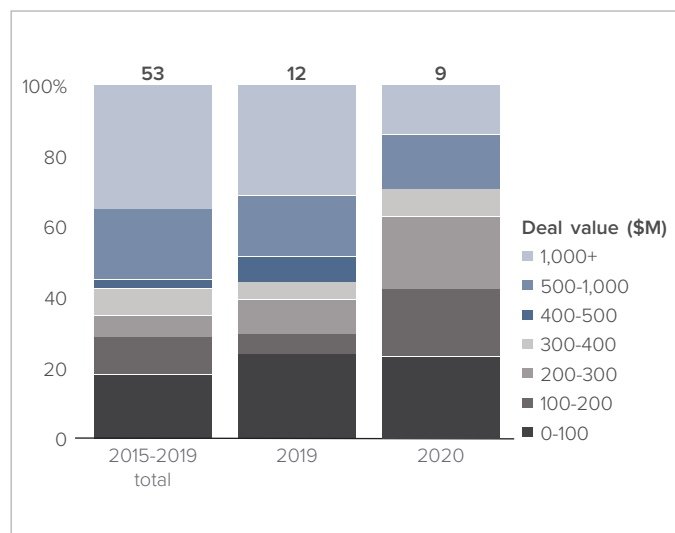
### # Southeast Asia investments by investment value



Note: Excludes real estate and infrastructure

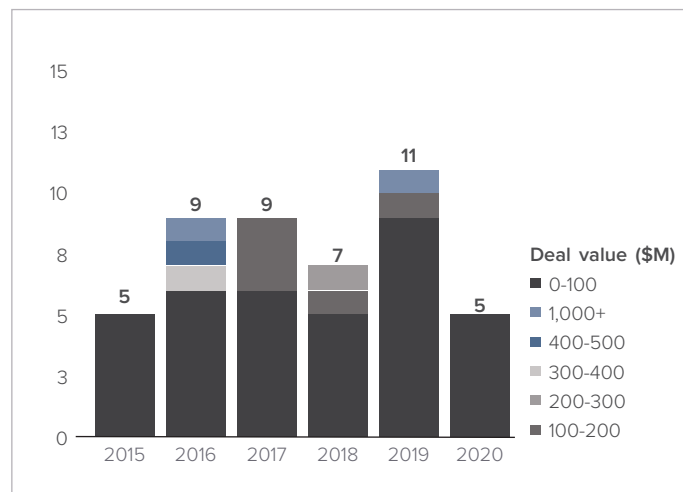
Source: AVCJ

### Breakdown of Southeast Asia investments (\$B) by deal value

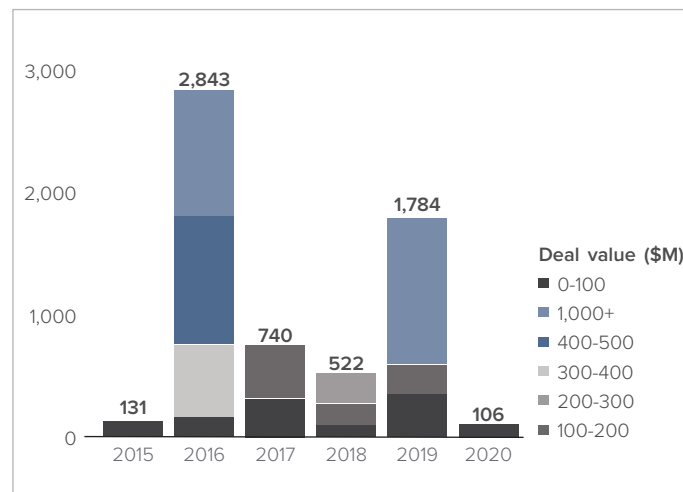


For Malaysia, deal value dropped to near all-time lows in 2020 with only \$106M deal value – way below the \$1.8B of 2019 or the 5-year average of \$1.0B in 2015-19, and close to the 2015 investment vintage of \$131M. Compared to the last 5 years, Malaysia has not seen any “big cheque” deal (above \$500M), but also mid-sized deals between \$200-500M have been lacking in 2020.

# Malaysia investments by investment value

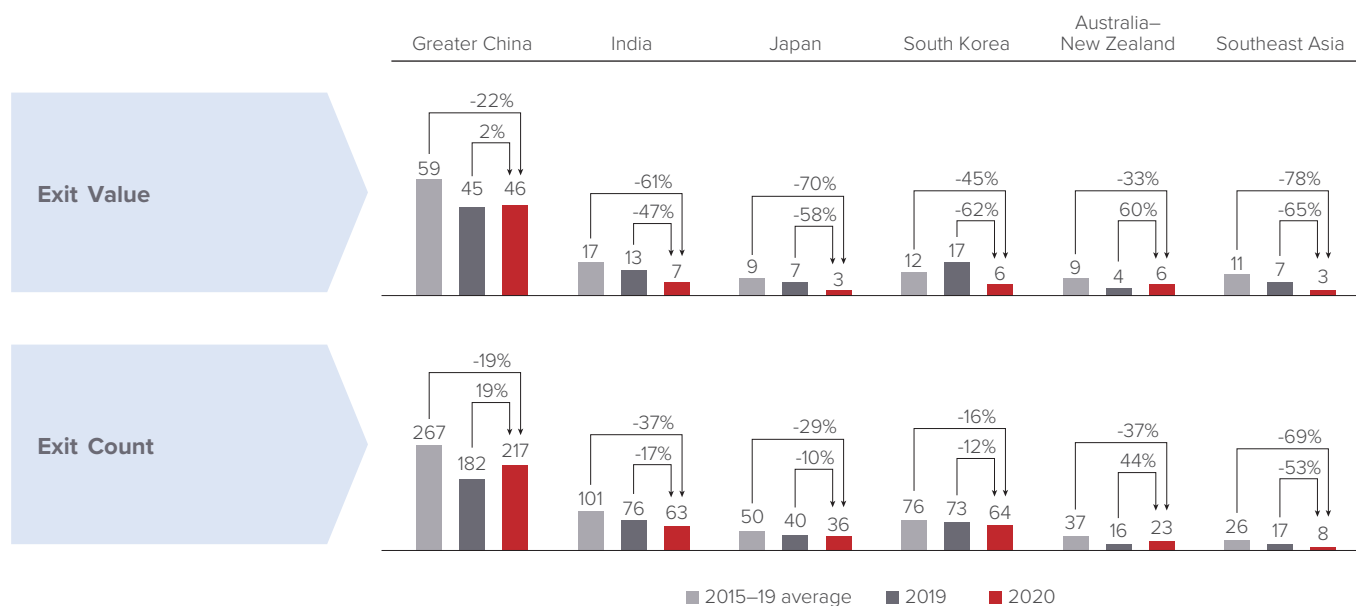


Breakdown of Malaysia investments (\$B) by deal value



## EXITS AND FUNDRAISING STALLING

Exits and fundraising were equally challenging this year. Across Asia-Pacific, exits were put on hold as COVID-19 impacted opportunities and as a result, exit count and exit values were sharply down across the region.



Note: Excludes real estate and infrastructure  
Source: AVCJ

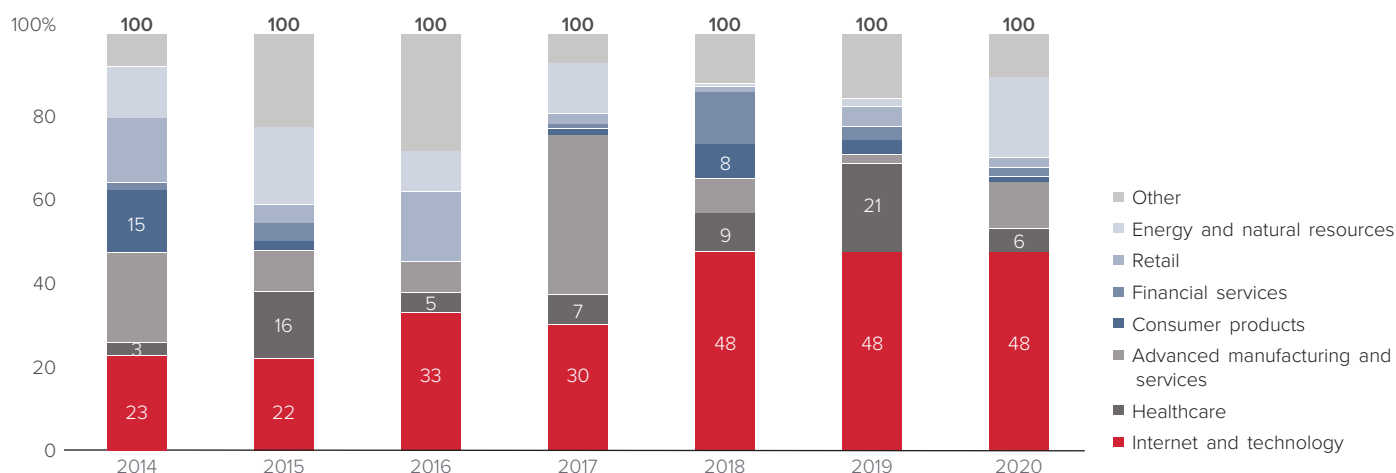
This “glut” of unrealised value created an overhang in 2014-2016 vintages in Asia-Pacific portfolios; and dry powder hit another record in 2020. As a result, fundraising fell for the third consecutive year in Asia-Pacific.

# Amidst the Pandemic: How COVID-19 Affected Private Equity in Asia-Pacific and Malaysia by Bain and Company

## DIGITAL ECONOMY AND INVESTMENTS MAINTAINING MOMENTUM

Internet and Technology continues to be the most active sector in Asia Pacific with 48% of Southeast Asia deal value in 2020, similar to the three previous years.

Percentage of Asia-Pacific deal value, by sector



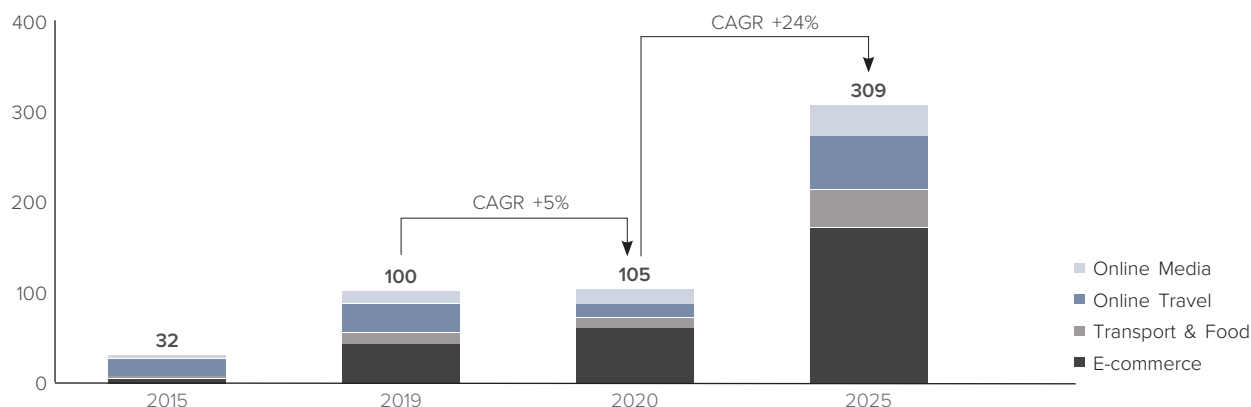
Note: Excludes real estate and infrastructure

Source: AVCJ

This is not surprising considering that the Southeast Asian digital economy has been resilient in 2020 despite the impact of COVID-19. While some sectors like online travel and ride hailing have been hit hard by the mobility restrictions imposed by governments during the outbreak, eCommerce, food delivery and online media/entertainment rose sharply in 2020. Overall the digital economy in Southeast Asia was resilient at \$105B in 2020 (up 5% year over year) and continues to be poised for strong growth reaching >\$300B by 2025.

## SEA internet economy to reach \$300B + in 2025

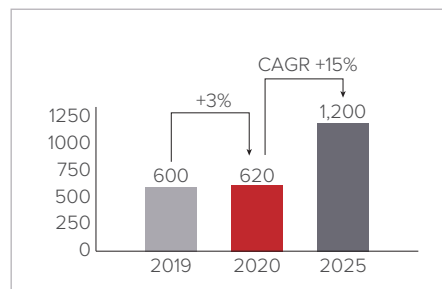
SEA internet economy GMV (\$B)



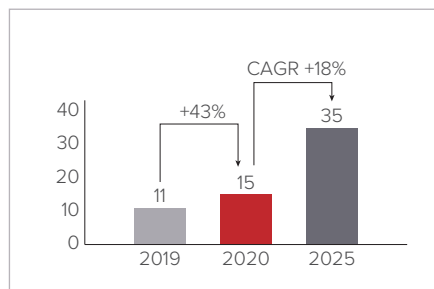
Source: Bain analysis

Likewise, digital financial services have emerged as another important engine for Southeast Asia – a region where access to banking and credit is still less than optimal. In 2020, almost all digital financial services sector in Southeast Asia was on the rise, with the exception of lending – which remained roughly flat amidst increasing concern about credit quality once COVID-19-related moratoria are lifted.

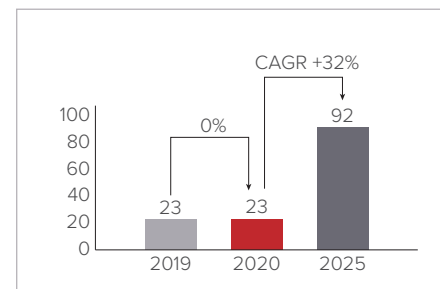
#### SEA digital payment Gross transaction value (\$B)



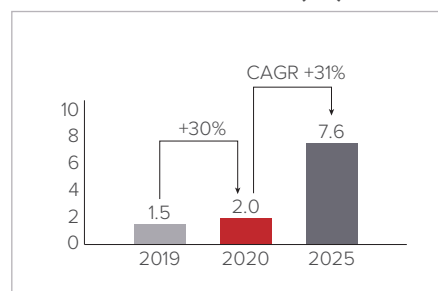
#### SEA digital remittance flows (\$B)



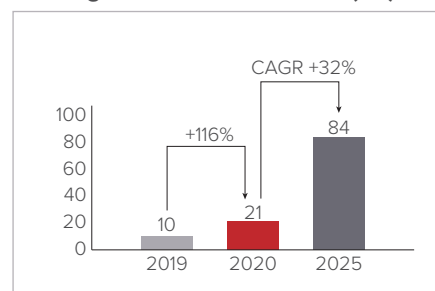
#### SEA digital lending loan book (\$B)



#### SEA insurance APE/GWP (\$B)



#### SEA digital investments AUM (\$B)



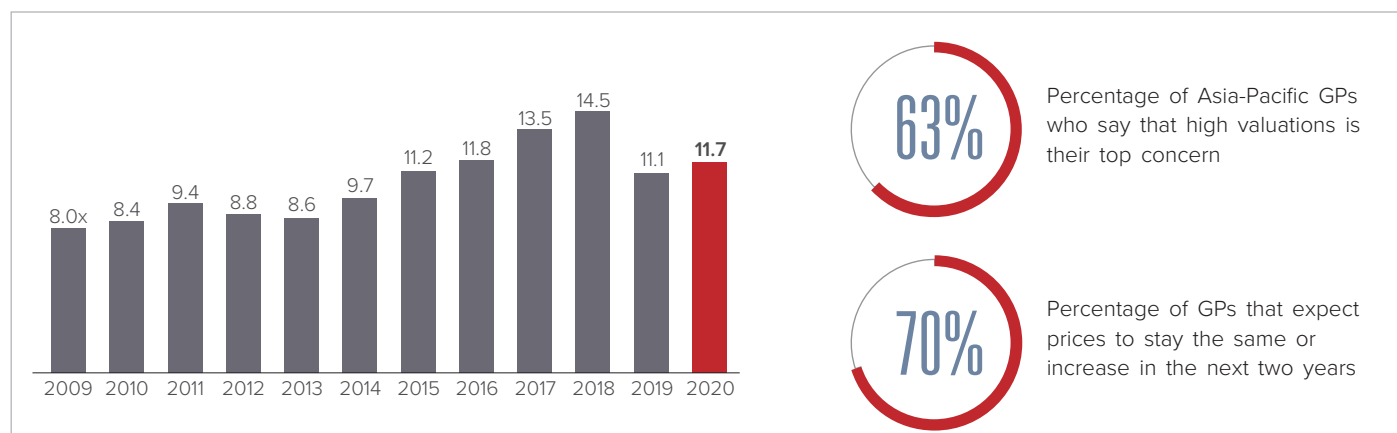
Note: GWP = gross written premium; APE = annual premium equivalent; AUM = assets under management

Source: Bain analysis

## VALUATIONS RISING AGAIN

High levels of “dry powder” in the system, increased competitions for deals, and strong momentum for the leading internet and technology sectors propelled valuation multiples slightly higher in 2020 vs. 2019, which has become a main concern among private equity investors. Investors don’t expect multiples to come off soon – 73% of GPs expect multiples to go up or stay flat in 2021.

#### Media EV/EBITDA multiple on Asia-Pacific private equity-backed M&A transactions



Note: EV is enterprise value; equity contribution includes contributed equity and rollover equity; based on proforma trailing EBITDA; excludes multiples less than 1 or greater than 100

Source: S&P Capital IQ as of Dec. 31, 2020; 2021 APEG Survey | N = 162

# Amidst the Pandemic: How COVID-19 Affected Private Equity in Asia-Pacific and Malaysia by Bain and Company

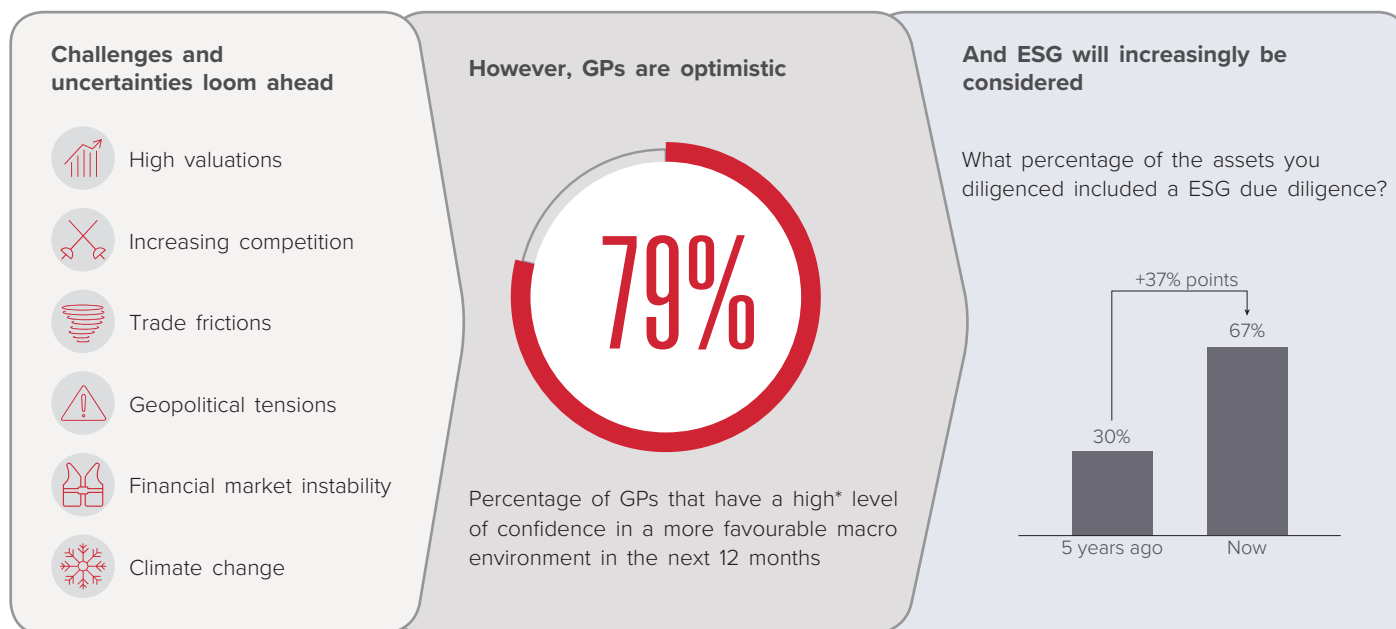
## GOING FORWARD

COVID-19 has had a differential impact on various sectors of the economy in 2020 – both in Malaysia and in Southeast Asia as a whole. While 2021 has started with positive news, due to the beginning of vaccine rollout, it is still very early to say what shape and time recovery will take. We can broadly think of COVID-19 impact to economic sectors in 3 ways:

- **Sectors related to consumer mobility and lifestyle**, which were negatively impacted by movement control orders (MCO) – such as food & beverage, travel, ride hailing, discretionary consumer goods, and cosmetics. These are likely to bounce back when MCO restrictions are lifted, as initial data from countries like China or Singapore seems to prove.
- **Sectors that saw a positive “spike” due to immediate substitution** from the first group or **one-off needs arising from MCOs** – such as grocery retail, fresh produce, non-discretionary consumer goods (instead of dining out), home improvement (to set up work from home environments). For these it is likely that COVID-19 will have a one-off impact and they will return to their longer-term growth trend once urban and mobility patterns go back to (or close to) normal – although some changes like a hybrid work-from-home/work-from-office could remain after COVID-19, that is likely to only impact some categories in the population.
- **Sectors linked to the trial and adoption of new behaviours and channels** – such as e-commerce, digital entertainment/gaming, food delivery, digital payments; these sectors saw a drastic acceleration in 2020 and a good part of it is likely to be “sticky”, because the acceleration is largely driven by new consumers who have used these products and services for the first time and appreciated their convenience. Our recent research shows that in 2020, 36% of digital service consumers in Malaysia were new (i.e., used those services for the first time in 2020), and 92% of them say they will continue to use at least one digital service post-COVID<sup>1</sup>.

Coming out of 2020, investors seem optimistic that the macro-economic environment will be more favourable in 2021, but remain cautious on a number of challenges and uncertainties – both short and long term.

i. Source: Google-Temasek-Bain & Company e-Economy SEA 2020 report



Note: \*High confidence or somewhat high confidence given recent progress on the development of a highly promising vaccine

Source: Bain & Company Asia-Pacific private equity survey 2021 (n=162)

Going forward, we see a few ways that Southeast Asian funds can successfully navigate the unpredictable weather ahead and emerge stronger in 2021:

1. **build resilience** – global market turbulence is likely to continue in 2021, and firms should be ready to confront a rapidly accelerating range of shocks. While a majority of GPs have admitted not to have treated resilience as a top priority before 2020, going forward GPs believe that financial pressure and operational disruptions may continue. Hence it will be paramount for GPs to make their portfolio more resilient, including through building organisational agility and diversifying production and customer base
2. **continue to focus on the digitisation of the economy, potentially in a broader way** – not only in the more mature digital sectors where Southeast Asia already has “consumer unicorns” (e-commerce, ride hailing, online travel, etc.) – but more broadly, everything that empowers digital lives and digital businesses in the region, ranging from the sectors mentioned upstream in the value chain (e.g., logistics, credit rating, SaaS), to B2B digitisation (including new forms of IT enabled services), and to new consumer areas such as digital financial services, digital healthcare and digital learning
3. **execute great value creation plans** – the majority of GPs in the region says that top-line growth is the most important value creation factor, however, compared to 5 years ago, margin expansion is now seen as a more critical lever because the headroom for multiple expansion at such high valuations is much narrower
4. **embed ESG in decision-making throughout the investment lifecycle** – the moment to step up in ESG is now: LPs are increasingly including ESG in their diligences; 57% of Southeast Asia GPs mentioned that they actively seek investments that have positive social or environmental impact alongside financial returns

## WHAT THIS ALL MEANS FOR MALAYSIA

Malaysia has a unique position in the Private Equity ecosystem in Southeast Asia. As we have seen, its share of investments is relatively small, but at the same time it has a vibrant investment community including some of the region’s most prominent Sovereign Wealth Funds (SWFs) and Government-Linked Investment Companies.

- A mix of nascent and traditional sectors are likely to attract investors’ interest in Malaysia. Among the more “traditional”, during 2020 we have seen interest in retail, consumer goods, healthcare, among others – and this is likely to continue in 2021. Amongst “nascent” sectors, Malaysia can build a unique position in digital financial services – in particular, in digital banking (as the lower capital requirements vs. Singapore, HK make it easier to enter) and Islamic finance, where Malaysia is the #2 market in the world. And the eCommerce ecosystem in Malaysia, while dominated by two regional platforms (Lazada and Shopee), is still nascent with potential to invest “on the fringes” of the marketplace play, for example in logistics, or vertical e-commerce for some categories that are still underpenetrated
- As the country recovers from COVID-19, there can be interesting opportunities in sectors of the economy that have been impacted or where there is a potential for consolidation/“buy and build” plays, such as food & beverage or retail in consumer, or oil & gas sectors. While regional-global GPs’ activity in Malaysia has been lumpy in the past few years, it is possible that with so much dry powder they will take a more active approach.
- Government-linked Investment Companies in Malaysia will have to continue to balance their focus on growth and liquidity, which means that they might need to be selective on local deals and aim at realising some of their current investments
- Finally, Malaysia, as all of Southeast Asia, is in the particular position of having strong ties with both China and the US – going forward, it will be important for Malaysian companies and funds to avoid excessive exposure to China in terms of supply chain, customer/supplier concentration (for companies) and investments (for investors): diversification and resilience will be key. In sectors that are heavily reliant on China, such as some areas of the semiconductors/electronics value chain China (e.g. motherboards, ODM, packaging & testing, displays), this could provide investment opportunities in Asia ex China as alternative destinations.

*Ekuinas would like to extend our deepest gratitude to Bain & Company for contributing their article "Amidst the Pandemic: How COVID-19 affected Private Equity in Asia Pacific and Malaysia" for the benefit of our readers.*

**C**OLLABORATIVE  
BUILDING HARMONIOUS  
RELATIONSHIPS

**A**DAPTIVE  
RESILIENT AND  
RESPONDS ACTIVELY  
TOWARDS

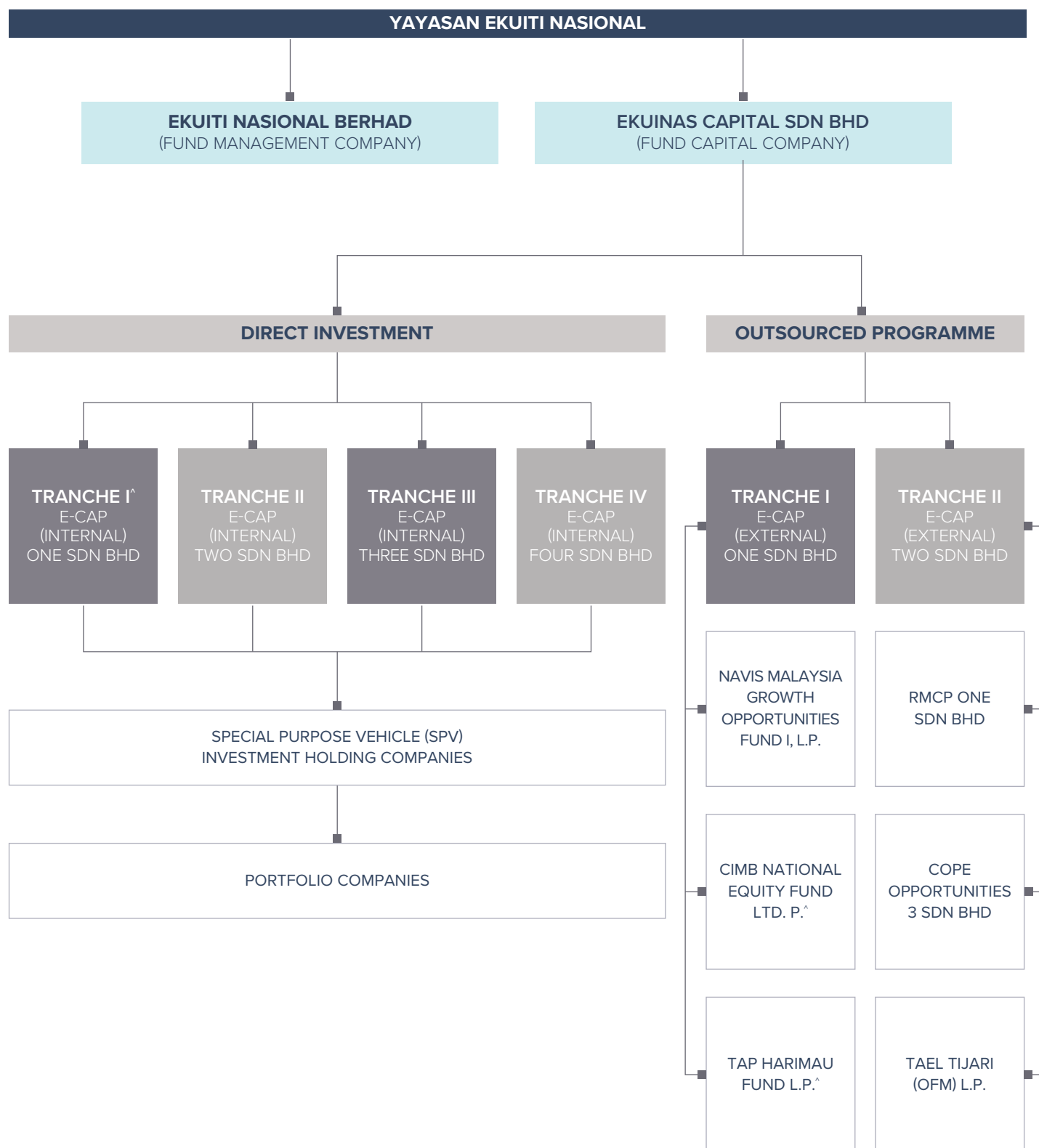




## LEADERSHIP

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- 35 Board of Directors
- 42 Senior Management

# CORPORATE STRUCTURE



<sup>^</sup> Fully realised

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **RAJA TAN SRI DATO' SERI ARSHAD RAJA TUN UDA**

*Chairman*

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

### **TAN SRI DR. RAHAMAT BIVI YUSOFF**

### **DATUK ALI ABDUL KADIR**

### **DATO' ABDUL HAMID SHEIKH MOHAMED**

*(appointed on 1 June 2020)*

### **DATUK SAIFUL ANUAR LEBAI HUSSEN**

### **SYED YASIR ARAFAT SYED ABD KADIR**

*Chief Executive Officer*

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

Tan Sri Dr. Rahamat Bivi Yusof  
*(Chairman)*

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

Tan Sri Dato' Seri Mohamed Jawhar Hassan

## **NOMINATION & REMUNERATION COMMITTEE**

Tan Sri Dato' Seri Mohamed Jawhar Hassan  
*(Chairman)*

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

## **INVESTMENT COMMITTEE**

Datuk Ali Abdul Kadir  
*(Chairman)*

Dato' Abdul Hamid Sheikh Mohamed

Syed Yasir Arafat Syed Abd Kadir

Ahmad Hilmy Abd Jalil

Zarihi Hashim

Lim Fu Yen

Idham Ismail

## **CSR INVESTMENT COMMITTEE**

Tan Sri Dr. Rahamat Bivi Yusoff  
*(Chairman)*

Syed Yasir Arafat Syed Abd Kadir

Hizwani Hassan

## **COMPANY SECRETARY**

Norsham Abdul Ghani (LS 01203)  
Saiful Nizam Yasin (LS 008955)

## **AUDITOR**

PricewaterhouseCoopers PLT  
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  
Mutiara Damansara  
47810 Petaling Jaya  
Selangor

## **MANAGEMENT COMMITTEE**

Syed Yasir Arafat Syed Abd Kadir  
*Chief Executive Officer*

Roselinda Hashim  
*Senior Director, Legal & Corporate Affairs*

Heng Khim Hui  
*Senior Director, Portfolio Management & Monitoring*

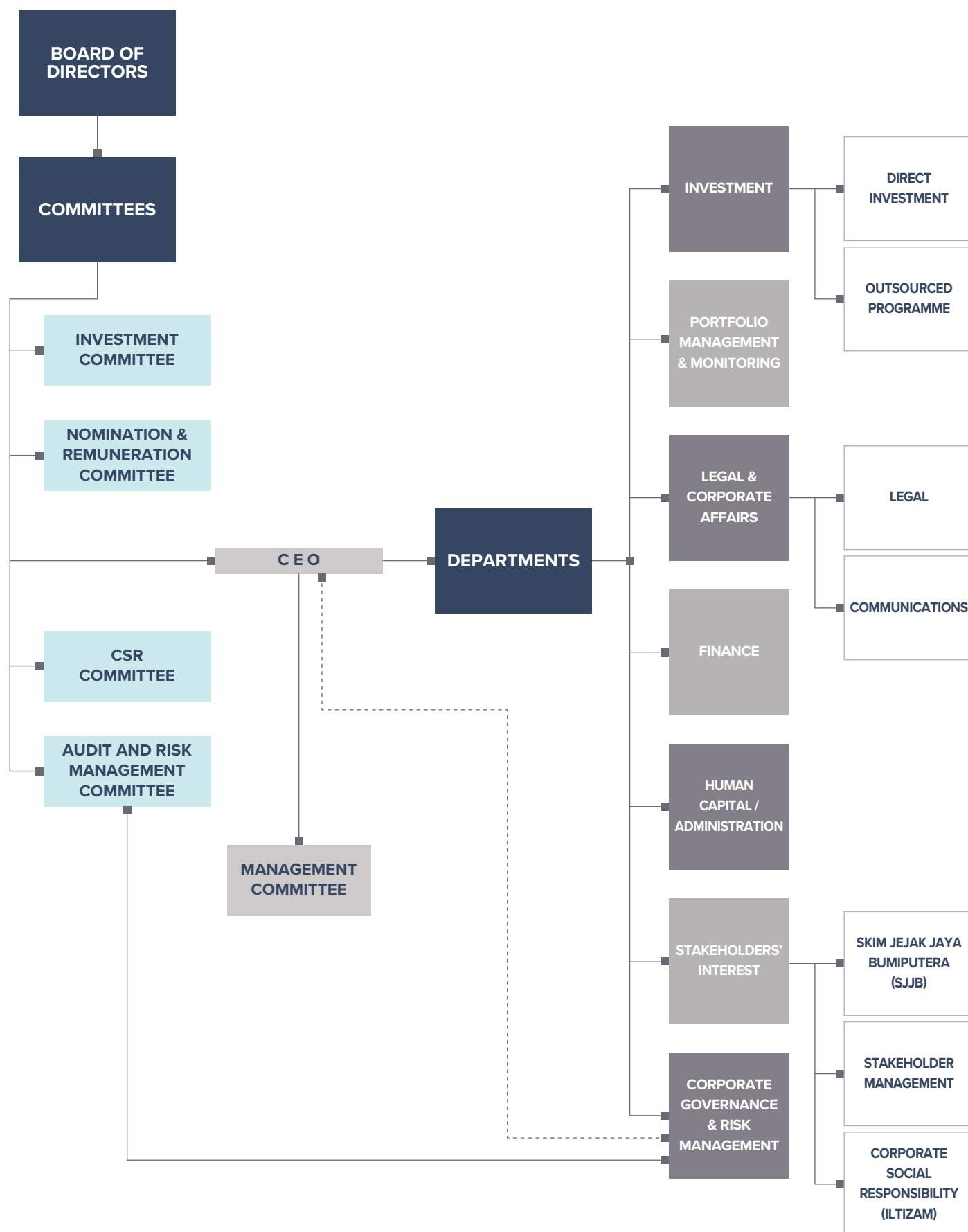
Ahmad Hilmy Abd Jalil  
*Senior Director, Investment*

Zarihi Hashim  
*Senior Director, Investment*

Lim Fu Yen  
*Senior Director, Investment*  
*(Resigned on 30 June 2020)*

Idham Ismail  
*Senior Director, Investment*  
*(Resigned on 31 December 2020)*

# 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 a member of the Nomination and Remuneration Committee.

Currently, Raja Arshad also holds the following positions; Chairman of Maxis Berhad and Icon Offshore Berhad. 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 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 of 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), a member of the Investment Committee and a Board Member of Ekuiti Nasional Berhad (Ekuinas). He was appointed as the CEO on 1 March 2016 and he has been with the organisation since inception. He led Ekuinas' Investment team as the Managing Partner, Investment prior to his current role. He serves as a Board member of several portfolio companies including Orkim Sdn Bhd as Chairman and Icon Offshore Berhad where he is also a member of the Audit Committee and Nomination & Remuneration Committee.

Syed Yasir Arafat is also a member of the Malaysia Venture Capital and Private Equity Development Council (MVCDC) under the purview of Securities Commission.

Prior to Ekuinas, he spent 15 years in Investment Banking in various organisations and capacities. He was 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 the regions' 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. He is a Fellow of the Chartered Institute of Management (FCMA) and Chartered Global Management Accountant (CGMA).

A portrait of Tan Sri Dato' Seri Mohamed Jawhar Hassan, an elderly man with glasses, wearing a dark suit, white shirt, and a patterned tie. He is smiling and has his hands clasped in front of him.

## TAN SRI DATO' SERI MOHAMED JAWHAR HASSAN

Independent Non-Executive Director

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

Tan Sri Jawhar is a Distinguished Fellow of several Malaysian Institutes and Malaysia's Expert and Eminent Person to the ASEAN Regional Forum.

He was Chairman and Chief Executive of the Institute of Strategic and International Studies (ISIS) Malaysia and Chairman of The New Straits Times Bhd. He served with the Government of Malaysia in various positions before joining ISIS Malaysia as Deputy Director General in 1990.

Tan Sri Jawhar was also a Commission Member of the Securities Commission Malaysia. He was Member, Economic Council Working Group and Member, Advisory Panel, Malaysian Anti-Corruption Commission (MACC). He is former Co-Chair of the Council for Security Cooperation in the Asia Pacific (CSCAP).

## Board of Directors



### DATUK ALI ABDUL KADIR

Independent Non-Executive Director

Datuk Ali Abdul Kadir is an Independent Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas). He is also the Chairman of the Investment Committee.

Datuk Ali Kadir is a Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW), member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants. He is also currently Honorary Advisor to ICAEW-KL City Chapter, Honorary Fellow of both the Institute of Chartered Secretaries & Administrators (UK) and the Malaysian Institute of Directors.

Datuk Ali Kadir is currently Chairman of JcbNext Berhad and Enra Group Berhad. He is also Board Member of Glomac Berhad, Citibank Berhad and other private companies and foundations.

Datuk Ali Kadir was Chairman of the Securities Commission of Malaysia from 1 March 1999 until 29 February 2004. He also sat on a number of national committees including the Foreign Investment Committee, the Oversight Committee of National Asset Management Company (Danaharta). On the international front, he was a member of the Exco Board of International Organisation of Securities Commissions (IOSCO), chairman of their Asia-Pacific Region Committee and the Islamic Capital Market Working Group. He was trustee of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Force of Nature Aid Foundation, and also Advisor to the Sri Lanka Securities & Exchange Commission.

Previously, he was Executive Chairman and Partner of Ernst & Young and its related firms. He was also the former President of MICPA, chairing both its Executive Committee and Insolvency Practices Committee and co-chairing the Company Law Forum. He was appointed an Adjunct Professor in the Accounting and Business Faculty, University of Malaya (2008 - 2011) and was then appointed to the Advisory Board of the same Faculty. He was previously Chairman of Milux Corporation Berhad, Microlink Solutions Berhad, Privasia Technology Berhad, Financial Reporting Foundation and board member of Labuan Financial Services Authority.

Datuk Ali Kadir was awarded the Panglima Jasa Negara (PJN) by the YDP Agong in 2001. In 2012, he was bestowed the Lifetime Achievement Award by ICAEW-KL City Chapter, and the President's Award by MICPA.

A portrait of Tan Sri Dr Rahamat Bivi Yusoff, a woman wearing a light blue patterned hijab and a dark blue long-sleeved dress with white floral patterns. She is smiling and has her hands clasped in front of her.

## TAN SRI DR RAHAMAT BIVI YUSOFF

Independent Non-Executive Director

Tan Sri Dr Rahamat Bivi Yusoff is the Independent Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas). She is also the Chairman of CSR Investment Committee and Chairman of the Audit and Risk Management Committee.

Tan Sri Dr Rahamat was in the Malaysian Civil Service for more than 35 years, starting out as the Assistant Secretary (Tax Division) in the Ministry of Finance (MOF), and later served in various positions including Project Officer at Institut Tadbiran Awam Negara (INTAN), Deputy Director of Macro Economy Section at Economic Planning Unit (EPU), Director at Energy Commission, Director in the Budget division and subsequently, appointed as the Deputy Secretary General at MOF. In 2011, she was promoted as the Director General of the EPU, a position she held until her retirement in 2017.

Currently, Tan Sri Dr Rahamat is also a member of the Board of Directors of Perbadanan Insurans Deposit Malaysia (PIDM), Malaysia-Thailand Joint Authority (MTJA) and IOI Corporation Berhad (IOI), as well as a member of the Board of Governors of Multimedia University.

Tan Sri 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



### DATO' ABDUL HAMID SHEIKH MOHAMED

Independent Non-Executive Director

Dato' Abdul Hamid Sheikh Mohamed was appointed as Independent Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas) on 1 June 2020. He is a member of the Investment Committee.

Dato' Abdul Hamid is currently the Executive Director of Symphony House Sdn Bhd. He also sits on the board of MMC Corporation Berhad and Maybank Investment Bank Berhad.

He started his career in the accounting firm, Messrs. Lim Ali & Co./Arthur Young, before moving on to merchant banking with Bumiputra Merchant Bankers Berhad. He later moved to Amanah Capital Malaysia Berhad Group, an investment banking and finance group, where he led the corporate planning and finance functions until 1998, when he joined the Kuala Lumpur Stock Exchange (KLSE), now known as Bursa Malaysia Berhad.

During his five years with KLSE, he led KLSE's acquisitions of Kuala Lumpur Options and Financial Futures Exchange (KLOFFE), Commodity and Monetary Exchange of Malaysia (COMMEX) and their merger to form Malaysian Derivatives Exchange (MDEX), and the acquisition of Malaysian Exchange of Securities Dealing and Automated Quotation (MESDAQ). He also led KLSE's demutualisation exercise.

Dato' Abdul Hamid graduated from Emile Woolf School of Accountancy and he is a Fellow of the Association of Chartered Certified Accountants.



## DATUK SAIFUL ANUAR LEBAI HUSSEN

Non-Executive Director

Datuk Saiful Anuar Lebai Hussien is the Non-Executive Director of Ekuiti Nasional Berhad (Ekuinas). He is currently the Director General of the Economic Planning Unit (EPU), Prime Minister's Department (PMD). Before assuming this position, he served as the Secretary-General of the Ministry of Economic Affairs (MEA) on 22 October 2018, before the change in Government's administration and restructuring of ministries and agencies. Prior to his appointment as Secretary-General, he served as Deputy Director General (Policy) of the EPU, PMD from 21 August 2017 to 21 October 2018, before the EPU was dissolved following the establishment of the MEA. He was responsible for preparing the Mid-Term Review (MTR) of the Eleventh Malaysia Plan (11<sup>th</sup> MP), namely on inclusive development and wellbeing, regional development and human capital.

Previously, he served as the Deputy Secretary-General (Management) of the Ministry of Health from January 2015 to August 2017. He oversaw administrative, human resource and training matters related to public health service throughout Malaysia.

He was also in Public-Private Partnership Unit (UKAS), PMD as the Senior Director of the Policy and Development Section (April-December 2010) and the Director of the Corridor Development Section (2009-2010). Throughout his tenure in UKAS, he was responsible for formulating, implementing and monitoring implementation policies, strategies, programmes/projects of the Public-Private Partnership (PPP) and the development of the five (5) economic development regions/corridors.

He graduated with a Bachelor's Degree in Economics from the University of Malaya and a Master's Degree in Economics from the National University of Malaysia. He also holds a Diploma in Public Management from the National Institute of Public Administration (INTAN).

Besides that, he sits on several Councils and Board of Directors such as Iskandar Regional Development Authority (IRDA), East Coast Economic Region Development Council (ECERDC), Sabah Economic Development and Investment Authority (SEDIA), Sarawak Regional Corridor Development Authority (RECODA), Unit Peneraju Agenda Bumiputera (TERAJU), Majlis Amanah Rakyat (MARA), MyHSR Corporation (MyHSR Corp), Malaysian Aviation Commission (MAVCOM), Putrajaya Corporation (PPJ), Johor Corporation (JCorp) and Perbadanan Kemajuan Negeri Perak (PKNPK).

# SENIOR MANAGEMENT

01.



## 01. SYED YASIR ARAFAT SYED ABD KADIR

Chief Executive Officer

Profile is presented on page 36.

02.



## 02. ROSELINDA HASHIM

Senior Director, Legal & Corporate Affairs

Roselinda Hashim is Senior Director, Legal & Corporate Affairs where she heads both the legal & 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 was admitted as an Advocate and Solicitor to the Malaysian Bar in 1996. Roselinda received her licence to act as a Company Secretary by Companies Commission of Malaysia in 2005.

03.



## 03. HENG KHIM HUI

Senior Director, Portfolio Management and Monitoring

Heng Khim Hui is the Senior Director, Portfolio Management and Monitoring. He partners with CEOs and senior management of portfolio companies to drive growth and value creation through strategic, sales and marketing, operational, digital and IT initiatives.

Prior to joining Ekuinas, Khim Hui was with The Boston Consulting Group where he worked with MNCs and GLCs in Southeast Asia on topics ranging from market entry strategy, growth strategy, M&A to operational transformation. Before that, he was with A.T. Kearney and Accenture. He brings with him over 12 years of management consulting experience in the financial services, oil and gas and telecommunications sectors.

Khim Hui graduated with a BEng (Hons) from Imperial College, London and a Master of Science from Stanford University, both in Mechanical Engineering. He also holds a Master of Business Administration (MBA) from INSEAD.

04.



## 04. AHMAD HILMY ABD JALIL

Senior Director, Investment

Ahmad Hilmy Abd Jalil joined Ekuinas in January 2020. He is a member of the Investment Committee and Management Committee.

Hilmy has 14 years' experience in investment banking in South East Asia, recently as a senior leader with Deutsche Bank based in Singapore and previously with UBS Investment Bank. He has led M&A, equity and debt transactions for clients in Malaysia, Singapore and Indonesia across a wide range of industries including healthcare and consumer, telecoms & media, industrials and infrastructure & utilities. Prior to banking, Hilmy held roles with Symphony House and PwC corporate advisory.

He graduated with a BCom (Accounting and Finance) from University of Melbourne and MCom (Advanced Finance) from University of New South Wales and is a CFA charterholder.

05.

**05. ZARIHI HASHIM**

Senior Director, Investment

Zarihi Hashim joined Ekuinas in June 2020. He is a member of the Investment Committee and Management Committee.

He brings with him close to 20 years of investment, management consulting and operational experience. Prior to joining Ekuinas, Zarihi was the Vice President, Strategic Investment at a leading asset management company where his role was to drive the performance of key investee companies through the execution of M&A, corporate exercises and operational value creations.

Before that, he held several roles in consulting, telecommunications and digital companies. He was also previously with Ekuinas as Director, Investment in 2013.

Zarihi graduated with a Bachelor of Engineering (Hons) in Electrical and Electronic Engineering from University College London and holds a Masters of Business Administration (MBA) from INSEAD.

**06. IDHAM ISMAIL**

Senior Director, Investment

Idham Ismail is a Senior Director, Investment and a member of the Investment Committee and Management Committee.

Idham was previously at Khazanah Nasional Berhad (Khazanah) for 11 years which he last served as Director, Investments. During his tenure there, he also served operating roles in Khazanah's portfolio companies namely Pos Malaysia Berhad and Themed Attraction 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 a Master of Finance from RMIT University, Australia.

He resigned from his role effective 31 December 2020.

07.

**07. LIM FU YEN**

Senior Director, Investment

Lim Fu Yen is a Senior Director, Investment and a member of the Investment Committee and Management Committee. He is one of the Senior Directors jointly in charge of Ekuinas' healthcare, manufacturing, and oil and gas investments. Previously, he was also involved in Ekuinas' maiden technology investment.

Prior to joining Ekuinas, Fu Yen was investing in the North American equities market at Orbis Investment Management, out of San Francisco. Prior to that, he was a management consultant with the Boston Consulting Group, participating in strategy and operational projects across the financial services and oil and gas sectors. He has worked extensively in both Southeast Asian and East Asian regions.

Fu Yen graduated from Dartmouth College with a Bachelor of Arts degree in Engineering Science and Economics, and has a Master of Business Administration (MBA) from Stanford University Graduate School of Business.

He resigned from his role effective 30 June 2020.



SERIES

MERCURIAL VAPOR





## PERFORMANCE

46 Investment Performance Report

# INVESTMENT PERFORMANCE REPORT

## INVESTMENT THESIS

Ekuinas aims to identify all opportunities to invest in mid-sized Malaysian companies to transform and grow them into sizeable market leaders and profitable investments, after which Ekuinas will exit and apply the same process of value creation in other deserving companies. Depicted below are the key elements of our investment strategy.

## EXIT

- Premium will be secured for sizeable industry leader
- Maximise returns but ensure priority to Bumiputera equity sustainability



05

## FOCUSED EXECUTION

Emphasis on executing Value Creation Plan

- **Operational** value creation through growth and cost efficiency
- Ensure efficient use of capital
- Drive aggressive **acquisition**
- **Adopt Best Practices** in management, operations and governance
- **Hands-on approach** to drive value creation



04

## CONTROL

- **Focused on control** or sizeable stake that ensures meaningful participation
- Ensures ability to execute Value Creation Plan

01



## INDUSTRY

- Look for sizeable industry with **growth** opportunities, offering:
  - Organic growth & market share gains
  - Consolidation opportunities
  - Regional expansion
- Prioritise **freely-competitive industries** and minimise single-client, contract based industries

02



## COMPANIES

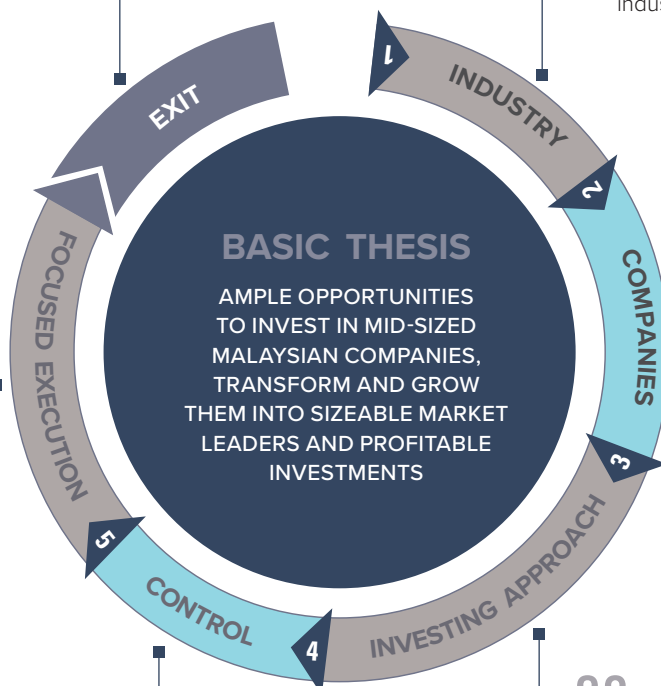
- **Near-market leaders or companies with platform** to be built into market leaders
- Unique **competitive & sustainable advantage**
- Good management setup or otherwise, clear improvements can be implemented

03



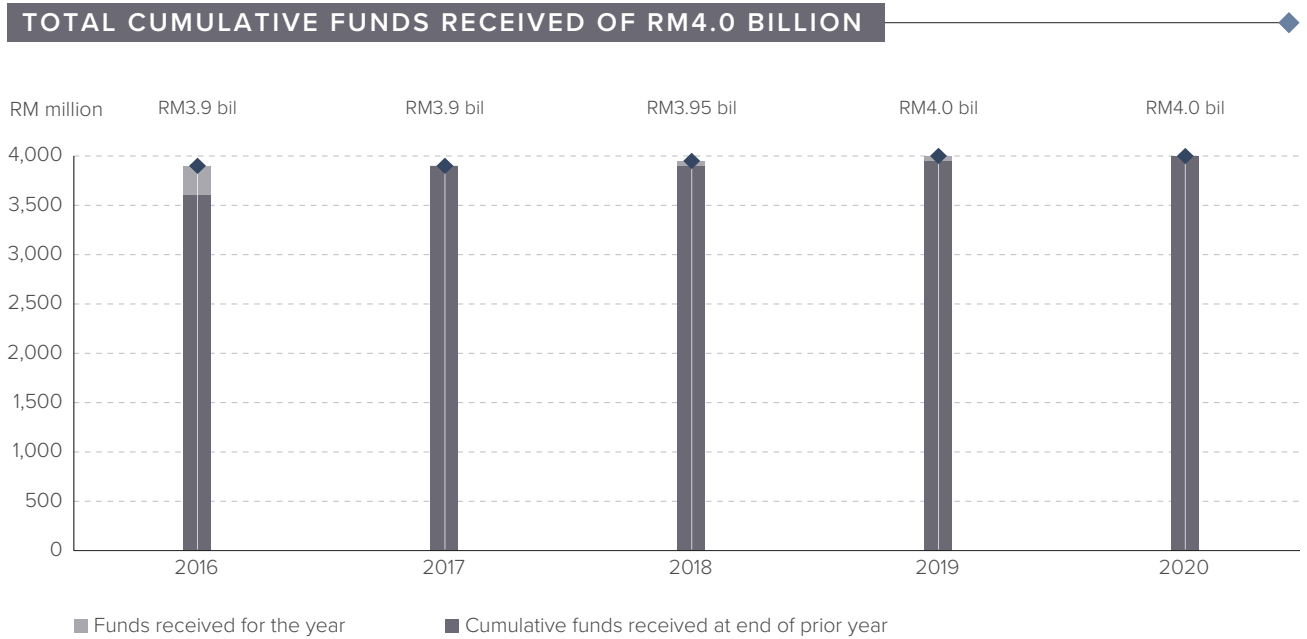
## INVESTING APPROACH

- Target deals that offer **sustained and consistent above market returns** that meet internal targets, whilst protecting downside
- **Focused on execution of Value Creation Plan**, whilst taking advantage of opportunistic deals

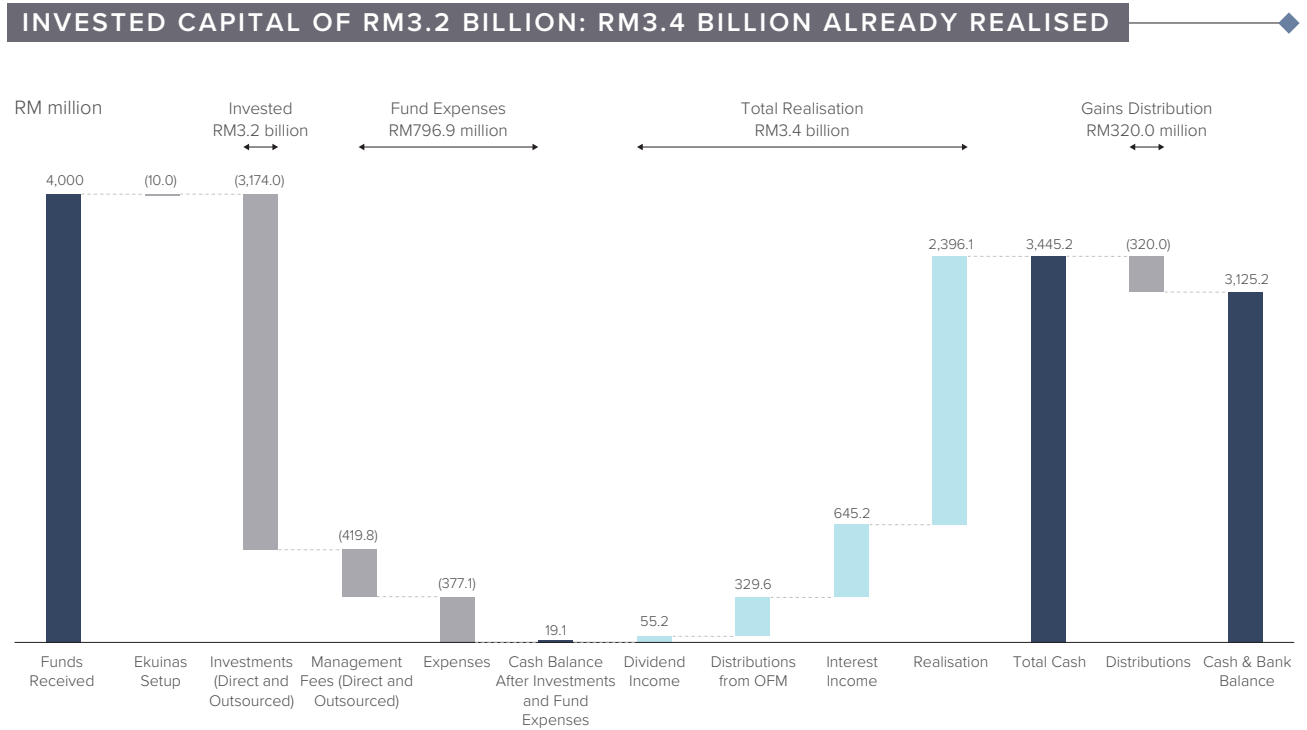


## A. OVERALL

### 1. Funds Received



### 2. Funds Utilisation



# Investment Performance Report

## B. DIRECT INVESTMENT

### 1. Funds Overview

EKUINAS DIRECT (TRANCHE I) FUND	EKUINAS DIRECT (TRANCHE II) FUND	EKUINAS DIRECT (TRANCHE III) FUND	EKUINAS DIRECT (TRANCHE IV) FUND
Vintage Year <b>2010</b>	Vintage Year <b>2012</b>	Vintage Year <b>2014</b>	Vintage Year <b>2019</b>
Status: <b>Fully realised</b>	Status: <b>Deployed</b>	Status: <b>Investing</b>	Status: <b>Investing</b>
Capital Committed <b>RM1.0 BILLION</b>	Capital Committed <b>RM1.0 BILLION</b>	Capital Committed <b>RM1.5 BILLION</b>	Capital Committed <b>RM1.0 BILLION</b>
Term <b>5 years + 2 years + 1 year</b>	Term <b>5 years + 2 years + 1.5 years + 2 Years</b>	Term <b>5 years + 1 year + 2 years</b>	Term <b>5 years + 1 year + 1 year</b>
<b>INVESTMENT PERIOD OF 3 TO 5 YEARS</b>			
<b>Legal Form &amp; Structure</b> One Fund Manager and One Investor	<b>Investment Focus</b> Buy-Out and Growth Capital Fund	<b>Geographical Focus</b> Malaysia	<b>Industry Focus</b> Education, Oil & Gas, FMCG, Retail & Leisure, Healthcare and Services

### 2. Investment Activities

#### a. Direct Investment Activities for 2020

RM million Portfolio Company	Sector	Stake	Total for the year		
			Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
New investments:					
1 Medispec (M) Sdn Bhd	Healthcare	75.0%			
2 Icon Offshore Berhad (ICON)	Oil & Gas	N/A			
Follow-on investment:			250.2	–	250.2
1 Flexi Versa Group Sdn Bhd (FVG)	Manufacturing	6.1%			
Transfer from Ekuinas Direct (Tranche II) Fund:					
1 Icon Offshore Berhad (ICON)	Oil & Gas	0.1%*			

\* After share consolidation and issuance of rights issue

## 2. Investment Activities

### b. Cumulative Direct Investment Activities as at 31 December 2020

RM million Portfolio Company	Sector	Stake	Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
<b>Ekuias Direct (Tranche I) Fund</b>					
1 Alliance Cosmetics Group (ACG)	FMCG	20.0%			
2 Tanjung Offshore Berhad (TOB)	Oil & Gas	24.0%			
3 Konsortium Logistik Berhad (KLB)	Services	61.6%			
4 APIIT Education Group (APIIT)	Education	51.0%			
5 Burger King Group (BK)	Retail - F&B	74.1%	<b>1,258.2</b>	<b>122.1</b>	<b>1,380.3</b>
6 Lyndarahim Ventures Sdn Bhd (SF)	Retail - F&B	90.0%			
7 Revenue Valley Group (RV)	Retail - F&B	85.8%			
8 Cosmopoint Group (Cosmopoint)	Education	90.0%			
9 UNITAR International University (UNITAR)	Education	90.0%			
10 Icon Offshore Berhad (ICON)	Oil & Gas	70.7%			
<b>Ekuias Direct (Tranche II) Fund</b>					
1 Burger King Group (BKM & BKS)	Retail - F&B	100.0%			
2 Icon Offshore Berhad (ICON)	Oil & Gas	17.4%^			
3 PrimaBaguz Sdn Bhd (PrimaBaguz)	Food Manufacturing	100.0%			
4 Asia Pacific Institute of Information Technology Lanka Pvt Ltd (APIIT Lanka)	Education	45.9%			
5 Lyndarahim Ventures Sdn Bhd (SF)*	Retail - F&B	—	<b>1,063.9</b>	<b>—</b>	<b>1,063.9</b>
6 Revenue Valley Group (RV)	Retail - F&B	—			
7 Coolblog Apps Sdn Bhd (Coolblog)	Retail - F&B	60.0%			
8 Orkim Sdn Bhd (Orkim)*	Oil & Gas	95.5%			
9 Tenby Educare Sdn Bhd (Tenby)	Education	70.0%			
10 Tranglo Sdn Bhd (Tranglo)	Technology Services	60.0%			

\* Includes follow-on investments

^ Pre-share consolidation and issuance of rights issue

# Investment Performance Report

## b. Cumulative Direct Investment Activities as at 31 December 2020 (Cont'd.)

RM million Portfolio Company	Sector	Stake	Committed Investment	Committed Investment by Others	Total Economic Capital Deployed
<b>Ekuias Direct (Tranche III) Fund</b>					
1 MediExpress (Malaysia) Sdn Bhd (Medix)	Healthcare	60.0%			
2 PMCare Sdn Bhd (PMCare)	Healthcare	60.0%			
3 ILMU Education Group (ILMU)	Education	100.0%			
4 Al-Ikhsan Sports Sdn Bhd (Al-Ikhsan)	Retail	35.0%			
5 Icon Offshore Berhad (ICON)	Oil & Gas	–			
6 Davex (Malaysia) Sdn Bhd (Davex)	Manufacturing	100.0%			
7 Revenue Valley Group (RV)*#	Retail - F&B	85.8%	1,672.5	–	1,672.5
8 Cosmopoint Group (Cosmopoint)#	Education	90.0%			
9 UNITAR International University (UNITAR)*#	Education	100.0%			
10 Icon Offshore Berhad (ICON)#	Oil & Gas	0.3%			
11 Flexi Versa Group Sdn Bhd (FVG)*	Manufacturing	76.1%			
12 Exabytes Network Sdn Bhd (Exabytes)	Technology Services	45.4%			
13 Icon Offshore Berhad (ICON)	Oil & Gas	56.5%			
14 Icon Offshore Berhad (ICON)®	Oil & Gas	0.1%			
15 Icon Offshore Berhad (ICON)	Oil & Gas	–			
<b>Ekuias Direct (Tranche IV) Fund</b>					
1 Medispec (M) Sdn Bhd	Healthcare	75.0%	69.6	–	69.6
<b>Cumulative Total Investment Undertaken</b>			<b>4,064.2</b>	<b>122.1</b>	<b>4,186.3</b>

\* Includes follow-on investments

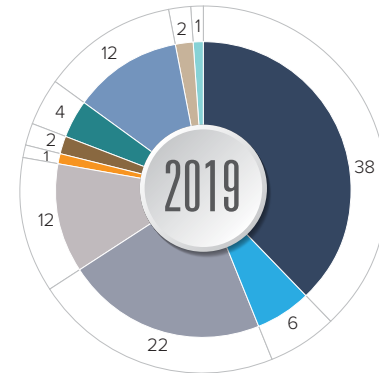
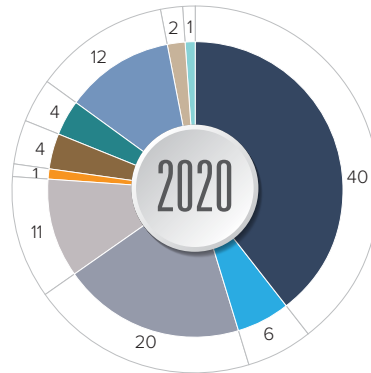
# Transfer from Ekuias Direct (Tranche I) Fund

® Transfer from Ekuias Direct (Tranche II) Fund

### c. Investment Composition Analysis

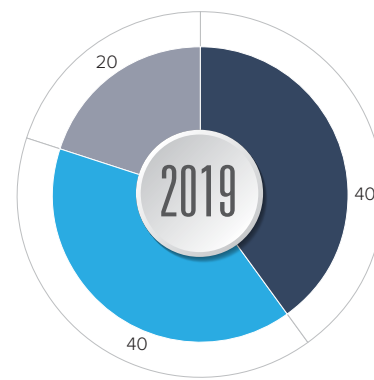
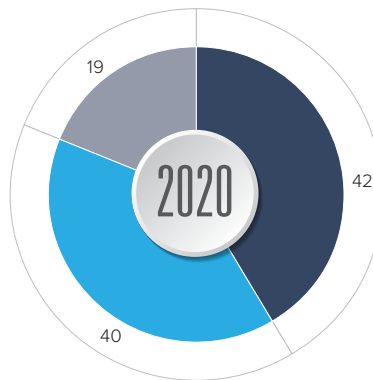
#### BY SECTOR

- Retail - F&B
- Retail
- FMCG
- Oil & Gas
- Services
- Education
- Manufacturing
- Food Manufacturing
- Healthcare
- Technology Services



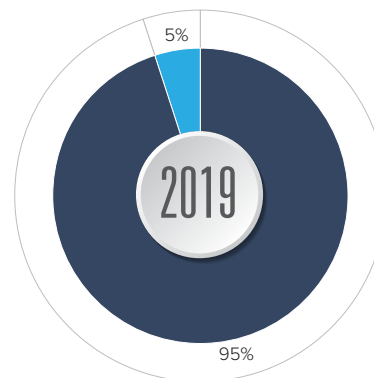
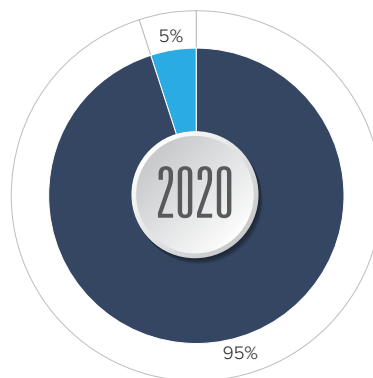
#### BY CATEGORY

- Investment in Bumiputera/ Malaysian Company
- Buy-Out of Malaysian Company
- Acquisition of non-core assets



#### CONTROL VS GROWTH CAPITAL DEALS

- Control
- Growth Capital

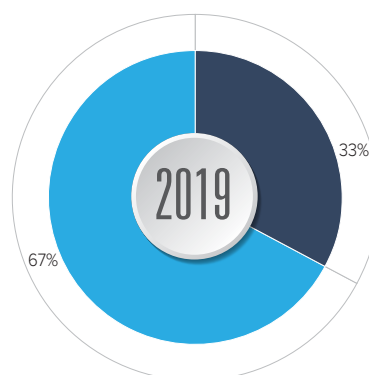
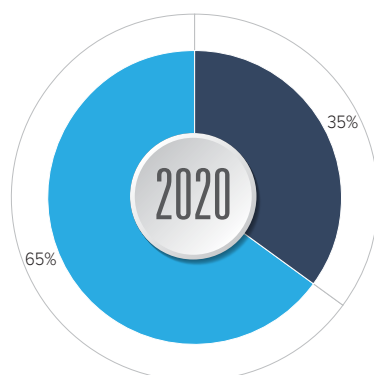


# Investment Performance Report

## c. Investment Composition Analysis (Cont'd)

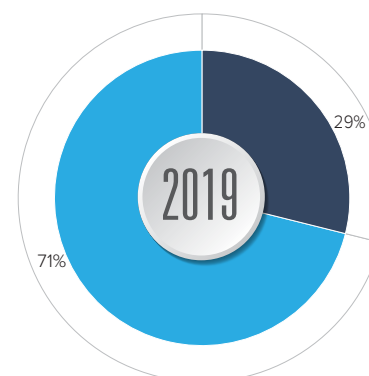
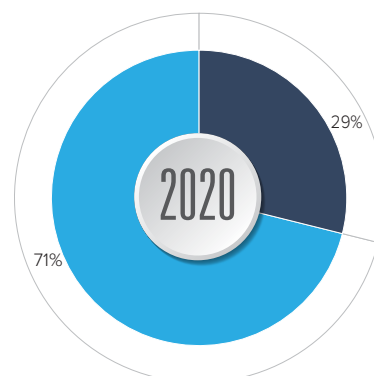
### LISTED COMPANIES VS PRIVATE COMPANIES

- Listed Companies
- Private Companies



### STANDALONE VS BUY & BUILD

- Standalone
- Buy & Build



### 3. Realisation Activities

#### a. Realisation Activities for 2020

Company RM million	Year of Realisation	% of the Fund's Holding Realised	Total Realisation Amount	IRR% p.a.	Money Multiple
<b>Full realisation</b>					
Coolblog	2020	100.0	64.5	6.4%	1.4
<b>Partial realisation</b>					
ICON*	2020	N/M	0.1	N/M	N/M
<b>Total proceeds from realisation</b>			<b>64.6</b>		

#### b. Cumulative Realisation Activities as at 31 December 2020

Company RM million	Year of Realisation	% of the Fund's Holding Realised	Total Realisation Amount	IRR% p.a.	Money Multiple
<b>Full realisation</b>					
TOB	2012	100.0	62.0	-19.7%	0.6
KLB	2013	100.0	347.4	19.4%	1.5
BKM & BKS^	2015	100.0	79.4	-29.1%	0.5
SF^	2015	100.0	21.0	-5.4%	0.8
ACG	2016	100.0	61.8	9.0%	1.5
APIIT & Tenby^	2017	100.0	848.3	21.9%	2.0
UNITAR & Cosmopoint*	2017	100.0	172.5	-4.4%	0.7
RV*	2017	100.0	122.1	11.3%	1.8
Tranglo	2018	100.0	114.9	26.9%	2.0
Medix & PMCare	2018	100.0	246.8	40.9%	2.8
APIIT Lanka^	2019	100.0	42.1	9.6%	1.6
Primabaguz	2019	100.0	151.1	20.8%	3.6
Coolblog	2020	100.0	64.5	6.4%	1.4
<b>Partial realisation</b>					
ICON^	2014	89.1	645.5	25.5%	1.7
ICON^	2019	N/A	191.4	3.7%	1.1
ICON*	2020	N/M	0.1	N/M	N/M
<b>Total proceeds from realisation</b>			<b>3,170.8</b>		

^ Realisation at fund level across multiple funds

\* Transferred to Ekuinas (Tranche III) Fund

# Investment Performance Report

## 4. Portfolio Companies' Performance

### Portfolio Companies' Performance - Combined Revenue and EBITDA

	Revenue (RM million)			EBITDA (RM million)*		
	2020 A	2019 B	% Growth A - B	2020 A	2019 B	% Growth A - B
Education Group	82.4	91.3	-9.8%	6.2	4.0	55.2%
Retail - F&B	57.8	104.7	-44.8%	(2.0)	5.7	>-100.0%
Oil & Gas	390.3	384.1	1.6%	179.5	170.0	5.6%
Retail	269.3	332.4	-19.0%	11.2	30.9	-63.6%
Manufacturing Group	275.0	336.3	-18.2%	13.8	35.6	-61.2%
Technology Services	77.2	71.8	7.5%	13.3	15.1	-11.5%
<b>Combined Portfolio Companies</b>	<b>1,152.0</b>	<b>1,320.5</b>	<b>-12.8%</b>	<b>222.2</b>	<b>261.2</b>	<b>-14.9%</b>

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

## 5. Fund Performance

### 5.1 Ekuinas Direct (Tranche II) Fund

#### a. Fund Net Assets Value (NAV) as at 31 December 2020

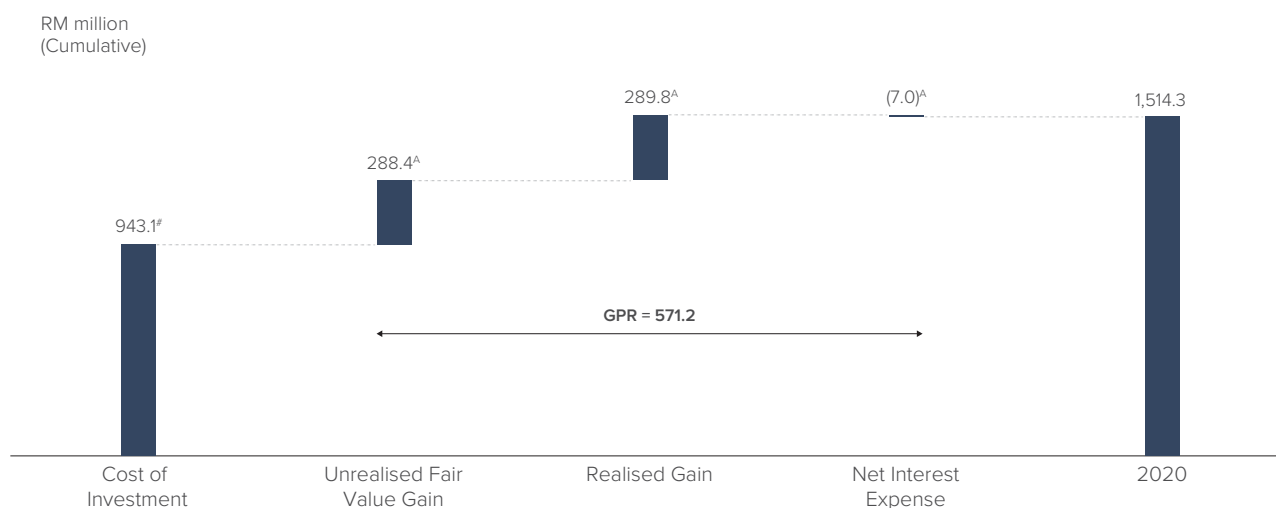
	2019 RM million	Movement RM million	2020 RM million
<b>A. Capital Commitment</b>	<b>1,000.0</b>	<b>–</b>	<b>1,000.0</b>
<b>B. Capital Called</b>	<b>1,105.9</b>	<b>102.7</b>	<b>1,208.6</b>
<b>C. Capital Reinvested</b>	<b>10.2</b>	<b>0.2</b>	<b>10.4</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>1,116.1</b>	<b>102.9</b>	<b>1,219.1</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>75.0</b>	<b>–</b>	<b>75.0</b>
<b>F. Total Capital Invested (D+E)</b>	<b>1,191.1</b>	<b>102.9</b>	<b>1,294.1</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	17.5	(17.5)	–
Net Unrealised Gain/(Loss) on Fair Value of Investments	361.8	(73.4)	288.4
Realised Gain from Divestments	191.2	98.6	289.8
Interest Income/(Expenses)	12.4	(19.3)	(7.0)
<b>Total Gross Portfolio Return</b>	<b>582.9</b>	<b>(11.6)</b>	<b>571.2</b>
Organisational Expenses	(226.8)	62.0	(164.9)
Capital Distributions to Limited Partners (C+H)*	(573.1)	(356.6)	(929.7)
<b>Net Increase/(Decrease) in Net Assets Value</b>	<b>(217.1)</b>	<b>(306.3)</b>	<b>(523.3)</b>
<b>G. Net Assets Value</b>	<b>974.1</b>	<b>(203.3)</b>	<b>770.8</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	660.4	(290.9)	369.5
Net Unrealised Gain/(Loss) on Fair Value of Investments	361.8	(73.4)	288.4
<b>Investments carried at Fair Value</b>	<b>1,022.2</b>	<b>(364.3)</b>	<b>657.9</b>
Plus: Cash Balance	38.4	65.1	103.6
Plus: Working Capital	(86.5)	95.9	9.4
Plus: Uncalled Capital	–	–	–
<b>Equals Net Assets Value</b>	<b>974.1</b>	<b>(203.3)</b>	<b>770.8</b>
<b>Net Assets Value</b>	<b>974.1</b>	<b>(203.3)</b>	<b>770.8</b>
<b>H. Capital Distributed</b>	<b>562.9</b>	<b>356.4</b>	<b>919.3</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>1,536.9</b>	<b>153.1</b>	<b>1,690.0</b>
<b>Gross IRR p.a.</b>	<b>13.5%</b>		<b>11.9%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>9.6%</b>		<b>8.2%</b>

\* Includes deemed distribution for reinvested capital

# Investment Performance Report

## b. Ekuinas Direct (Tranche II) Fund Accumulated Portfolio Value Enhancement

### PORTFOLIO VALUE TO DATE OF RM1.5 BILLION

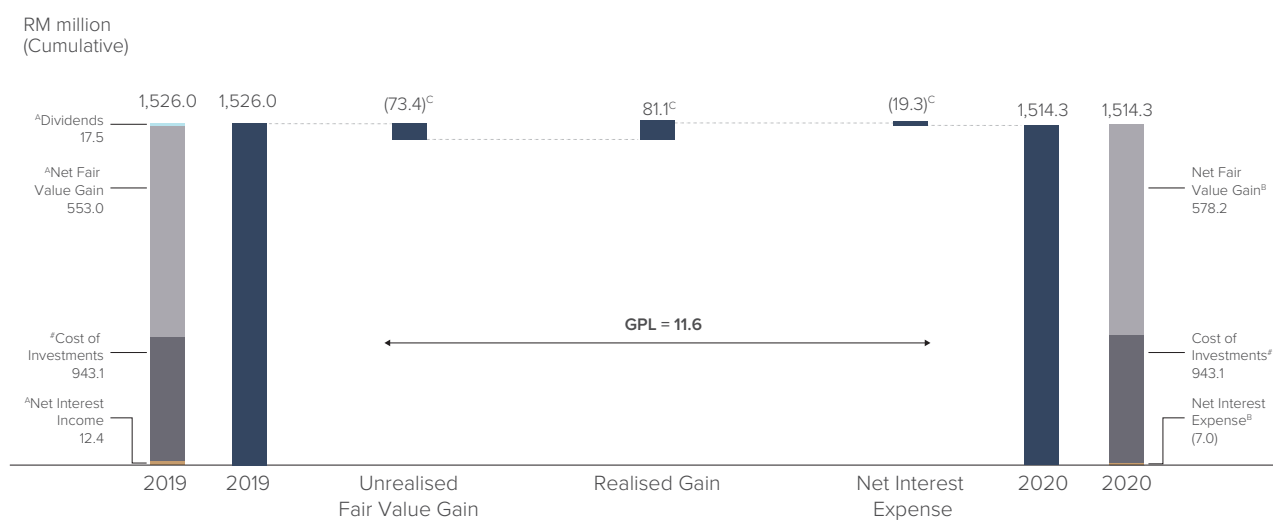


A These numbers combined make up to cumulative Gross Portfolio Return for 2020 of RM571.2 million

<sup>#</sup> Net of financing

## c. Ekuinas Direct (Tranche II) Fund Portfolio Value Movement as at 31 December 2020

### GROSS PORTFOLIO LOSS FOR THE YEAR OF RM11.6 MILLION



A These numbers combined make up to cumulative Gross Portfolio Return for 2019 of RM582.9 million

B These numbers combined make up to cumulative Gross Portfolio Return for 2020 of RM571.2 million

C These numbers combined make up to movement for the year of RM11.6 million

<sup>#</sup> Net of financing

## 5.2 Ekuinas Direct (Tranche III) Fund

### a. Fund Net Assets Value (NAV) as at 31 December 2020

	2019 RM million	Movement RM million	2020 RM million
<b>A. Capital Commitment</b>	<b>1,500.0</b>	<b>–</b>	<b>1,500.0</b>
<b>B. Capital Called</b>	<b>995.4</b>	<b>326.4</b>	<b>1,321.9</b>
<b>C. Capital Reinvested</b>	<b>33.9</b>	<b>2.5</b>	<b>36.4</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>1,029.3</b>	<b>328.9</b>	<b>1,358.3</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>190.0</b>	<b>60.4</b>	<b>250.4</b>
<b>F. Total Capital Invested (D+E)</b>	<b>1,219.3</b>	<b>389.3</b>	<b>1,608.6</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	40.9	5.7	46.6
Net Unrealised Gain/(Loss) on Fair Value of Investments	(361.5)	99.8	(261.9)
Realised Gain from Divestment	162.8	1.6	164.4
Net Interest Expenses	(12.7)	(11.9)	(24.7)
<b>Total Gross Portfolio Return</b>	<b>(170.5)</b>	<b>95.1</b>	<b>(75.4)</b>
Organisational Expenses	(197.8)	(8.3)	(206.1)
Capital Distributions to Limited Partners (C+H) *	(150.1)	(242.6)	(392.8)
<b>Net Decrease in Net Assets Value</b>	<b>(518.4)</b>	<b>(155.8)</b>	<b>(674.3)</b>
<b>G. Net Assets Value</b>	<b>701.0</b>	<b>233.5</b>	<b>934.4</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	1,002.0	145.1	1,147.1
Net Unrealised Gain/(Loss) on Fair Value of Investments	(361.5)	99.8	(261.9)
<b>Investments carried at Fair Value</b>	<b>640.4</b>	<b>244.9</b>	<b>885.2</b>
Plus: Cash Balance	24.3	14.3	38.6
Plus: Working Capital	71.2	(60.7)	10.5
Plus: Uncalled Capital	(35.0)	35.0	-
<b>Equals Net Assets Value</b>	<b>701.0</b>	<b>233.5</b>	<b>934.4</b>
<b>Net Assets Value</b>	<b>701.0</b>	<b>233.5</b>	<b>934.4</b>
<b>H. Capital Distributed</b>	<b>116.3</b>	<b>240.1</b>	<b>356.4</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>817.3</b>	<b>473.6</b>	<b>1,290.9</b>
<b>Gross IRR p.a.</b>	<b>-10.8%</b>		<b>-3.2%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>N/M<sup>#</sup></b>		<b>N/M<sup>#</sup></b>

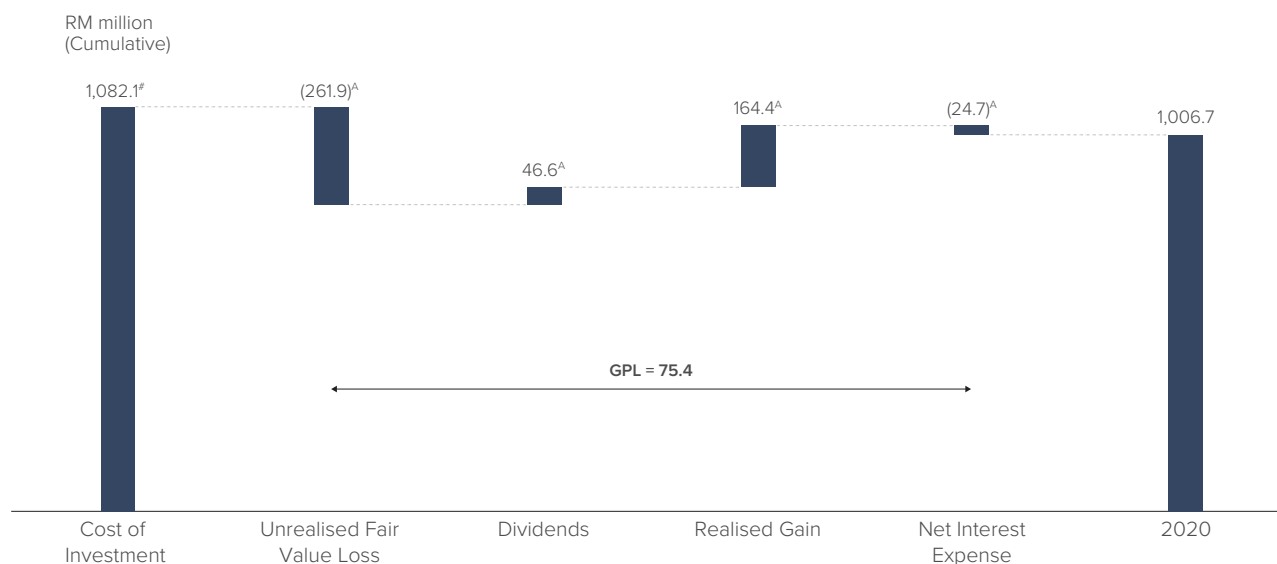
\* Includes deemed distribution for reinvested capital

<sup>#</sup> Not presented as capital is still being deployed

# Investment Performance Report

## b. Ekuinas Direct (Tranche III) Fund Accumulated Portfolio Value Enhancement

### PORTFOLIO VALUE TO DATE OF RM1.0 BILLION

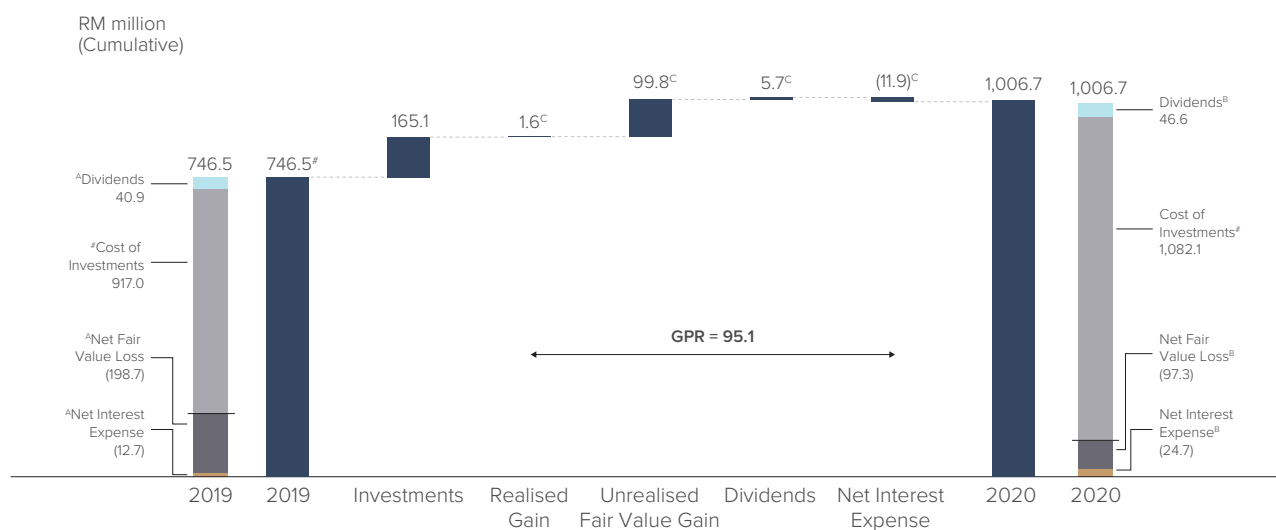


A These numbers combined make up to cumulative Gross Portfolio Loss for 2020 of RM75.4 million

# Net of financing

## c. Ekuinas Direct (Tranche III) Fund Portfolio Value Movement as at 31 December 2020

### GROSS PORTFOLIO GAIN FOR THE YEAR OF RM95.1 MILLION



A These numbers combined make up to cumulative Gross Portfolio Loss for 2019 of RM170.5 million

B These numbers combined make up to cumulative Gross Portfolio Loss for 2020 of RM75.4 million

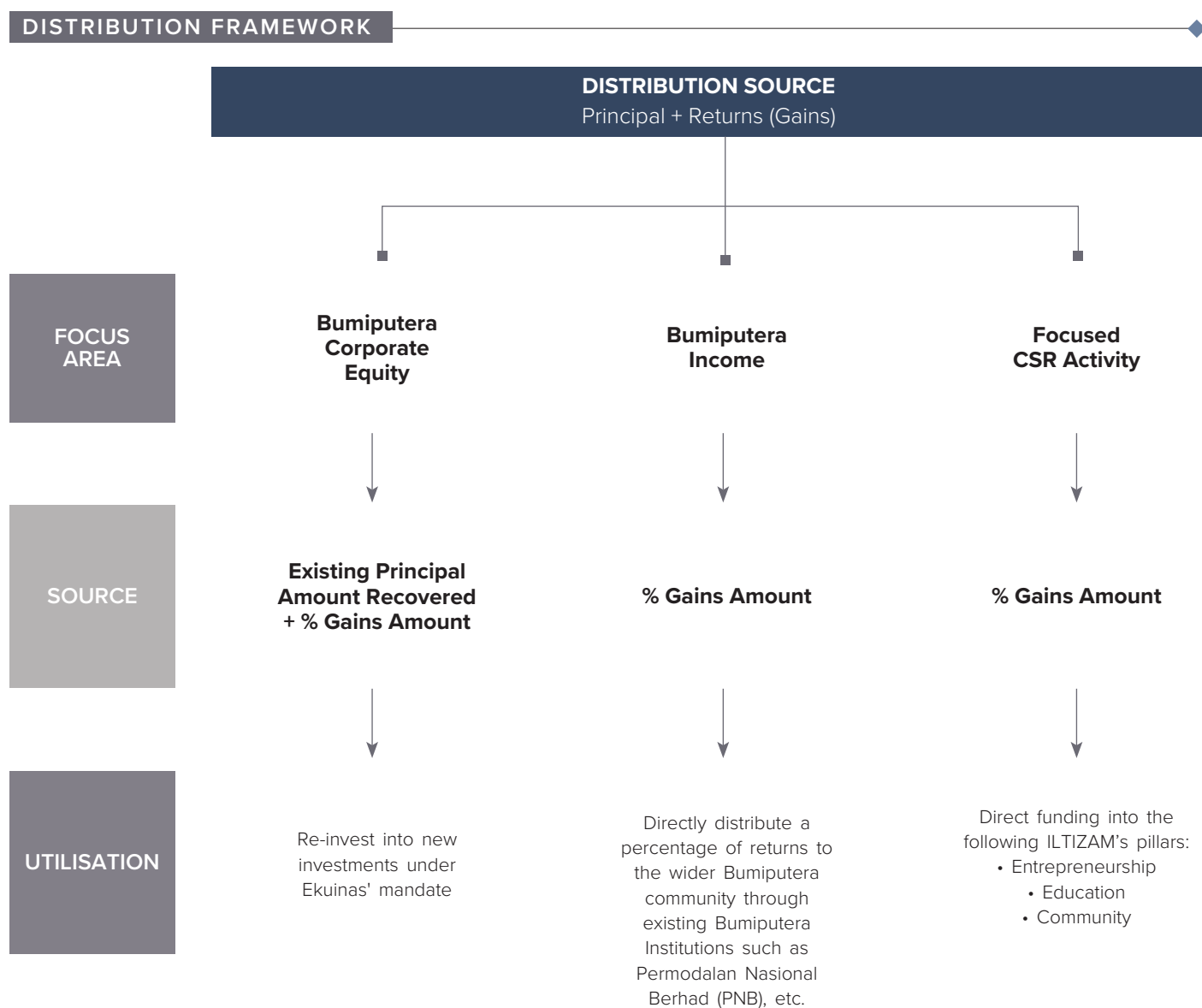
C These numbers combined make up to movement for the year of RM95.1 million

# Net of financing

## 6. Distribution

Committed Amount  
Distributed Amount as at 31 December 2020

RM500.0 million  
RM320.0 million



## Investment Performance Report



Kuala Lumpur Metropolitan  
University College



## COSMOPOINT GROUP



## Investment Type

Majority investment in a strong Malaysian company



## Acquisition Date

March 2012



## Ownership

90.0%

## UNITAR INTERNATIONAL UNIVERSITY



## Investment Type

Majority investment in a strong Malaysian company



## Acquisition Date

May 2012



## Ownership

100%



**TONY ROMA'S**  
RIBS • SEAFOOD • STEAKS



## REVENUE VALLEY SDN BHD



## Investment Type

Majority investment in a strong  
Malaysian company



## Acquisition Date

January 2012



## Ownership

85.8%

## ICON OFFSHORE

## ICON OFFSHORE BHD



## Investment Type

Majority investment in a  
strong Malaysian company



## Acquisition Date

November 2012, merger of  
TKS and Omni



## Ownership

56.9%



## Partial divestment

June 2014



## DAVEX (MALAYSIA) SDN BHD



## Investment Type

Majority investment in a strong  
Malaysian company



## Acquisition Date

December 2017



## Ownership

100%



#### ORKIM SDN BHD



##### Investment Type

Buy-out of non-core assets of GLC



##### Acquisition Date

March 2014



##### Ownership

95.5%



#### FLEXI VERSA GROUP SDN BHD



##### Investment Type

Majority investment in a strong Malaysian company



##### Acquisition Date

April 2018



##### Ownership

76.1%

**al-ikhshanSPORTS**

#### AL-IKHSAN SPORTS SDN BHD



##### Investment Type

Investment in a strong Malaysian company



##### Acquisition Date

July 2016



##### Ownership

35.0%



#### EXABYTES CAPITAL GROUP SDN BHD



##### Investment Type

Investment in a strong Malaysian company



##### Acquisition Date

March 2019



##### Ownership

45.4%



#### MEDISPEC (M) SDN BHD



##### Investment Type

Majority investment in a strong Malaysian company



##### Acquisition Date

February 2021



##### Ownership

75.0%

# Investment Performance Report

## EDUCATION GROUP

### INVESTMENT RATIONALE

- Sizeable industry with strong growth potential.
- Education groups that have solid performance track record.

### COSMOPPOINT GROUP

Investment type	
Majority investment in a strong Malaysian company	
Acquisition date	Ownership
March 2012	90.0%

- **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 and Multimedia
- **Student population:** Approximately 3,000



	2020 Unaudited RM million	2019 Audited RM million	Growth %
Revenue	82.4	91.3	-9.8
EBITDA before EI	6.2	4.0	55.2
Number of students	8,084	8,755	-7.7

EI: Extraordinary items

### UNITAR INTERNATIONAL UNIVERSITY

Investment type	
Majority investment in a strong Malaysian company	
Acquisition date	Ownership
March 2012	100.0%

- **Established:** 1997
- **Locations:** Selangor + 11 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:** Approximately 5,000



## REVENUE VALLEY SDN BHD



**TONY ROMA'S**  
RIBS • SEAFOOD • STEAKS



**NY Steak Shack**  
Steaks, Burgers & Shakes

### 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 type

Majority investment in a strong Malaysian company

#### Acquisition date

January 2012

#### Ownership

85.8%

- **Established:** 2002
- **Corporate owned outlets:** 35
- **Franchise outlets:** 18
- **Type:** Casual dining and Quick Service Restaurants (QSR)

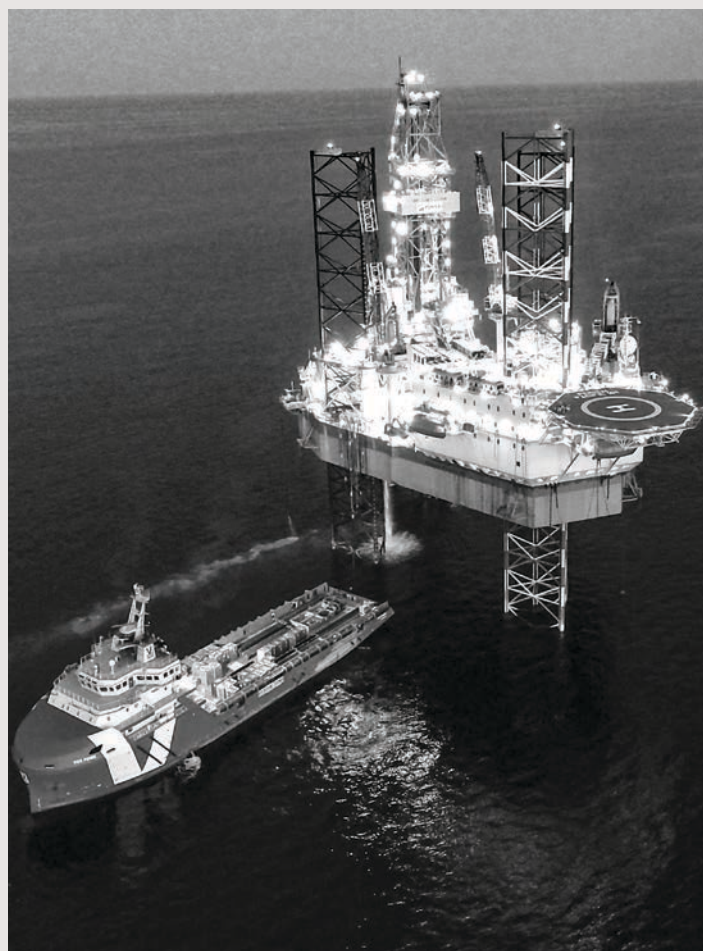
	2020 Unaudited RM million	2019 Audited RM million	Growth %
Revenue	57.8	104.7	-44.8
EBITDA before EI	(2.0)	5.7	>-100.0

EI: Extraordinary items



## Investment Performance Report

## ICON OFFSHORE BERHAD (ICON)



### INVESTMENT RATIONALE

- Strong track record of delivering growth to Petronas and other international oil majors.
- Platform for building leading regional OSV and integrated O&G services player.

#### Investment type

Majority investment in a strong Malaysian company

#### Acquisition date

November 2012, merger of TKS and Omni

#### Ownership

56.9%

#### Partial divestment

June 2014

- 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.
- The company has 22 active vessels operating in waters off Malaysia and Brunei. The vessels have had a history of international operations in six countries within Southeast Asia.
- Icon also owns and operates a jack-up drilling rig within Malaysian waters.

	2020 Unaudited RM million	2019 Audited RM million	Growth %
Revenue	212.1	201.1	5.5
EBITDA before EI	85.2	69.9	21.9
PAT before EI	1.4	(25.4)	>100.0

EI: Extraordinary items



## ORKIM SDN BHD

### INVESTMENT RATIONALE

- Strong operational track record.
- Solid company with favourable growth dynamics.



#### Investment type

Buy-out of non-core assets of GLC

#### Acquisition date

December 2014

#### Ownership

95.5%

- One of Malaysia's leading Clean Petroleum Product (CPP) tanker companies.
- Strong track record of growth with 17 vessels under ownership and management and five currently under construction.
- Transports CPP from refineries to various oil storage terminals throughout the country and currently has an estimated 40% market leading share.



	2020 Unaudited RM million	2019 Audited RM million	Growth %
Revenue	178.2	183.0	-2.6
EBITDA before EI	94.3	100.1	-5.8

*EI: Extraordinary items*

## Investment Performance Report

## AL-IKHSAN SPORTS SDN BHD



## INVESTMENT RATIONALE

- Investment in a leading multi-brand sports retailer in Malaysia with >35% market share.
- Opportunities for growth in profitability through operational improvement and sales growth.

## Investment type

Investment in a strong Malaysian company

## Acquisition date

July 2016

## Ownership

35.0%

- Al-Ikhsan is a leading multi-brand sports retailer in Malaysia with 127 corporate-owned outlets. The company retails sports equipment, apparel and footwear from major brands such as Adidas, Nike, Puma, Asics, Umbro and Lotto.
- Al-Ikhsan is the principal owner of the brand AL Sports and markets various sports goods under the trademark AL Logo.

	2020 Unaudited RM million	2019 Audited RM million	Growth %
Revenue	269.3	332.4	-19.0
EBITDA before EI	11.2	30.9	-63.6

EI: Extraordinary items



## DAVEX (MALAYSIA) SDN BHD

### INVESTMENT RATIONALE

- Investment into the fast growing luminaire market.
- Strong market presence in Malaysia, Singapore and Australia. Other regional markets served through Singaporean and Australian offices.

#### Investment type

Majority investment in a strong Malaysian company

#### Acquisition date

December 2017

#### Ownership

100.0%

- Homegrown lighting design, consultancy and manufacturer founded in 1983.
- Primarily involved in the luminaires segment and provided end-to-end lighting solutions to commercial, industrial and residential sectors. The Company operates under the brand name of Davis Lighting.
- Completed notable large-scale projects such as KLCC, Putrajaya Offices, Changi Airport Terminal 4 (Singapore), Housing Development Board (Singapore) and Brisbane Airport Carpark (Australia).



	2020 Unaudited RM million	2019 Audited RM million	Growth %
Revenue	73.6	103.4	>100.0
EBITDA before EI	-10.2	-1.9	>100.0

EI: Extraordinary items



## Investment Performance Report

## FLEXI VERSA GROUP SDN BHD



## INVESTMENT RATIONALE

- Strong relationship with large Original Equipment Manufacturers (OEM).
- Diverse manufacturing capabilities with wide regional footprint.

## Investment type

Majority investment in a strong Malaysian company

## Acquisition date

April 2018

## Ownership

76.1%

- Flexi Versa Group Sdn Bhd (FVG) is involved in the design, manufacturing & assembly of consumer products, injection moulding, die-cutting of thermoplastics/electro-mechanical components, printed circuit board assembly and manufacturing of graphic digital interfaces for the electrical and electronics industry.
- FVG's operations spans across 11 factories and offices regionally in Malaysia, Singapore, Indonesia, Vietnam and Philippines.

	2020 Unaudited RM million	2019 Audited RM million	Growth %
Revenue	201.4	232.9	-13.5
EBITDA before EI	24.0	37.5	-36.0

EI: Extraordinary items



## EXABYTES CAPITAL GROUP SDN BHD



### INVESTMENT RATIONALE

- Platform to be the Southeast Asian market leader in the internet hosting and SME cloud space.
- Strong future industry growth prospects driven by corporate digitalisation and expansion of the internet economy.

#### Investment type

Investment in a strong Malaysian company

#### Acquisition date

March 2019

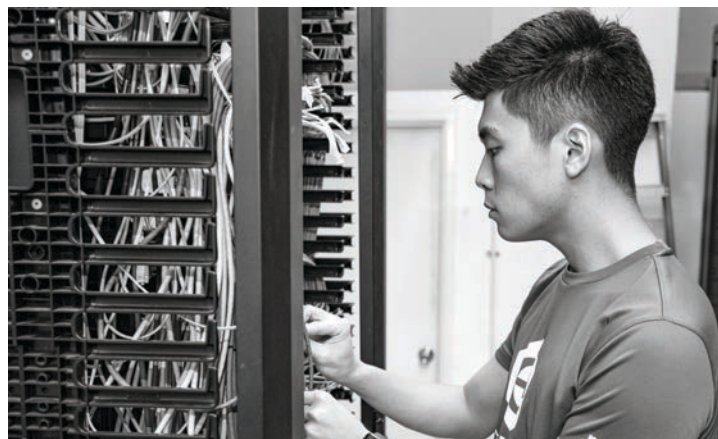
#### Ownership

45.4%

- Exabytes was founded in 2001 and focuses in becoming a one-stop solution provider targeting the needs of end-customers to grow their businesses online. Core products include domain registration, web hosting, servers, website design and digital marketing services.
- Market leader in Malaysia and a leading player in Singapore and Indonesia, combined with over 140,000+ active SME customers, 50,000+ hosting accounts and 130,000+ domains under management.

	2020 Unaudited RM million	2019 Audited RM million	Growth %
Revenue	77.2	71.8	7.5
EBITDA before EI	13.3	15.1	-11.5

EI: Extraordinary items



## Investment Performance Report

## MEDISPEC (M) SDN BHD

## INVESTMENT RATIONALE

- Investment in a leading distributor and marketer of pharmaceutical & health supplement products with strong multi-channel market presence.
- Healthy product pipeline with strong growth potential.

## Investment type

Majority investment in a strong Malaysian company

## Acquisition date

February 2021

## Ownership

75.0%

- Established:** 1985
- Locations:** Petaling Jaya, Selangor & Penang
- Medispec is a leading distributor and marketer of pharmaceutical & health supplement products.
- It markets more than 100 different pharmaceutical drugs and more than 30 health supplements under its fast-growing internal private label brand, Vitamode.



# SUCCESS STORY

## COOLBLOG



### BACKGROUND

- Coolblog was launched in 2007 as a takeaway kiosk concept, specialising in desserts and beverages. The home-grown brand is marketed under a franchise model and offers over 300 products and 25 different flavours. Coolblog was one of the pioneers in the dessert and beverages takeaway concept and has successfully penetrated in the suburban markets, and subsequently cemented its status as a leading industry player in the space.

### INVESTMENT RATIONALE

- At the point of investment, Coolblog recorded a strong revenue and profit with an industry that had great potential to grow. Also, the brand's strong financial track record was testament to the strong proposition and business acumen of the management team.
- Ekuinas' investment in Coolblog marked the expansion of its F&B portfolio via this entry into the takeaway and kiosks segment of the industry.
- Low setup cost and size of the take-away kiosk allowed Coolblog to attract more entrepreneurs to join as franchisees, resulting in the ability to scale rapidly and increase their accessibility to smaller cities and towns across Malaysia.
- In addition to its significant outlet presence, Coolblog was also the first bubble tea chain in the country to be awarded the HALAL certification by the Department of Islamic Development Malaysia (JAKIM).

### PERFORMANCE

- Throughout the investment period, Ekuinas' value creation plans (VCP) were focused on advancing operational efficiency in order to support its expansion efforts. The VCP initiatives included streamlining the operational processes and systems, corporate outlet expansion and penetration into new mass market regions, as well as enhancements in its product offerings and marketing strategies.
- The success of the company was evident in the popularity of its franchise model and market penetration. As at mid-June 2020, Coolblog recorded a total of 195 franchisees. Out of those, 109 were Bumiputera entrepreneurs.
- At the point of divestment, the company recorded a total of 270 stores in Malaysia, ensuring its place as the leading beverage dessert kiosk in Malaysia.

### DIVESTMENT DETAILS

- In October 2020, Ekuinas divested its entire equity interest to Archipelago Capital Partners based on the equity value of RM75.0 million. The divestment generated an Internal Rate of Return (IRR) of 6.4% and a money multiple of 1.4 times the capital invested.

# Investment Performance Report

## C. OUTSOURCED PROGRAMME

### 1. Fund Overview

EKUINAS OUTSOURCED (TRANCHE I) FUND		EKUINAS OUTSOURCED (TRANCHE II) FUND	
Vintage Year <b>2011</b>		Vintage Year <b>2013</b>	
Status: <b>Deployed</b>		Status: <b>Deployed</b>	
CAPITAL COMMITTED			
Ekuinas <b>RM400.0 MILLION</b>		Ekuinas <b>RM240.0 MILLION</b>	
Other LPs <b>RM151.9 MILLION</b>		Other LPs <b>RM110.1 MILLION</b>	
Total <b>RM551.9 MILLION</b>		Total <b>RM350.1 MILLION</b>	
Term <b>6 years + 1 year + 1 year + 1 year + 1 year</b>	Investment Period <b>3 years to 6 years</b>	Term <b>7 years + 1 year</b>	Investment Period <b>3 years to 7 years</b>
Investment Focus Malaysia Growth Capital			
Sector Priorities Oil & Gas, Education, FMCG, Retail & Leisure, Healthcare, Services			

### 2. Appointed Outsourced Fund Managers (OFMs)

 <p><b>NAVIS CAPITAL PARTNERS</b></p> <p><b>Fund Name</b> Navis Malaysia Growth Opportunities Fund 1, L.P.</p> <p><b>Fund Size</b> RM301.9 million</p>	 <p><b>TAEI PARTNERS</b></p> <p><b>Fund Name</b> TAEI Tijari (OFM) L.P.</p> <p><b>Fund Size</b> RM101.0 million</p>	 <p><b>RM CAPITAL PARTNERS (RMCP)</b></p> <p><b>Fund Name</b> RMCP One Sdn Bhd</p> <p><b>Fund Size</b> RM109.1 million</p>	 <p><b>COPE PRIVATE EQUITY</b></p> <p><b>Fund Name</b> COPE Opportunities 3 Sdn Bhd</p> <p><b>Fund Size</b> RM80.0 million</p>
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### 3. Investment Activities

#### a. Cumulative Outsourced Programme Investment Activities as at 31 December 2020

RM million	Fund	Sector	Committed Investment by OFMs			Other Co-Investors	Total Economic Capital Deployed
			Ekuinas' Committed Capital	Other LPs	Sub Total		
Atelier Asia Sdn Bhd (Atelier)*	Navis MGO	FMCG	15.0	6.5	21.5	–	21.5
MCAT Box Office Sdn Bhd (MBO)*	Navis MGO	Retail & Leisure	16.8	4.2	21.0	119.7	140.7
SEG International (SEGi)*	Navis MGO	Education	43.5	19.0	62.5	214.5	277.0
Strateq Sdn Bhd (Strateq)*	Navis MGO	Services	39.0	22.5	61.5	–	61.5
HG Power Transmission Sdn Bhd (HGPT)*	Navis MGO	Services	30.1	13.2	43.3	–	43.3
Brickfields Asia College (BAC)	Navis MGO	Education	34.8	15.2	50.0	–	50.0
Macroiosk Sdn Bhd (Macroiosk)	CNEF	Services	21.1	13.3	34.4	–	34.4
R.E.A.L Education Group (REAL)	CNEF	Education	28.1	4.9	33.0	–	33.0
Mega Fortris Innovation (Malaysia) Sdn Bhd (Mega Fortris)	TAP	Manufacturing	18.0	7.0	25.0	–	25.0
Big Sdn Bhd (Big Group)	Navis MGO	F&B and Retail	17.6	4.4	22.0	–	22.0
<b>Total Investment Undertaken - Tranche I</b>			<b>264.0</b>	<b>110.2</b>	<b>374.2</b>	<b>334.2</b>	<b>708.4</b>
STX Precision Corporation Sdn Bhd (STX)	COPE	Services	12.0	4.0	16.0	19.0	35.0
Consobiz Ventures Sdn Bhd (Consobiz)	RMCP	FMCG	8.3	6.7	15.0	–	15.0
Excelvite Sdn Bhd (Excelvite)	TAEL	Manufacturing	5.9	4.1	10.0	–	10.0
Romstar Sdn Bhd (Romstar)	RMCP	Manufacturing	12.0	9.8	21.8	–	21.8
Packerman Sdn Bhd (Packerman)	RMCP	Manufacturing	12.0	9.8	21.8	–	21.8
MBG Holdings Sdn Bhd (MBG)	COPE	F&B and Retail	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
<b>Total Investment Undertaken - Tranche II</b>			<b>75.6</b>	<b>46.0</b>	<b>121.6</b>	<b>19.0</b>	<b>140.6</b>
<b>Cumulative Total Investment Undertaken</b>			<b>339.6</b>	<b>156.2</b>	<b>495.8</b>	<b>353.2</b>	<b>849.0</b>

\* Includes follow-on investments.

# Investment Performance Report

## 4. Fund Performance

### 4.1 Ekuinas Outsourced (Tranche I) Fund

Fund Net Assets Value (NAV) as at 31 December 2020

	2019 RM million	Movement RM million	2020 RM million
<b>A. Capital Commitment</b>	<b>400.0</b>	<b>–</b>	<b>400.0</b>
<b>B. Capital Called</b>	<b>307.7</b>	<b>–</b>	<b>307.7</b>
<b>C. Capital Reinvested</b>	<b>29.4</b>	<b>0.5</b>	<b>29.8</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>337.0</b>	<b>0.5</b>	<b>337.5</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>F. Total Capital Invested (D+E)</b>	<b>337.0</b>	<b>0.5</b>	<b>337.5</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	–	–	–
Net Unrealised Gain/(Loss) on Fair Value of Investments	134.8	(82.7)	52.1
Realised Gain from Divestment	9.9	–	9.9
Interest Income/(Expenses)	–	–	–
<b>Total Gross Portfolio Return</b>	<b>144.7</b>	<b>(82.7)</b>	<b>62.0</b>
Organisational Expenses	(15.8)	2.1	(13.7)
Capital Distributions to Limited Partners (C+H)*	(175.2)	(137.3)	(312.6)
<b>Net Increase/(Decrease) in Net Assets Value</b>	<b>(46.3)</b>	<b>(218.0)</b>	<b>(264.2)</b>
<b>G. Net Assets Value</b>	<b>290.6</b>	<b>(217.5)</b>	<b>73.2</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	111.6	(96.8)	14.8
Net Unrealised Gain/(Loss) on Fair Value of Investments	134.8	(82.7)	52.1
<b>Investments carried at Fair Value</b>	<b>246.4</b>	<b>(179.5)</b>	<b>66.9</b>
Plus: Cash Balance	–	–	–
Plus: Working Capital	44.4	(38.0)	6.4
Plus: Uncalled Capital	–	–	–
<b>Equals Net Assets Value</b>	<b>290.6</b>	<b>(217.5)</b>	<b>73.2</b>
<b>Net Assets Value</b>	<b>290.6</b>	<b>(217.5)</b>	<b>73.2</b>
<b>H. Capital Distributed</b>	<b>145.9</b>	<b>137.0</b>	<b>282.8</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>436.6</b>	<b>(80.5)</b>	<b>356.0</b>
<b>Gross IRR p.a.</b>	<b>7.4%</b>		<b>3.4%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>6.5%</b>		<b>2.6%</b>

\* Includes deemed distribution for reinvested capital

#### 4.2 Ekuinas Outsourced (Tranche II) Fund

##### Fund Net Assets Value (NAV) as at 31 December 2020

	2019 RM million	Movement RM million	2020 RM million
<b>A. Capital Commitment</b>	<b>240.0</b>	<b>–</b>	<b>240.0</b>
<b>B. Capital Called</b>	<b>94.4</b>	<b>1.2</b>	<b>95.7</b>
<b>C. Capital Reinvested</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>94.4</b>	<b>1.2</b>	<b>95.7</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>F. Total Capital Invested (D+E)</b>	<b>94.4</b>	<b>1.2</b>	<b>95.7</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	–	–	–
Net Unrealised Gain/(Loss) on Fair Value of Investments	(15.6)	5.7	(9.9)
Realised Loss from Divestment	(2.3)	–	(2.3)
Interest Income/(Expenses)	–	–	–
<b>Total Gross Portfolio Loss</b>	<b>(17.9)</b>	<b>5.7</b>	<b>(12.2)</b>
Organisational Expenses	(5.7)	(1.3)	(7.1)
Capital Distributions to Limited Partners (C+H)*	–	(3.2)	(3.2)
<b>Net Increase/(Decrease) in Net Assets Value</b>	<b>(23.7)</b>	<b>1.2</b>	<b>(22.5)</b>
<b>G. Net Assets Value</b>	<b>70.8</b>	<b>2.4</b>	<b>73.2</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	85.2	(8.6)	76.6
Net Unrealised Gain/(Loss) on Fair Value of Investments	(15.6)	5.7	(9.9)
<b>Investments carried at Fair Value</b>	<b>69.6</b>	<b>(2.9)</b>	<b>66.7</b>
Plus: Cash Balance	–	–	–
Plus: Working Capital	1.2	5.4	6.5
Plus: Uncalled Capital	–	–	–
<b>Equals Net Assets Value</b>	<b>70.8</b>	<b>2.4</b>	<b>73.2</b>
<b>Net Assets Value</b>	<b>70.8</b>	<b>2.4</b>	<b>73.2</b>
<b>H. Capital Distributed</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>70.8</b>	<b>2.4</b>	<b>73.2</b>
<b>Gross IRR p.a.</b>	<b>-5.2%</b>		<b>-2.8%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>-6.6%</b>		<b>-4.1%</b>

\* Includes deemed distribution for reinvested capital

## Investment Performance Report

## PORTFOLIO COMPANIES UNDER OUTSOURCED PROGRAMME

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

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



**SEGi**  
University  
Group

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

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

**BIG SDN BHD (F&B)****Transaction Details**

OFM: Navis Capital Partners  
Sector: F&B  
Acquisition date: December 2014

**STX PRECISION CORPORATION SDN BHD****Transaction Details**

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

**CONSOBIZ VENTURES SDN BHD****Transaction Details**

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

**EXCELVITE SDN BHD****Transaction Details**

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

**ROMSTAR SDN BHD****Transaction Details**

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

**PACKERMAN SDN BHD****Transaction Details**

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

**TANAMERA GROUP SDN BHD****Transaction Details**

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

**MY SUTERA HOLDINGS SDN BHD****Transaction Details**

OFM: COPE Private Equity  
Sector: Manufacturing  
Acquisition date: April 2017

## D. SOCIAL OBJECTIVE PERFORMANCE

### a. Bumiputera Equity Value and Total Economic Value

Total for Portfolio Companies	BUMIPUTERA				TOTAL COMPANY			
	Ex Ante	As at 31 December	Increase in Bumiputera Value	Multiple of Ekuinas' Invested Capital	Ex Ante	As at 31 December	Economic Value Created	Multiple of Ekuinas' Invested Capital
<b>2020</b>	<b>2,381.4</b>	<b>5,756.1</b>	<b>5,557.5</b>	<b>1.4x</b>	<b>5,754.2</b>	<b>7,684.9</b>	<b>6,986.2</b>	<b>1.8x</b>
2019	2,381.4	5,619.8	5,396.6	1.5x	5,715.2	7,756.3	6,870.8	1.9x

### b. Portfolio Companies - Management and Employees

	Bumiputera Headcount	Total Headcount	% Bumiputera to Total Headcount	% Increase in Bumiputera Headcount from Ex Ante
<b>2020</b>				
<b>Management</b>	<b>222</b>	<b>664</b>	<b>33.4%</b>	<b>13.3%</b>
<b>Employees</b>	<b>9,538</b>	<b>16,501</b>	<b>57.8%</b>	<b>10.5%</b>
<b>2019</b>				
Management	242	691	35.0%	23.5%
Employees	9,867	17,162	57.5%	14.1%

## E. EKUITI NASIONAL BERHAD - FUND MANAGEMENT COMPANY

<b>Ekuiti Nasional Berhad (Fund Management Company)</b>	<b>2020 RM million</b>	<b>2019 RM million</b>
Total Funds under Management (FuM)	<b>4,140.0</b>	4,140.0
Operating Expenditure (OPEX)	<b>45.8*</b>	38.6
Ratio of OPEX to FuM	<b>1.1%*</b>	0.9%
Profit After Tax and Zakat (PAT)	<b>0.4*</b>	12.8

\* Includes COVID-19-related donations of RM4.7 million





## GOVERNANCE

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# STATEMENT ON CORPORATE GOVERNANCE

## INTRODUCTION

As a government-linked private equity fund management company, Ekuinas is fully committed to good governance, transparency and providing quality reporting in its Annual Report. As such, Ekuinas subscribes to the relevant and applicable principles on corporate governance requirements as set out by Bursa Malaysia Securities Berhad (Bursa Malaysia) or the Malaysian Code on Corporate Governance (MCCG) even though Ekuinas is not a listed entity.

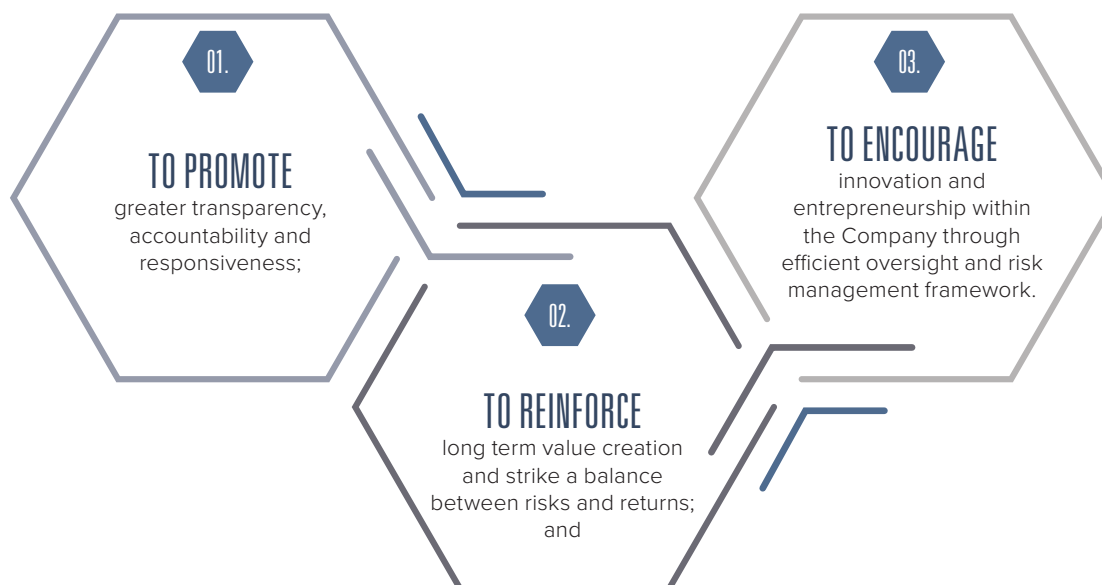
Accordingly, the disclosures under this section have been prepared based on the best practice requirements set out by Bursa Malaysia, the Malaysian Code on Corporate Governance 2017 as well as Ekuinas' Disclosure Policy. These are the Statement on Corporate Governance, Statement on Risk Management and 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 practices.

To clarify, we wish to highlight that the Government of Malaysia is indirectly the ultimate shareholder of the Company. Consequently, 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 and 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

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:



## EKUINAS CORPORATE GOVERNANCE FRAMEWORK

STATEMENT ON GOOD GOVERNANCE	STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL
Board and Board Committees	Internal Systems & Control
Directors' Roles and Responsibilities	Internal Audit Framework
Stakeholder Management	Risk Management Framework
Accountability and Audit	External Audit Framework

# Statement on Corporate Governance

## CODE OF ETHICS



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

During the financial year, the Board continued to ensure that the highest standards of corporate governance were practised to protect and enhance stakeholders' 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 Ekuinas. 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 Ekuinas has applied the relevant and applicable key principles and recommendations of good practices in line with the Malaysian Code on Corporate Governance 2017 (the Code) and Bursa Malaysia's Main Market Listing Requirements (MMLR).

## BOARD RESPONSIBILITIES AND LIMITS OF AUTHORITY

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

- i. The 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 also 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

The Board currently have seven (7) members, comprising 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. The tenure of two of the independent directors have exceeded the cumulative term of nine (9) years; however, they were retained as independent directors upon fulfilling an independence assessment by the Company.

The current structure of the Board and integrity of the individual Directors ensure that no single individual or group dominates the decision-making process. The majority of the Board members are Independent Non-Executive Directors, meeting the one half 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 NRC 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.

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

The NRC's membership is purely Non-Executive and all the members are Independent Directors. Details on the scope and functions of the NRC can be found on page 84 in the Statement on Corporate Governance.

## BOARD COMMITTEES

To assist the Board in 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 are reviewed periodically to ensure that they are relevant and updated.

## Statement on Corporate Governance

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	: Tan Sri Dr Rahamat Bivi Yusoff
Members	: Tan Sri Dato' Seri Mohamed Jawhar Hassan
	: Datuk Ali Abdul Kadir

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 98 - 99 of this Annual Report.

### b. **Nomination and Remuneration Committee (NRC)**

The NRC comprises two 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
Member	: Raja Tan Sri Dato' Seri Arshad Raja Tun Uda

There were three (3) meetings held during the financial year and the attendance record is set out in the table on page 86.

#### ***Roles and Responsibilities***

The primary responsibility of the NRC, in accordance with its terms of reference, is to assist the Board with matters relating to nomination and remuneration, amongst others which include:

- Appointment of directors, senior management and to facilitate induction programmes for new directors and suitable training programmes to continuously train and equip new and existing Directors;
- Reviewing the mix of skills, experience, core competencies and other required qualities to ensure an effective Board for Ekuinas;
- Determining 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;
- Reviewing the remuneration of Non-Executive Directors to ensure that it is aligned to the market and reflective of experience and expertise that commensurate with their duties and responsibilities.
- Reviewing any major changes in employee benefit structures throughout the Company, and if deemed fit, to recommend to the Board for adoption; and
- Reviewing and recommending to the Board for adoption of the framework for the Company's annual incentive scheme.

Detailed Terms of Reference of the NRC is available at <https://www.ekuinas.com.my/governance>

#### ***Summary of Activities in 2020***

During the financial year ended 31 December 2020, 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/contract renewal of Senior Management of Ekuinas;
- Deliberated and made recommendations to the Board on the achievement of Ekuinas Key Performance Indicators (KPI) for FYE2019, Bonus Payout and Merit Increment for 2020; and
- Reviewed the Proposed KPI Framework for the FYE 2020.

**c. Investment Committee (IC)**

The Investment Committee is made up of members of the Senior Management of the Company and at least one 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 to the Board all investment and divestment decisions made by Ekuinas;
- approving all decisions pertaining to the management of all investments made by Ekuinas; and
- reviewing 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 a Non-Executive Director and consists of the Senior Management, was established to review and monitor Ekuinas' CSR programmes and ensure that the Company implements the highest standards of governance and internal control for CSR activities. Management is required to update the CSR activities and programmes as and when required by the CSR Committee and/or the Board.

The key responsibilities and functions of the CC include:

- to review and approve Ekuinas CSR's annual plan including the allocation of the total budgeted amount for Ekuinas CSR as approved by the Board, for the different CSR programmes and initiatives;
- to monitor the implementation of all CSR activities; and
- to deliberate any serious issues on CSR projects that have financial or reputational implications against Ekuinas.

**e. Senior Management Committee (SMC)**

The Senior Management Committee (SMC), which is chaired by the CEO and consists of the Senior Management, was established to assist the ARMC and the Board in discharging its functions with regard to risk management in Ekuinas. The SMC meets every quarter to review the quarterly risk report prior to presenting the report to the ARMC.

## **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.

# Statement on Corporate Governance

## 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 <sup>1</sup>	NRC <sup>2</sup>	IC <sup>3</sup>	CC <sup>4</sup>
	No. of Meetings Attended				
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	8 out of 8	–	3 out of 3	–	–
Tan Sri Dato' Seri Mohamed Jawhar Hassan	8 out of 8	5 out of 5	3 out of 3	–	–
Datuk Ali Abdul Kadir	8 out of 8	5 out of 5	–	3 out of 3	–
Tan Sri Dr. Rahamat Bivi Yusoff	8 out of 8	5 out of 5	–	–	1 out of 1
Dato' Abdul Hamid Sheikh Mohamed <sup>5</sup>	5 out of 5	–	–	2 out of 2	–
Datuk Saiful Anuar Lebai Hussien	5 out of 8	–	–	–	–
Syed Yasir Arafat Syed Abd Kadir	8 out of 8	–	–	3 out of 3	–

### Notes

1 ARMC – Audit and Risk Management Committee

2 NRC – Nomination and Remuneration Committee

3 IC – Investment Committee

4 CC – CSR Committee

5 Appointed as a Non-Executive Director effective 1 June 2020. The attendance reflects the number of meetings scheduled during the time the Director held office.

## MAINTAINING AN INDEPENDENT, STRONG AND EFFECTIVE BOARD

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

The Independent Non-Executive Directors, all of whom are well qualified and outstanding individuals, bring to the Board in-depth knowledge in their respective fields. They do not participate in the day-to-day operations and do not engage in any business dealings or other relationships with Ekuinas to ensure that they are capable of exercising judgement objectively and acting in Ekuinas' best interest. Profiles of the Board members are highlighted on pages 35 - 41 of this Annual Report.

### Annual Independence Assessment for Independent Directors

The Board, through the NRC, conducts 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 during appointment and as and when requested by the Company.

## CODE OF CONDUCT

Ekuinas has adopted the Directors' Code of Ethics for all the Directors of Ekuinas which are based on principles of sincerity, integrity, responsibility and corporate social responsibility. The adoption of the Directors' Code of Ethics formalises the ethical values throughout the Company and ensures its compliance.

The Board oversees the business affairs of Ekuinas and therefore, assumes responsibility for the following:-

- strategic guidance for Ekuinas by influencing how the objectives of Ekuinas are determined and achieved;
- enhancement of the long term value for Ekuinas' stakeholders while preserving and protecting the underlying value of Ekuinas for their benefit;
- effective oversight of the management of Ekuinas including its control and accountability systems;
- approving and monitoring the progress of major capital expenditure, capital management and investment 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 all Directors for the financial year ended 31 December 2020, with categorisation into appropriate components are as follows:-

Remuneration	Total Amount (RM)
Salary/Fees	3,028,878
Other remuneration (e.g. Allowances and other benefits)	760,706

The remuneration paid to Directors during the year, analysed into appropriate ranges is as follows:-

Range of remuneration (RM)	Executive Director	Non-Executive Directors
Below RM100,000		1
RM100,000 – RM200,000		5
Above RM1,000,000	1	

## Statement on Corporate Governance

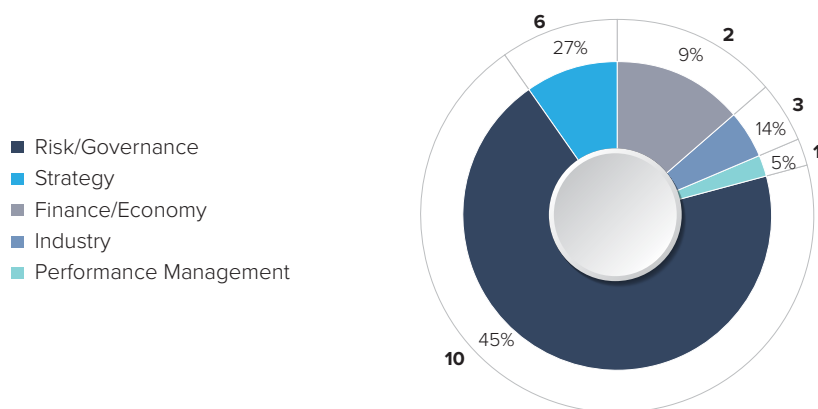
### DIRECTORS' TRAINING

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.

However, due to the COVID-19 pandemic and the restrictions on events/travelling imposed by the government, there were less attendance of training programmes, conferences and some events were conducted via virtual platform instead.

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 2020 were as follows:-

### DIRECTORS' TRAINING ATTENDANCE



### 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:

- Minutes of meetings of the previous Board;
- Minutes of meetings of all previous Committee meetings of the Board;
- Report on Matters Arising;
- Report on matters requiring the Board's deliberation and approval;
- Quarterly financial report and report on investment performance of the Company; and
- 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.

### **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.

## Statement on Corporate Governance

### MANAGEMENT OF RISKS AND INTERNAL CONTROL

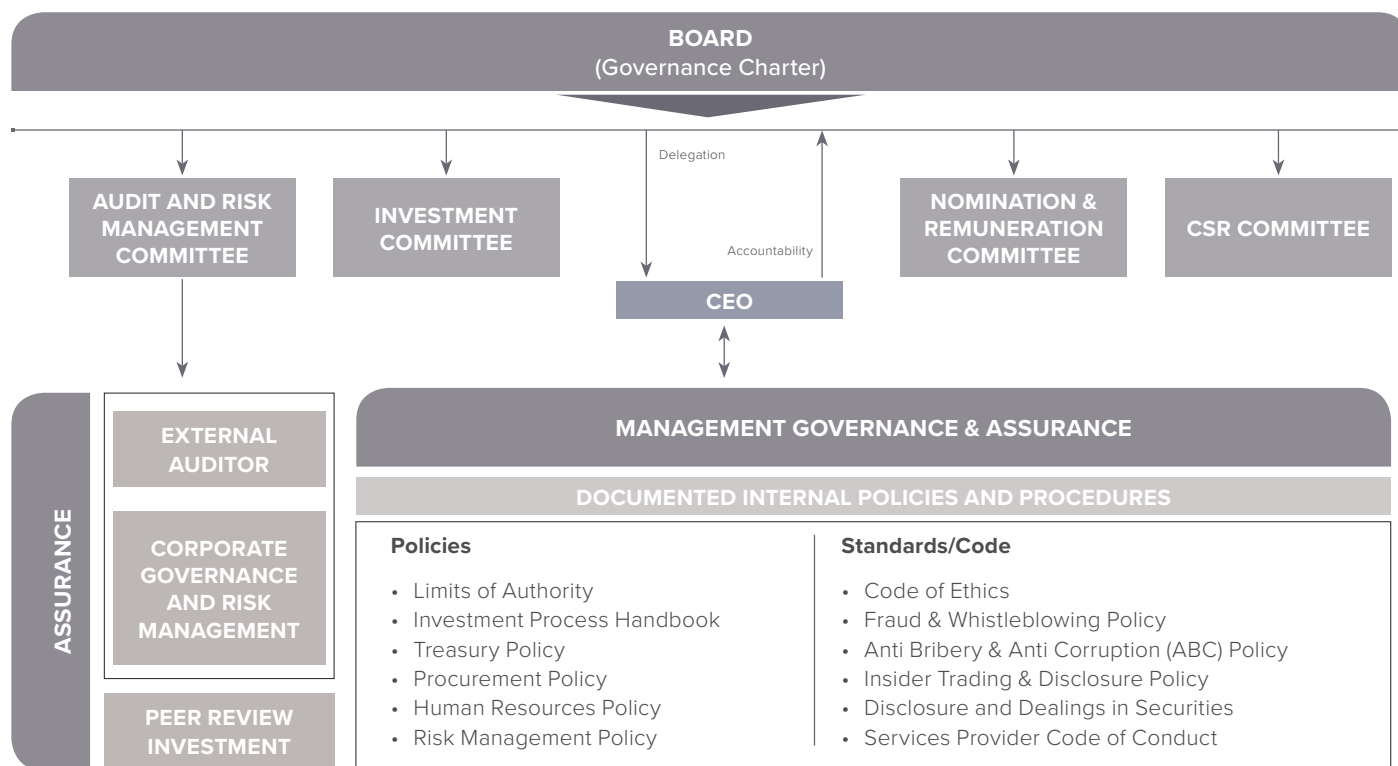
The Board is responsible for maintaining a system of risk management and internal controls that provides reasonable assurance of effective and efficient operations in compliance with the applicable laws and regulations, as well as internal procedures and guidelines.

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 92 of this Annual Report.

#### Internal Audit Function

The Board empowers Management to achieve business objectives within the boundaries of business ethics and high standards of good governance. The Corporate Governance and Risk Management (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.

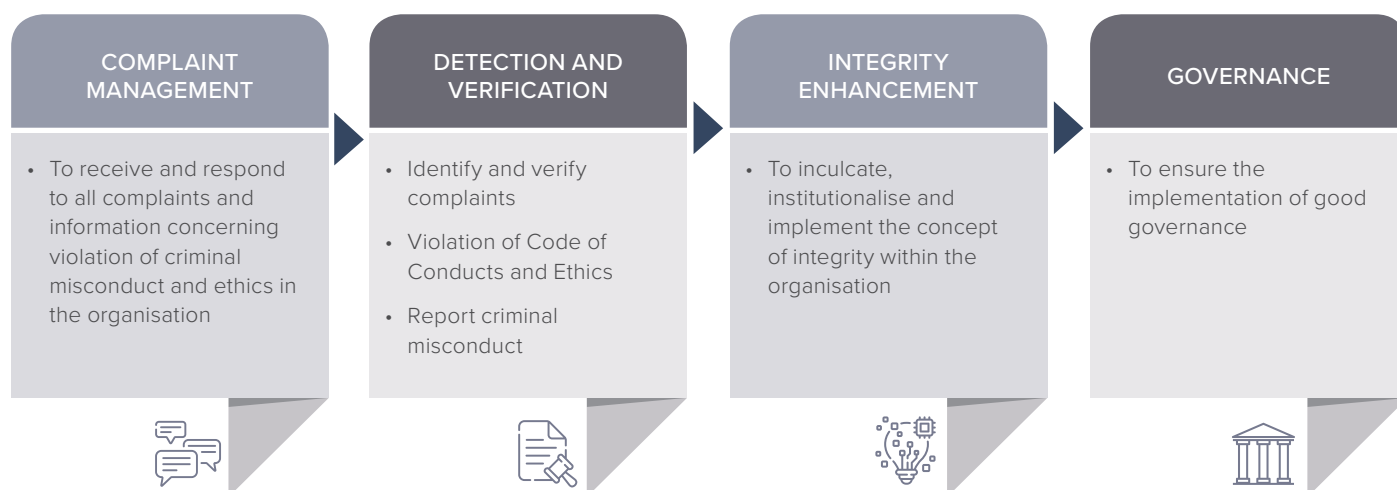
The reporting structure of the CGRM function is as illustrated below:



### Integrity and Governance Unit (IGU)

The board has formalised the establishment of Integrity and Governance Unit (IGU) under the Corporate Governance and Risk Management Department (CGRM) in support of National Anti-Corruption Plan (NACP) to promote greater transparency, accountability and integrity culture. The NACP aims to transform the country towards a nation with integrity and free from corruption.

The Board has also approved the appointment of the Head of Corporate Governance and Risk Management (CGRM) as the Integrity Officer for Ekuinas. IGU is responsible for four key functions as illustrated below and reports quarterly to the Board on matters pertaining to integrity and anti-corruption initiatives.



### 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](http://www.ekuinas.com.my). Any query regarding Ekuinas may be conveyed to:

#### General Matters

Communications  
E-mail: [info@ekuinas.com.my](mailto:info@ekuinas.com.my)  
Telephone: 03-77107171  
Facsimile : 03-77107173

#### Governance Matters

Corporate Governance & Risk Management  
E-mail: [governance@ekuinas.com.my](mailto:governance@ekuinas.com.my)

#### Whistleblowing Channel

Whistleblowing Reports  
E-mail: [whistleblowing@ekuinas.com.my](mailto:whistleblowing@ekuinas.com.my)

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 24 March 2021.

# 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 (SORMIC) 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 Senior Management Committee (SMC), 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

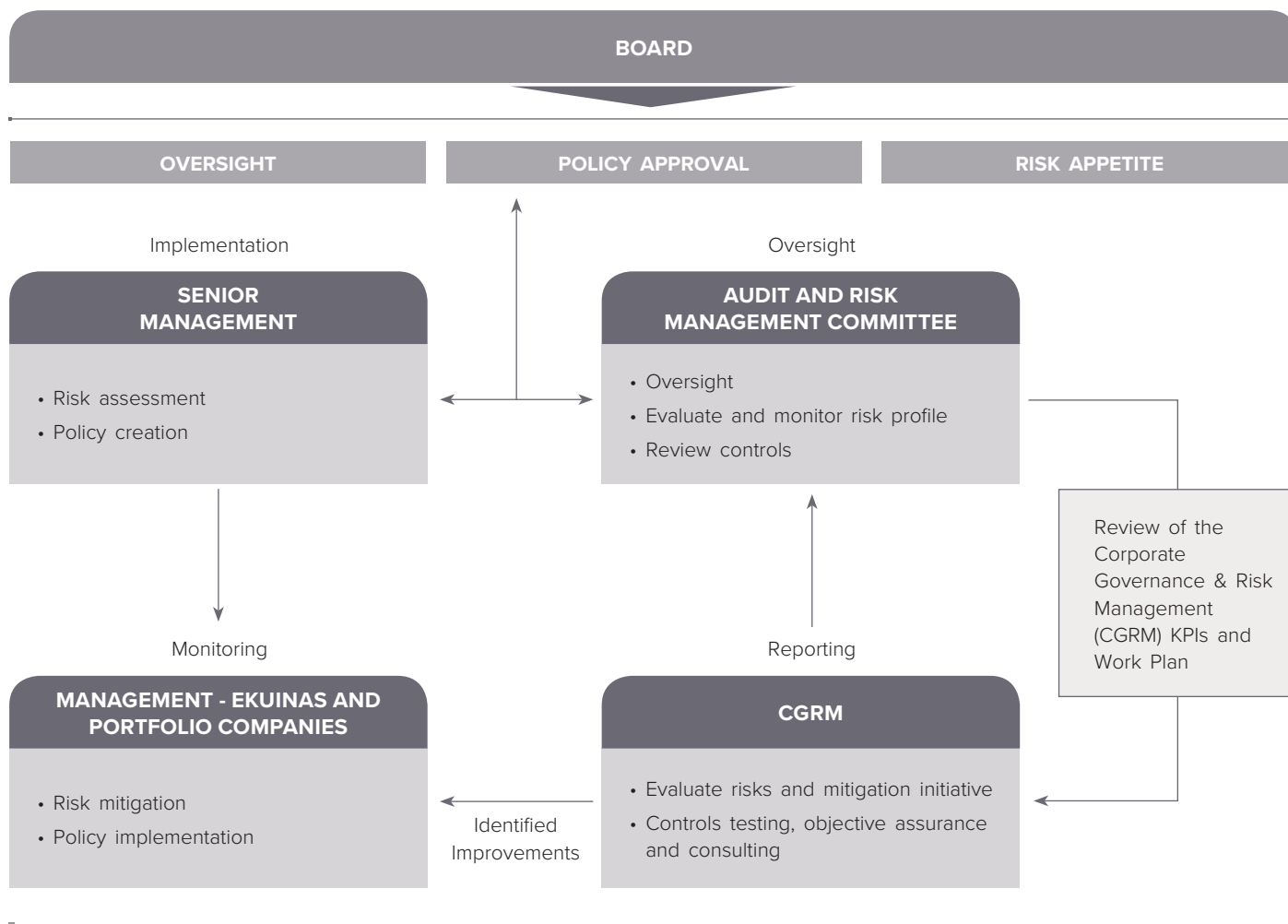
The Board has been assured by the CEO and Chief Financial Officer (CFO) that the Company's risk management and internal control systems are operating adequately and effectively in all material aspects for the financial year under review and up to the date of approval of this Statement.

## 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 and 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.

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.

#### Senior Management Committee (SMC)

The SMC is the risk owner who coordinates the efforts to mitigate and manage the risk of the Company while assisting 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

The following are the key duties and responsibilities of the SMC with regards to risk management:-

- 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.

Through discussion with each portfolio team, head of departments and management of portfolio companies, 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 SMC and ARMC on a quarterly basis. 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. These four risks are not exhaustive and the investment risks are considered the most critical business risks within the Company.

### EKUINAS' RISKS (COMPANY)

STRATEGIC	DIRECT INVESTMENT	OUTSOURCED PROGRAMME	OPERATIONAL
<ul style="list-style-type: none"> <li>• External environment</li> <li>• Funding</li> <li>• Regulatory</li> <li>• Stakeholder</li> </ul>	<ul style="list-style-type: none"> <li>• Deal sourcing and evaluation</li> <li>• Investment performance and management</li> <li>• Non-financial objective</li> </ul>	<ul style="list-style-type: none"> <li>• OFM Selection</li> <li>• OFM Performance</li> <li>• OFM Management</li> </ul>	<ul style="list-style-type: none"> <li>• Human Capital</li> <li>• Treasury</li> <li>• Financial Management &amp; Reporting</li> <li>• Compliance</li> <li>• Shared Services</li> <li>• Corruption &amp; Bribery</li> </ul>

### PORTFOLIO COMPANIES' RISKS

STRATEGIC & MARKET	BUSINESS & FINANCIAL	STRATEGIC VALUE CREATION	EXECUTION
<ul style="list-style-type: none"> <li>• External environment</li> <li>• Industry</li> <li>• Government &amp; Regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Business operations</li> <li>• Capex and investment</li> <li>• Gearing/Debts</li> </ul>	<ul style="list-style-type: none"> <li>• Business Expansion</li> <li>• Merger &amp; Acquisition</li> </ul>	<ul style="list-style-type: none"> <li>• Human Capital</li> <li>• IT system and processes</li> <li>• Financial Management &amp; Reporting</li> <li>• Corruption &amp; Bribery</li> </ul>

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.

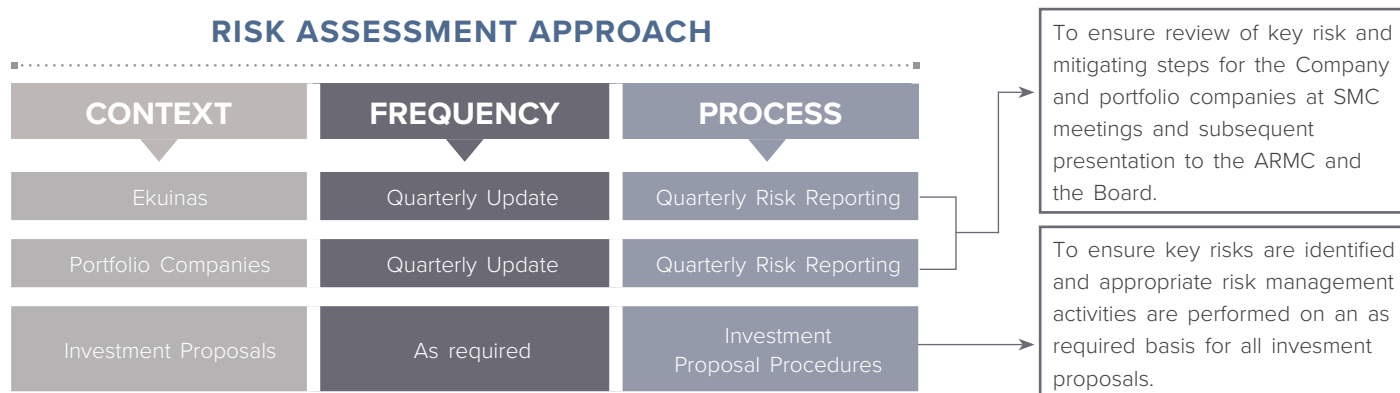
To mitigate investment risks, the Company's investment decision-making process is guided by investment parameters instituted via the Company's Investment Framework, to ensure deals undertaken are within the key investment criteria where the priority sectors are identified based on a transparent screening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

In line with the Strategic Objective 6.2: Greater Corporate Entities Resilience against the Threat of Corruption in the National Anti-Corruption Plan (NACP) and related directive from Economic Planning Unit, Prime Minister's Department, the Company has introduced an assessment on the Corruption and Bribery Risks as part of the Company's risk management process and reporting. Potential areas where corruption and bribery may occur are identified and risks are mitigated with the existing controls in place and new initiatives such as strengthening the policies relevant to Anti-Bribery and Anti-Corruption matters, conducting briefing to employees and periodic awareness programmes.

### 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:



# Statement on Risk Management and Internal Control

## Key Internal Control Processes

The Board is fully committed to maintaining a strong control structure and environment for 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:-

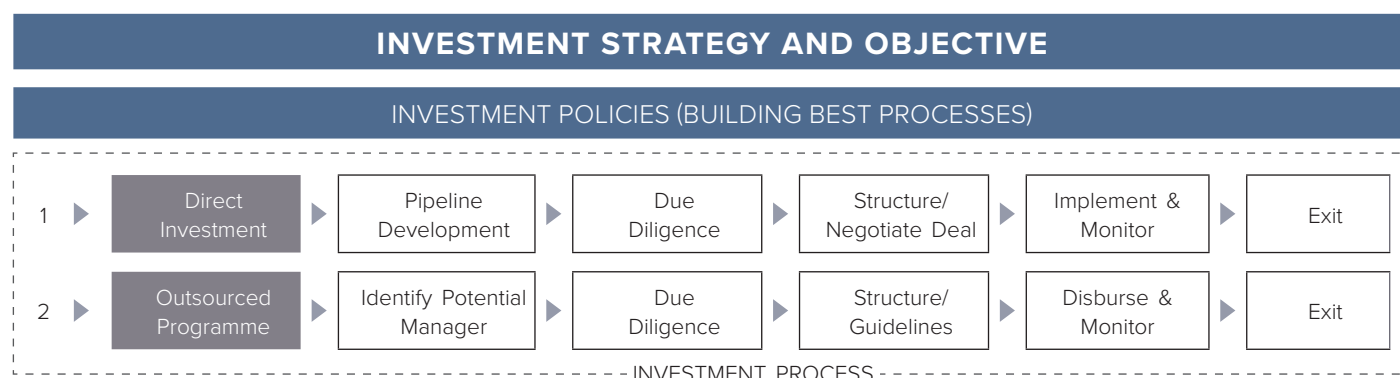
### • Board Committees

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, Investment Committee and CSR 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 the 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 as below.

## THE POLICY AND SOP FRAMEWORK



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

SHARED SERVICES	FINANCE & ACCOUNTING	HUMAN RESOURCES
	Accounting Policies and/or SOP covering: • Fixed Asset (✓) • Petty Cash (✓) • Financial Reporting Policy and Procedure (✓) • Budgeting (✓) • Payments & Claims (✓) • Portfolio Investment Fair Valuation Guidelines (✓)	HR Policies and/or Procedures covering: • Payroll Management (✓) • Training & Development (✓) • Recruitment & Human Capital Planning (✓) • Performance & Compensation Management (✓) • Employment Terms Retention Plan (✓) • Talent Management (✓) • Employee Relations (✓)
	TREASURY	LEGAL
	• Treasury Policy and SOP (✓)	• Legal/SOP (✓)
	PROCUREMENT & ADMINISTRATION	M.I.S
	• Procurement Policy and SOP (✓)	• IT Policy and SOP (✓)
	CORPORATE SOCIAL RESPONSIBILITY (CSR)	COMMUNICATIONS
	• CSR Policy and SOP (✓)	• Communications Policy and SOP (✓)
	STAKEHOLDER MANAGEMENT	DISCLOSURE POLICY
	• Stakeholder Management Policy and SOP (✓)	• 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.

- **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.

- **Anti-Fraud, Anti-Bribery and Anti-Corruption (ABC) and Whistle Blowing Policy**

To reinforce the culture of good business ethics and governance across the Company, a whistleblowing policy is in place 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. The policies are reviewed periodically and the last revision was conducted in 2018.

- **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 financial year ended 31 December 2020.

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 (SORMIC) 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 the SORMIC factually inaccurate.

Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide (AAPG) 3 – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. AAPG3 does not require the external auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Company, including the assessment and opinion by the Board and Management thereon.

## **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 24 March 2021.

# 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 2020.

## 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 fulfil 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	No alternate director can be appointed as a member of the ARMC
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The composition of the ARMC and the record of their attendance are as follows:-

Name of Directors	Status of directorship	No. of meetings attended	%
Tan Sri Dr Rahamat Bivi Yusoff (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 Ali Abdul Kadir	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 16 March 2020.

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.

## Roles and Responsibilities

In performing its duties and discharging its responsibilities, the ARMC is guided by the Terms of Reference and is assigned with the following main objectives:-

- To assist the Board in realising its fiduciary duties and providing governance oversight in the management of the Company's risk framework and strategy on managing key risks;
- To review the adequacy and effectiveness of risk management practices and procedures, business processes, financial reporting and internal controls;
- To ensure independence of the internal audit and the external audit functions and review of their activities, competencies and performance; and
- Review, endorse, promote, and monitor the code of ethics (COE) programme across the Company which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering and ensuring whistleblower programme is implemented across the Company.

The full and detailed terms of reference of the ARMC is available at [ekuinas.com.my/governance](http://ekuinas.com.my/governance).

## 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 SORMIC prior to their inclusion in the Company's Annual Report;
- Review and deliberation of 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.
- Review and deliberation of the Integrity and Governance Unit (IGU) reports for approval of the Board, prior to submission to Economic Planning Unit, Prime Minister's Department or other government agencies.

## 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 internal audit function has two (2) personnel comprising the Head of CGRM and one (1) Manager. The Head of CGRM, Muhd Hafiz Muhtar is an Associate Member of the Institute of Internal Auditors Malaysia (IIAM).

The CGRM department 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 SMC and ARMC. Furthermore, CGRM engages with the management of portfolio companies to advocate implementation of good governance and best practices.

CGRM also participate 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 in accordance with the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework which include ensuring internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence. 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 24 March 2021.

# DISCLOSURE POLICY

## INTRODUCTION

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:

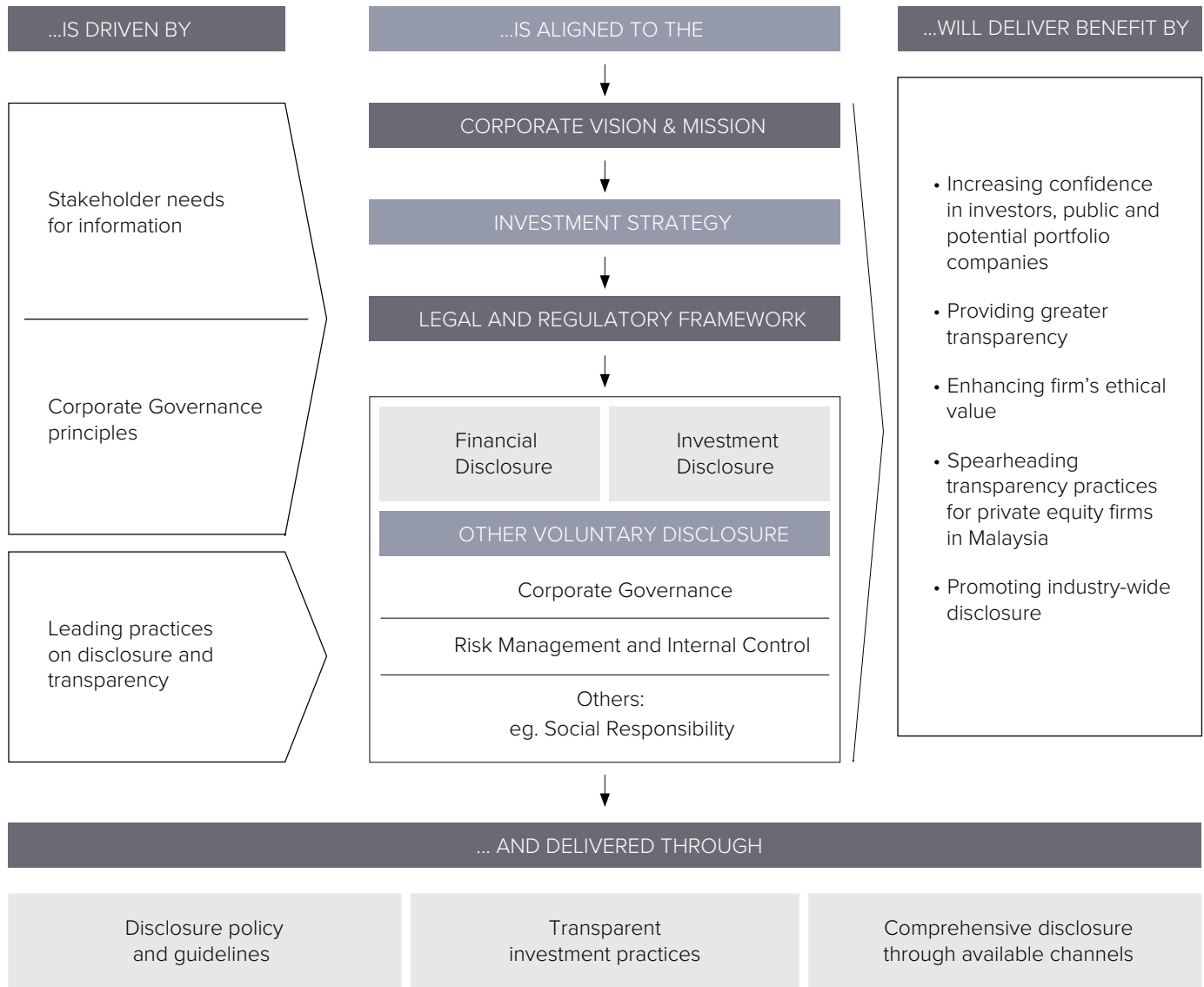
Benchmarked against leading private equity and sovereign wealth fund industry practices

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

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







*Project Bentong, a project to upskill Orang Asli women in entrepreneurial knowledge, handicraft and planting techniques, and basic financial skills.*

## ILTIZAM BY EKUINAS

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# ILTIZAM BY EKUINAS

## INTRODUCTION



Entrepreneurship ♦ Education ♦ Community

ILTIZAM was established with the mission to serve and positively impact Bumiputera entrepreneurs and the broader community through our programmes. Our focus continued to remain anchored by our mandate to assist those in need (especially those who are not well assisted by others), and at the same time, enhanced our programmes and efforts in areas that would be meaningful, depending on what is required at any given time.

2020 was a year where the unprecedented COVID-19 pandemic and Movement Control Order (MCO) created more areas for us to assist in whilst presenting greater challenges to execute our programmes. To comply with the MCO and maintaining the safety of our staff, beneficiaries and partners, we implemented stringent standard operating procedures (SOP), quickly adapted our programmes and activities to employ virtual and digital options, and where possible, translated the programme modules to be executable online or via virtual platforms. It was a steep transition for all and a trial-and-error process, given the unprecedented circumstances, but we persevered. On top of the existing ILTIZAM mandates, we doubled our work by launching the Dana Ihsan COVID-19 ILTIZAM (Dana Ihsan).

We did not allow our physical limitations to determine our ability to execute our programmes and whom we could assist. To mitigate this challenge, it was all-hands-on-deck approach as ILTIZAM proactively reached out to different segments of the communities across the country that were in need – from our trainees, mentee companies, and to the underserved community at large through various Non-Governmental Organisations (NGO) and government ministries to ensure they had the basic necessities to remain safe and healthy and to safeguard their employment. Our goal was to complement any government efforts and to ensure that our beneficiaries can weather the storm so they are ready to get back to normal life once the pandemic and MCO is over.

By the end of the year, we disbursed RM9.8 million across a combination of existing and new programmes under ILTIZAM's three pillars, impacting close to 6,600 beneficiaries. The disbursement brought our total contribution to RM50.8 million since establishment, excluding the deployment of Dana Ihsan. For 2020 especially, we could not have done it without the assistance of all of Ekuinas' staff who played their part, our portfolio companies, the NGOs that we had to rely more on during MCO, and the various ministries and government agencies especially the Economic Planning Unit in the Prime Minister's Department (EPU), the Ministry of Health (MOH) and the Ministry of Education (MOE).

## ENTREPRENEUR MENTORSHIP PROGRAMME

The ILTIZAM Entrepreneur Mentorship Programme (EMP) has been working with micro and small enterprises by helping in various areas of business to serve as a springboard for growth and innovation acceleration. ILTIZAM continues to encourage and support businesses that are not within Ekuinas' investment criteria by providing assistance to strengthen their businesses, directly or through collaborations.

### Supporting local entrepreneurship: ILTIZAM Entrepreneur Mentorship Programme (EMP)

Our efforts to assist and mentor new companies throughout a six-month to one-year period continued as we identified and approved the inclusion of two new companies for 2020. The first being Eatalian Express Food Industries Sdn Bhd (Eatalian), a manufacturer of premium vegetable infused pasta and sauces that targets an untapped market of producing pastas that are healthy and accessible to all; and the second, ATF Sport Taping, a producer and retailer of premium sports tape such as kinesio tape, bandage, under wrap and rigid tape.

### Healthy and nutritious food for fussy eaters

The idea of Eatalian first originated from the founders' children reluctance to eat vegetables. The husband-and-wife team later incorporated vegetable puree with flour to create vegetable infused pasta to feed their children and have never looked back since. This success planted the strong desire to translate their recipes into a marketable product, which encouraged them to make a trip to Bologna, Italy to learn the art and skill of pasta making. Upon their return to Malaysia, they then sought verification for the nutritional content of their vegetable infused pasta from the Malaysian Agricultural Research and Development Institute (MARDI), which proved superior compared to the traditional pasta and whole-wheat pasta.

After assessing Eatalian through the micro and small enterprise (MASE) diagnostic tool, we found two key business challenges that needed to be addressed to enable the company's growth and expansion. The challenges identified were the absence of food industry certificates that would allow them to penetrate new markets and the lack of online presence.



## ILTIZAM by Ekuinas

We engaged HQC Commerce, a consultant to facilitate Eatalian with the rigorous process of obtaining Hazard Analysis and Critical Control Points (HACCP) food safety certificate that will enable Eatalian to have a high food safety standard, and open up more opportunities for the brand to export their products to other regional and international markets. With the shift in consumer buying preference to online shopping because of the pandemic, we saw the need for a strong online presence and retail shop front. To assist Eatalian in executing their online strategy, we engaged partners to formulate their overall branding and marketing plans including website development, search engine optimisation and execution of their online campaigns with social media influencers.

### For a fitter, stronger, injury-free Malaysia

ATF Sport Taping's foray into the premium sports tape business was a novel and ambitious venture. The founders of ATF Sport Taping envisioned producing high quality and affordable sports tapes that are recognised by professional athletes. Having begun supplying its products to local football associations and Institut Sukan Negara, ATF Sport Taping was off to a good start. However, to maintain their clientele and to carry the brand further in a highly competitive industry, the company would require continuous investment in research and development to maintain quality, drive constant product improvement and innovation.



Amongst the key business challenges faced by ATF Sport Taping were their difficulty in penetrating new markets and the lack of branding and marketing efforts to promote the brand. As such, we formulated a plan to look at new customer segments and opportunities within the personal and professional segments such as physiotherapy and executed a marketing strategy to build brand awareness and increase its social media presence. Together with ATF, we set up a plan to engage professional influencers and create educational content on how to use various types of sports tape not just for sports but for every day and personal injury use.



### ILTIZAM EMP Collaboration

In 2019, ILTIZAM collaborated with MyHarapan to roll out the Social Business Challenge (SBC), a programme aimed at facilitating the development of social business entrepreneurs by identifying the best social businesses in Sabah that were ready for their next phase of growth and expansion.

However, during the pandemic that hit Sabah badly especially in the second half of 2020, we suspended any discussion regarding business for the participants of SBC and focused on humanitarian assistance. We provided 26 participants with cash assistance through Dana Ihsan COVID-19 ILTIZAM amounting to RM18,200 in order for them to survive the MCO. As soon as the situation improves, we look to restart the SBC and provide the businesses with fresh working capital of RM1,000 each to re-boot their businesses.

Education continues to be a key pillar in the overall approach at ILTIZAM. We are cognisant of the importance and significance of education in elevating communities from poverty and empower them to overcome challenges and life obstacles in their pursuit of success. Our programmes are designed to play a meaningful role in developing valuable human capital and equip our young generation with the necessary skills and knowledge to tackle the fast-changing economic landscape.

ILTIZAM's education pillar comprises two key programmes and several initiatives to support its commitment to elevate communities from poverty and empower them to overcome challenges and life obstacles through education. The programmes include the following:

**i. ILTIZAM Education Empowerment Programme**

- a. School Support Programme
- b. Back-to-School Programme
- c. ILTIZAM Education Fund
- d. Provision of assistance to Yayasan Peneraju Pendidikan Bumiputera
- e. Oil & Gas Marine Training and Development Programme
- f. Pilot Projects (non-academic based education projects)
  - Project Walter
  - Project Beauty
  - Project Bentong

**ii. ILTIZAM Professional Development Programme**

## ILTIZAM EDUCATION EMPOWERMENT PROGRAMME



**a. School Support Programme**

Assistance was provided to the two schools adopted by Ekuinas, namely Sekolah Kebangsaan Bukit Lanjan (Asli) in Damansara Perdana and Sekolah Kebangsaan Tun Razak in Kuala Kubu Bahru, which are located within the Orang Asli settlements. On top of the tuition classes that we provide yearly at the respective schools for Years 4 to 6, we also contributed hygiene supplies such as facemasks for the pupils, hand sanitisers and digital thermometers to the schools.

## ILTIZAM by Ekuinas

### b. Back-to-School Programme

ILTIZAM Back-to-School programme aims to alleviate the burden of low-income families in rural areas by providing basic school necessities to prepare their children for the schooling year. The programme benefitted close to 4,000 students in over 50 primary schools across the nation. For 2020, we had to operate under strict SOP imposed by Majlis Keselamatan Negara and MOE.



### c. ILTIZAM Education Fund

Since 2013, the ILTIZAM Education Fund has been intended to support high potential students who are facing financial difficulties but demonstrate commitment and excellence academically. In 2020, we continued our commitment by providing financial assistance to deserving Bumiputera students currently pursuing tertiary education at Ekuinas' institutions such as Cosmopoint College, Kuala Lumpur Metropolitan University College and UNITAR International University. A total of RM2.0 million was disbursed to help over 2,000 high potential students.

### d. Provision of assistance to Yayasan Peneraju Pendidikan Bumiputera (Yayasan Peneraju)

In support of Yayasan Peneraju's aim to improve the quality and quantity of Bumiputera students, ILTIZAM continued its contribution of RM600,000 in 2020. To date, a total of 57 students have benefitted through our contribution since 2016. This effort by Yayasan Peneraju is in line with the Government's efforts to drive Malaysia towards a high-income nation.



### e. Oil & Gas Marine Training and Development Programme

The Oil & Gas Marine Training and Development Programme continues to pursue the goal of developing Bumiputera senior officers to cater to the industry's requirement of vessel operators to have a crew matrix comprising local talents in different ranks and seniority. In 2020, ILTIZAM supported the programme by sponsoring RM1.1 million to offer 26 candidates working with Icon Offshore Berhad and Orkim Sdn Bhd to pursue training programmes at Akademi Laut Malaysia (ALAM).



### f. Pilot Project

ILTIZAM also initiated various Pilot Projects that intended to provide non-academic based education projects for the B40 communities and *asnaf* through commercial training and job opportunities. Some of the Pilot Projects include Project Walter, where ILTIZAM sponsored 10 participants to be certified barbers in Shah Alam, Selangor whilst Project Beauty assisted 10 participants to obtain their beauty and hair dressing certification from Suruhanjaya Koperasi Malaysia in Kuala Terengganu, Terengganu. Project Bentong on the other hand, sponsored 48 Orang Asli women from Bentong, Pahang to upskill their entrepreneurial knowledge, handicraft and planting techniques, and basic financial skills.

## ILTIZAM PROFESSIONAL DEVELOPMENT PROGRAMME

Since the inception of ILTIZAM Professional Development Programme (PDP) in 2012, we have seen 432 graduates gainfully employed. The one-year graduate trainee programme is intended to provide on-the-job work experience for unemployed or underemployed Bumiputera graduates from low-income families. Selected trainees will be placed at Ekuinas' portfolio companies as well as partner companies such as Habib Jewels, Serba Dinamik Berhad, Hong Leong Investment Bank and Kumpulan Perangsang Selangor Berhad, to name a few.

In 2020, we continued our programme with the admittance of 75 trainees. As part of the programme, trainees will gain access to various trainings, as well as coaching and mentoring sessions aimed at building a professional attitude. However, as with all other programmes and initiatives, ILTIZAM had to quickly resolve

challenges in managing the programme effectively due to the MCO imposed. More than 30% of the training modules had to be conducted through online platforms whilst several key modules that required face-to-face interactions had to be cancelled and others were extended to multiple sessions to accommodate the SOP, which limited the participation in each session.

Normally, 75% of our trainees would have successfully secured permanent employment at the end of the programme and that rate increases to 85%, six months after the programme ends. However, for PDP batch 2020, the figure as at 31 December 2020, was just below 70% due to the job market being affected by the pandemic. Our team continues to monitor and provide support to the PDP 2020 graduates beyond the programme to ensure the graduates secure permanent employment.



ILTIZAM by Ekuinas



## COMMUNITY ENRICHMENT PROGRAMME



Under this third pillar, the conscious efforts undertaken by ILTIZAM are aligned with the overall mission to empower and elevate the Bumiputera community and to preserve the local arts and culture.

ILTIZAM continued to support the arts through a contribution of RM50,000 to Badan Warisan Malaysia to preserve the Rumah Penghulu Abu Seman that was relocated from Kedah to Jalan Stonor, Kuala Lumpur. This historical government home which was built in 1925 is a Malay vernacular architecture from the 1920s and a representation of rich Malay traditional culture.

Last but not least, we continued our ILTIZAM Back-to-Society initiative for the second year. The programme aims to empower inmates and juveniles through a rehabilitation and social reintegration training programme, with the intention to improve and build their self-confidence as they gradually adjust returning to society. For 2020, the project was to deliver Personal Protective Equipment (PPE) to assist medical front liners and hospitals in their fight against the COVID-19 pandemic.



It was a collaborative effort with Jabatan Penjara, facilitated by Saora Industries, to train inmates to produce 1,000 sets of PPE, including disposable hoods, head caps, isolation coats and foot covers. Upon completion, the items were handed over to the Malaysian Red Crescent Society for distribution throughout the country. A total of 60 female juveniles from Henry Gurney School and 20 inmates from Penjara Sungai Udang and Penjara Jasin were involved in the project.

## A FUND FOR THE SEASON: DANA IHSAN COVID-19 ILTIZAM

On 20 April 2020, Ekuinas launched Dana Ihsan COVID-19 ILTIZAM (Dana Ihsan) to provide direct and indirect aid to various causes, specifically to the frontline public health requirements and through our portfolio companies. The main objectives of the fund were to support the nation in its battle against the pandemic by providing humanitarian aid to organisations in need of support and to sustain the underprivileged families, individuals and micro and small businesses that were badly affected.

Despite the restrictions and disruptions, ILTIZAM continued to persevere and respond to the heightened need for aid. Instead of cutting back, we quickly adapted our processes, stepping up efforts to do more in assisting the many Malaysians and businesses that were struggling. Our focus for 2020 was to help sustain individuals, communities, and businesses impacted by ensuring they were able to survive and pick up once the situation improves.

A total of RM4.7 million was disbursed under Dana Ihsan to support eight COVID-19 related initiatives, and the initiatives will carry on so long as the pandemic continues as well as the MCO. The initiatives are as follows:

- i. ILTIZAM disbursed RM500,000 to six government agencies (including the MOH and Pusat Perubatan Universiti Malaya) and five non-governmental organisations (NGOs) to acquire four ventilator units, 20 units of thermal scanners and close to RM200,000 worth of PPE for the medical front-liners.
- ii. Ekuinas also donated Skechers footwear worth RM750,000 to 4,200 selected public health front liners from the lower income group, stationed at Hospital Sungai Buloh, Hospital Kuala Lumpur, Pusat Perubatan Universiti Malaya, Hospital Sultanah Aminah Johor Bahru and the MOH. This initiative was made possible through our portfolio company, Al-Ikhsan Sports.

- iii. We also reached out to the present and past trainees of ILTIZAM PDP to offer support where necessary. Loss of employment and income, the inability to work and salary cuts especially for sole breadwinners from the B40 households with many dependents are some of the factors taken into consideration when providing assistance to them. Under this initiative, we have disbursed RM230,000 to 143 deserving beneficiaries as financial aid to help them weather the storm.



## ILTIZAM by Ekuinas

- iv. Past participants of ILTIZAM EMP, Kapten Batik, Raw Denim House, and KinderKaizen were provided financial support in the form of rental and employee salaries to ensure that they would be able to retain their existing workforce and able to bounce back quickly once the situation improves. In addition, we also provided financial support to 26 social and B40 entrepreneurs that participated in the Social Business Challenge, a programme jointly organised by myHarapan and ILTIZAM with the intention to generate and increase the income of the underprivileged community through apprenticeship.
- v. ILTIZAM collaborated with 70 NGOs and disbursed RM920,000 for food distributions to nearly 20,000 beneficiaries from B40.



- vi. We also identified and provided financial assistance to students who were pursuing their tertiary education at Cosmopoint College, Kuala Lumpur Metropolitan University College and UNITAR International University following the MCO in March 2020. We disbursed RM2.5 million to assist close to 3,000 students who were enrolled at these institutions and close to 1,000 newly enrolled students to ensure that they continue attending classes despite the situation.
- vii. RM196,400 was disbursed to 544 eligible staff members of our portfolio companies. The financial aid assisted selected employees who were on unpaid leave or impacted by salary cuts and deserving foreign workers who may not benefit from government assistance.
- viii. We saw companies struggle to cope with the new realities as consumers shift in terms of the way they shop and consume. ILTIZAM together with Exabytes, a technology services company under Ekuinas' portfolio, introduced a programme called 'Sama-Sama Digital' to assist the affected Bumiputera small and medium enterprises to support the businesses' digital adoption to ensure they are able to sustain and survive throughout the difficult period.

## WAKALAH SCHEME

Since 2017, Ekuinas has been making voluntary zakat payments to Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan (PPZ MAIWP) and Lembaga Zakat Selangor (LZS) to give back to the Bumiputera community at large.

Last year, Ekuinas participated in Wakalah, a refund scheme of a certain percentage of zakat paid to a zakat body to be distributed among deserving *asnaf* communities according to the prescribed rules and regulations.

As of October 2020, Ekuinas was entrusted with RM406,250 from PPZ MAIWP and it was disbursed to close to 2,000 eligible students of Cosmopoint Colleges and Kuala Lumpur Metropolitan University College in accordance with PPZ MAIWP's strict regulations.

## APPRECIATION

We would like to take this opportunity to thank the Board, CSR Committee, Ekuinas' employees and stakeholders, our portfolio companies, PDP partner companies, NGOs, EPU, MOH, MOE and other ministries and government agencies for their support in all of our programmes. Without doubt our achievements would not have been possible without their support and contribution.

We certainly hope that our initiatives have positively impacted and benefitted the lives of our beneficiaries and inspired them to persevere in achieving their goals and potential. We remain committed to continuing our mission to serve the underprivileged communities and Bumiputera micro and small businesses throughout the country.





## PORTFOLIO REPORTING

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# EKUINAS DIRECT (TRANCHE II) FUND

as at 31 December 2020

## 1. FUND OVERVIEW

<b>Fund Name</b>	<b>Ekuinas Direct (Tranche II) Fund</b>
<b>Vintage Year</b>	2012
<b>Status</b>	Deployed
<b>Capital Commitment</b>	RM1.0 billion
<b>Term</b>	5 Years + 2 Years + 1.5 Years + 2 Years
<b>Investment Period</b>	3 to 5 Years
<b>Legal Form &amp; Structure</b>	One fund manager and one investor  Fund: Ekuinas Direct (Tranche II) Fund Fund Manager: Ekuiti Nasional Berhad Fund's Domicile: Malaysia
<b>Geographical Focus</b>	Malaysia
<b>Investment Focus</b>	Buy-Out and Growth Capital Fund
<b>Industry Focus</b>	<ul style="list-style-type: none"> <li>– Education</li> <li>– Oil &amp; Gas</li> <li>– Fast Moving Consumer Goods (FMCG)</li> <li>– Retail &amp; Leisure</li> <li>– Healthcare</li> <li>– Services</li> </ul>

## 2. FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2020

	2019 RM million	Movement RM million	2020 RM million
<b>A. Capital Commitment</b>	<b>1,000.0</b>	<b>–</b>	<b>1,000.0</b>
<b>B. Capital Called</b>	<b>1,105.9</b>	<b>102.7</b>	<b>1,208.6</b>
<b>C. Capital Reinvested</b>	<b>10.2</b>	<b>0.2</b>	<b>10.4</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>1,116.1</b>	<b>102.9</b>	<b>1,219.1</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>75.0</b>	<b>–</b>	<b>75.0</b>
<b>F. Total Capital Invested (D+E)</b>	<b>1,191.1</b>	<b>102.9</b>	<b>1,294.1</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Dividend Income	17.5	(17.5)	–
Net Unrealised Gain/(Loss) on Fair Value of Investments	361.8	(73.4)	288.4
Realised Gain from Divestments	191.2	98.6	289.8
Interest Income/(Expenses)	12.4	(19.3)	(7.0)
<b>Total Gross Portfolio Return</b>	<b>582.9</b>	<b>(11.6)</b>	<b>571.2</b>
Organisational Expenses	(226.8)	62.0	(164.9)
Capital Distributions to Limited Partners (C+H) *	(573.1)	(356.6)	(929.7)
<b>Net Decrease in Net Assets Value</b>	<b>(217.1)</b>	<b>(306.3)</b>	<b>(523.3)</b>
<b>G. Net Assets Value</b>	<b>974.1</b>	<b>(203.3)</b>	<b>770.8</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	660.4	(290.9)	369.5
Net Unrealised Gain/(Loss) on Fair Value of Investments	361.8	(73.4)	288.4
<b>Investments carried at Fair Value</b>	<b>1,022.2</b>	<b>(364.3)</b>	<b>657.9</b>
Plus: Cash Balance	38.4	65.1	103.6
Plus: Working Capital	(86.5)	95.9	9.4
Plus: Uncalled Capital	–	–	–
<b>Equals Net Assets Value</b>	<b>974.1</b>	<b>(203.3)</b>	<b>770.8</b>
<b>Net Assets Value</b>	<b>974.1</b>	<b>(203.3)</b>	<b>770.8</b>
<b>H. Capital Distributed</b>	<b>562.9</b>	<b>356.4</b>	<b>919.3</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>1,536.9</b>	<b>153.1</b>	<b>1,690.0</b>
<b>Gross IRR p.a.</b>	<b>13.5%</b>		<b>11.9%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>9.6%</b>		<b>8.2%</b>
<b>Carried Interest (RM million)</b>	<b>87.6</b>		<b>10.7</b>
<b>H/B Cash Distributions to Capital Called</b>	<b>0.5</b>		<b>0.8</b>
<b>G/B Net Assets Value to Capital Called</b>	<b>0.9</b>		<b>0.6</b>
<b>(G+H)/B Total Value to Capital Called</b>	<b>1.4</b>		<b>1.4</b>
<b>B/A Capital Called to Committed Capital</b>	<b>1.1</b>		<b>1.2</b>

\* Includes deemed distribution for reinvested capital

# Ekuinas Direct (Tranche II) Fund

as at 31 December 2020

## 3. INVESTMENT PERFORMANCE

### a. Current Portfolio Summary as at 31 December 2020

Company	Date of Initial Investment	Stake %	Fair Value <sup>#</sup> RM million	Gross Portfolio Return RM million
Revenue Valley Group	27 June 2014	—	650.2	281.4
Orkim Sdn Bhd	18 December 2014	95.5		

**Gross IRR** 11.9% p.a.  
**Net IRR** 8.2% p.a.

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

<sup>#</sup> Cost of investment and fair value represent amount net of financing

### b. Realisation Summary as at 31 December 2020

Company	Date of Disposal	Stake %	Total Realisation RM million
Icon Offshore Berhad	25 June 2014	7.8	154.0
Burger King Singapore	18 August 2015	100.0	23.9
Burger King Malaysia	18 August 2015	20.9	25.1
Lyndarahim Ventures Sdn Bhd	28 March 2016	—	6.0
Tenby Educare Sdn Bhd	17 January 2018	70.0	168.4
Tranglo Sdn Bhd	11 October 2018	60.0	114.9
Asia Pacific Institute of Information Technology Lanka Pvt Ltd	25 February 2019	45.9	23.4
Primabaguz Sdn Bhd	18 August 2020	100.0	151.1
Icon Offshore Berhad	30 January 2020	—	169.8
Coolblog Apps Sdn Bhd	20 July 2020	60.0	64.5
Icon Offshore Berhad	30 September 2020	0.1	0.1

# EKUINAS DIRECT (TRANCHE III) FUND

as at 31 December 2020

## 1. FUND OVERVIEW

<b>Fund Name</b>	<b>Ekuinas Direct (Tranche III) Fund</b>
<b>Vintage Year</b>	2014
<b>Status</b>	Investing
<b>Capital Commitment</b>	RM1.5 billion
<b>Term</b>	5 Years + 1 Year + 2 Years
<b>Investment Period</b>	3 to 5 Years
<b>Legal Form &amp; Structure</b>	One fund manager and one investor  Fund: Ekuinas Direct (Tranche III) Fund Fund Manager: Ekuiti Nasional Berhad Fund's Domicile: Malaysia
<b>Geographical Focus</b>	Malaysia
<b>Investment Focus</b>	Buy-Out and Growth Capital Fund
<b>Industry Focus</b>	<ul style="list-style-type: none"> <li>– Education</li> <li>– Oil &amp; Gas</li> <li>– Fast Moving Consumer Goods (FMCG)</li> <li>– Retail &amp; Leisure</li> <li>– Healthcare</li> <li>– Services</li> </ul>

## EKUINAS DIRECT (TRANCHE III) FUND

as at 31 December 2020

## 2. FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2020

	2019 RM million	Movement RM million	2020 RM million
<b>A. Capital Commitment</b>	<b>1,500.0</b>	<b>–</b>	<b>1,500.0</b>
<b>B. Capital Called</b>	<b>995.4</b>	<b>326.4</b>	<b>1,321.9</b>
<b>C. Capital Reinvested</b>	<b>33.9</b>	<b>2.5</b>	<b>36.4</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>1,029.3</b>	<b>328.9</b>	<b>1,358.3</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>190.0</b>	<b>60.4</b>	<b>250.4</b>
<b>F. Total Capital Invested (D+E)</b>	<b>1,219.3</b>	<b>389.3</b>	<b>1,608.6</b>
<b>Plus Increase/(Decrease) to Net Assets Value:</b>			
Dividend Income	40.9	5.7	46.6
Net Unrealised Gain/(Loss) on Fair Value of Investments	(361.5)	99.8	(261.9)
Realised Gain from Divestment	162.8	1.6	164.4
Net Interest Expenses	(12.7)	(11.9)	(24.7)
<b>Total Gross Portfolio Return</b>	<b>(170.5)</b>	<b>95.1</b>	<b>(75.4)</b>
Organisational Expenses	(197.8)	(8.3)	(206.1)
Capital Distributions to Limited Partners (C+H)*	(150.1)	(242.6)	(392.8)
<b>Net Decrease in Net Assets Value</b>	<b>(518.4)</b>	<b>(155.8)</b>	<b>(674.3)</b>
<b>G. Net Assets Value</b>	<b>701.0</b>	<b>233.5</b>	<b>934.4</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	1,002.0	145.1	1,147.1
Net Unrealised Gain/(Loss) on Fair Value of Investment	(361.5)	99.8	(261.9)
<b>Investments carried at Fair Value</b>	<b>640.4</b>	<b>244.9</b>	<b>885.2</b>
Plus: Cash Balance	24.3	14.3	38.6
Plus: Working Capital	71.2	(60.7)	10.5
Plus: Uncalled Capital	(35.0)	35.0	–
<b>Equals Net Assets Value</b>	<b>701.0</b>	<b>233.5</b>	<b>934.4</b>
<b>Net Assets Value</b>	<b>701.0</b>	<b>233.5</b>	<b>934.4</b>
<b>H. Capital Distributed</b>	<b>116.3</b>	<b>240.1</b>	<b>356.4</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>817.3</b>	<b>473.6</b>	<b>1,290.9</b>
<b>Gross IRR p.a.</b>	<b>-10.8%</b>		<b>-3.2%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>N/M<sup>#</sup></b>		<b>N/M<sup>#</sup></b>
<b>Carried Interest (RM million)</b>	<b>–</b>		<b>–</b>
<b>H/B Cash Distributions to Capital Called</b>	<b>0.1</b>		<b>0.3</b>
<b>G/B Net Assets Value to Capital Called</b>	<b>0.7</b>		<b>0.7</b>
<b>(G+H)/B Total Value to Capital Called</b>	<b>0.8</b>		<b>1.0</b>
<b>B/A Capital Called to Committed Capital</b>	<b>0.7</b>		<b>0.9</b>

\* Includes deemed distribution for reinvested capital

<sup>#</sup> Not presented as capital is still being deployed

### 3. INVESTMENT PERFORMANCE

#### a. Current Portfolio Summary as at 31 December 2020

Company	Date of Initial Investment	Stake %	Fair Value <sup>#</sup> RM million	Gross Portfolio Return RM million
Al-Ikhsan Sports Sdn Bhd	22 July 2016	35.0		
ILMU Education Group	15 December 2015	–		
Davex (Malaysia) Sdn Bhd	12 December 2017	100.0		
Cosmopoint Group	27 December 2017	90.0		
UNITAR International University	27 December 2017	90.0		
Revenue Valley Group	27 December 2017	85.8	635.0	(239.9)
Icon Offshore Berhad	27 December 2017	0.3		
Flexi Versa Group Sdn Bhd	16 April 2018	70.0		
Exabytes Capital Group Sdn Bhd	13 March 2019	45.4		
Icon Offshore Berhad	7 February 2020	56.5		
Icon Offshore Berhad	30 September 2020	0.1		

Gross IRR                      -3.2% p.a.  
Net IRR                         N/M\*

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

<sup>#</sup> Cost of investment and fair value represent amount net of financing

\* Not presented as capital is still being deployed

#### b. Realisation Summary as at 31 December 2020

Company	Date of Disposal	Stake %	Total Realisation RM million
<b>Full realisation</b>			
ILMU Education Group	29 December 2017	49.0	41.2
ILMU Education Group	17 January 2018	30.0	72.2
PMCare Sdn Bhd	31 January 2019	60.0	50.3
MediExpress (Malaysia) Sdn Bhd	31 January 2019	60.0	196.5
ILMU Education Group	25 February 2019	37.6	18.7
Icon Offshore Berhad	30 January 2020	–	21.6

# EKUINAS OUTSOURCED (TRANCHE I) FUND

as at 31 December 2020

## 1. FUND OVERVIEW

<b>Fund Name</b>	<b>Ekuinas Outsourced (Tranche I) Fund</b>
<b>Vintage Year</b>	2011
<b>Status</b>	Deployed
<b>Capital Commitment</b>	RM400.0 million
<b>Term</b>	6 Years + 1 Year + 1 Year + 1 Year + 1 Year
<b>Investment Period</b>	3 to 6 Years
<b>Legal Form &amp; Structure</b>	<p>One fund manager and multiple investors.</p> <p>Outsourced to the following fund and fund managers:</p> <ol style="list-style-type: none"> <li>1) Fund: Navis Malaysia Growth Opportunities Fund I, L.P. Fund Manager: Navis MGO I GP Ltd Fund's Domicile: Cayman Islands</li> <li>2) Fund: CIMB National Equity Fund Ltd. P. Fund Manager: CIMB General Partner Ltd Fund's Domicile: Labuan</li> <li>3) Fund: TAP Harimau Fund L.P. Fund Manager: TAP (Malaysia) Ltd Fund's Domicile: Labuan</li> </ol>
<b>Geographical Focus</b>	Malaysia
<b>Investment Focus</b>	Minority Growth Capital Fund
<b>Industry Focus</b>	General except for Ekuinas' negative investment list

## 2. FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2020

	2019 RM million	Movement RM million	2020 RM million
<b>A. Capital Commitment</b>	<b>400.0</b>	<b>–</b>	<b>400.0</b>
<b>B. Capital Called</b>	<b>307.7</b>	<b>–</b>	<b>307.7</b>
<b>C. Capital Reinvested</b>	<b>29.4</b>	<b>0.5</b>	<b>29.8</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>337.0</b>	<b>0.5</b>	<b>337.5</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>F. Total Capital Invested (D+E)</b>	<b>337.0</b>	<b>0.5</b>	<b>337.5</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Net Unrealised Gain/(Loss) on Fair Value of Investments	134.8	(82.7)	52.1
Realised Gain from Divestment	9.9	–	9.9
<b>Total Gross Portfolio Return</b>	<b>144.7</b>	<b>(82.7)</b>	<b>62.0</b>
Organisational Expenses	(15.8)	2.1	(13.7)
Capital Distributions to Limited Partners (C+H)*	(175.2)	(137.3)	(312.6)
<b>Net Increase/(Decrease) in Net Assets Value</b>	<b>(46.3)</b>	<b>(218.0)</b>	<b>(264.2)</b>
<b>G. Net Assets Value</b>	<b>290.6</b>	<b>(217.5)</b>	<b>73.2</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	111.6	(96.8)	14.8
Net Unrealised Gain/(Loss) on Fair Value of Investments	134.8	(82.7)	52.1
<b>Investments carried at Fair Value</b>	<b>246.4</b>	<b>(179.5)</b>	<b>66.9</b>
Plus: Working Capital	44.4	(38.0)	6.4
<b>Equals Net Assets Value</b>	<b>290.6</b>	<b>(217.5)</b>	<b>73.2</b>
<b>Net Assets Value</b>	<b>290.6</b>	<b>(217.5)</b>	<b>73.2</b>
<b>H. Capital Distributed</b>	<b>145.9</b>	<b>137.0</b>	<b>282.8</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>436.6</b>	<b>(80.5)</b>	<b>356.0</b>
<b>Gross IRR p.a.</b>	<b>7.4%</b>		<b>3.4%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>6.5%</b>		<b>2.6%</b>
<b>Carried Interest (RM million)</b>	<b>2.1</b>		<b>–</b>
<b>H/B Cash Distributions to Capital Called</b>	<b>0.5</b>		<b>0.9</b>
<b>G/B Net Assets Value to Capital Called</b>	<b>0.9</b>		<b>0.2</b>
<b>(G+H)/B Total Value to Capital Called</b>	<b>1.4</b>		<b>1.2</b>
<b>B/A Capital Called to Committed Capital</b>	<b>0.8</b>		<b>0.8</b>

\* Includes deemed distribution for reinvested capital.

## EKUINAS OUTSOURCED (TRANCHE I) FUND

as at 31 December 2020

## 3. INVESTMENT PERFORMANCE

## a. Current Portfolio Summary as at 31 December 2020

Company	Ekuinas Commitment RM million	Private Capital Commitment RM million	Total Fund Size RM million	Ekuinas Invested Capital RM million	Investment by Others RM million	Net Asset Value RM million
Navis Malaysia Growth Opportunities Fund I, L.P. CIMB National Equity Fund Ltd. P. TAP Harimau Fund L.P.	400.0	151.9	551.9	14.8	17.8	73.2

Gross IRR 3.4% p.a.

Net IRR 2.6% p.a.

# EKUINAS OUTSOURCED (TRANCHE II) FUND

as at 31 December 2020

## 1. FUND OVERVIEW

<b>Fund Name</b>	<b>Ekuinas Outsourced (Tranche II) Fund</b>
<b>Vintage Year</b>	2013
<b>Status</b>	Deployed
<b>Capital Commitment</b>	RM240.0 million
<b>Term</b>	7 Years + 1 Year
<b>Investment Period</b>	3 to 7 Years
<b>Legal Form &amp; Structure</b>	<p>One fund manager and multiple investors.</p> <p>Outsourced to the following fund and fund managers:</p> <ol style="list-style-type: none"> <li>1) Fund: RMCP One Sdn Bhd Fund Manager: RMCP Cayman Ltd Fund's Domicile: Malaysia</li> <li>2) Fund: COPE Opportunities 3 Sdn Bhd Fund Manager: CMS Opus Private Equity Sdn Bhd Fund's Domicile: Malaysia</li> <li>3) Fund: Tael Tijari (OFM) L.P. Fund Manager: TAEL Tijari Partners Ltd. Fund's Domicile: Cayman Islands</li> </ol>
<b>Investment Focus</b>	Malaysia
<b>Investment Focus by Stage</b>	Minority Growth Capital Fund
<b>Investment Focus by Industry</b>	General except for Ekuinas' negative investment list

## EKUINAS OUTSOURCED (TRANCHE II) FUND

as at 31 December 2020

## 2. FUND NET ASSETS VALUE (NAV) AS AT 31 DECEMBER 2020

	2019 RM million	Movement RM million	2020 RM million
<b>A. Capital Commitment</b>	<b>240.0</b>	<b>–</b>	<b>240.0</b>
<b>B. Capital Called</b>	<b>94.4</b>	<b>1.2</b>	<b>95.7</b>
<b>C. Capital Reinvested</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>D. Total Capital Contributed (B+C)</b>	<b>94.4</b>	<b>1.2</b>	<b>95.7</b>
<b>E. Debt Drawdown (Amortised Cost)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>F. Total Capital Invested (D+E)</b>	<b>94.4</b>	<b>1.2</b>	<b>95.7</b>
<b>Plus Increases/(Decreases) to Net Assets Value:</b>			
Net Unrealised Gain/(Loss) on Fair Value of Investments	(15.6)	5.7	(9.9)
Realised Loss from Divestment	(2.3)	–	(2.3)
<b>Total Gross Portfolio Loss</b>	<b>(17.9)</b>	<b>5.7</b>	<b>(12.2)</b>
Organisational Expenses	(5.7)	(1.3)	(7.1)
Capital Distributions to Limited Partners (C+H)*	–	(3.2)	(3.2)
<b>Net Decrease in Net Assets Value</b>	<b>(23.7)</b>	<b>1.2</b>	<b>(22.5)</b>
<b>G. Net Assets Value</b>	<b>70.8</b>	<b>2.4</b>	<b>73.2</b>
<b>Net Assets Value made up of:</b>			
Investments - at cost	85.2	(8.6)	76.6
Net Unrealised Gain/(Loss) on Fair Value of Investments	(15.6)	5.7	(9.9)
<b>Investments carried at Fair Value</b>	<b>69.6</b>	<b>(2.9)</b>	<b>66.7</b>
Plus: Working Capital	1.2	5.4	6.5
<b>Equals Net Assets Value</b>	<b>70.8</b>	<b>2.4</b>	<b>73.2</b>
<b>Net Assets Value</b>	<b>70.8</b>	<b>2.4</b>	<b>73.2</b>
<b>H. Capital Distributed</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Net Assets Value plus Distributed Capital (G+H)</b>	<b>70.8</b>	<b>2.4</b>	<b>73.2</b>
<b>Gross IRR p.a.</b>	<b>-5.2%</b>		<b>-2.8%</b>
<b>Net IRR p.a. (before carried interest)</b>	<b>-6.6%</b>		<b>-4.1%</b>
<b>Carried Interest (RM million)</b>	<b>0.1</b>		<b>1.0</b>
<b>H/B Cash Distributions to Capital Called</b>	<b>–</b>		<b>–</b>
<b>G/B Net Assets Value to Capital Called</b>	<b>0.7</b>		<b>0.8</b>
<b>(G+H)/B Total Value to Capital Called</b>	<b>0.7</b>		<b>0.8</b>
<b>B/A Capital Called to Committed Capital</b>	<b>0.4</b>		<b>0.4</b>

\* Includes deemed distribution for reinvested capital.

### 3. INVESTMENT PERFORMANCE

#### a. Current Portfolio Summary as at 31 December 2020

Company	Ekuinas Commitment RM million	Private Capital Commitment RM million	Total Fund Size RM million	Ekuinas Invested Capital RM million	Investment by Others RM million	Net Asset Value RM million
RMCP One Sdn Bhd COPE Opportunities 3 Sdn Bhd Tael Tijari (OFM) L.P.	180.0*	110.1	290.1	76.6	45.3	73.2

Gross IRR -2.8% p.a.

Net IRR -4.1% p.a.

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

# NOTES TO THE PORTFOLIO REPORTING

## NOTES TO THE PORTFOLIO REPORTING

The external auditor, PwC, was engaged by Ekuinas to perform certain procedures on the Portfolio Reporting on pages 116 - 127 for the financial year ended 31 December 2020, and has checked the information on Funds' Net Assets Value and Investment Performance as at 31 December 2020 included therein to supporting source data, and re-performed computations, where applicable.

**Ekuiti Nasional Berhad**

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