

**PRESS RELEASE**  
**28 April 2016**

## **EKUINAS MAINTAINS PERFORMANCE IN VOLATILE 2015 EQUITY MARKET**

**Key Highlights: -**

- Ekuinas Direct (Tranche I) Fund posted a strong performance with a Gross Portfolio Return of **RM591.3 million**, which translates to a **gross annualised Internal Rate of Return (IRR) of 14.8%** and a **net annualised IRR of 10.9%**. Ekuinas Direct (Tranche II) Fund recorded a Gross Portfolio Return of **RM133.3 million** for a **gross annualised IRR of 13.0%** and a **net annualised IRR of 5.7%**.
- Through its investment activities, Ekuinas increased the Total Bumiputera Equity Value in its portfolio companies by **RM3.7 billion** or **1.6 times** the total invested capital and an increase in Total Shareholders' Value of **RM4.7 billion** or **2.1 times** the capital invested. This reflects the success of Ekuinas' model of increasing shareholder value for all Malaysians.
- Due to the volatile equity market in 2015, capital was deployed in a prudent and thoughtful manner which saw Ekuinas undertaking nine (9) direct and outsourced investments with a total committed capital of RM338.7 million. This brings the total cumulative committed investments undertaken by Ekuinas to 45 amounting to approximately RM2.8 billion, which together with private capital facilitated a total capital deployment of RM3.4 billion that positively impacted the Malaysian economy.
- Investments undertaken in 2015 include maiden investment into the healthcare industry with 60% equity acquisition in MediExpress (Malaysia) Sdn Bhd and PMCare Sdn Bhd for a total committed capital of RM79.8 million. Ekuinas also backed its education portfolio, ILMU Education Group (ILMU) and Orkim Sdn Bhd by providing additional capital of RM150.0 million and RM70.0 million respectively.

**KUALA LUMPUR, 28 April 2016:** Ekuiti Nasional Berhad (Ekuinas), the government-linked private equity fund management company, today announced its performance for the financial year ended 31 December 2015 (FY2015). The Ekuinas Direct (Tranche I) Fund recorded a Gross Portfolio Return of RM591.3 million, which translates to a gross annualised Internal Rate of Return (IRR) of 14.8% and a net annualised IRR of 10.9%, amidst a global oil price slump. Its second fund, Ekuinas Direct (Tranche II) Fund also posted a Gross Portfolio Return of RM133.3 million at a gross annualised IRR of 13.0% and a net annualised IRR of 5.7%. For the sixth year running, Ekuinas has succeeded in maintaining its IRR above the minimum target of 12.0% per annum.

According to Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, Chairman of Ekuinas, "2015 proved to be a formidable year for business in Malaysia with Ekuinas capably demonstrating its ability to withstand economic downturns. Nevertheless, we are pleased to have withstood the many challenges that came our way, not least due to the uncertainties in the global economic environment, as we had anticipated a softer economic landscape and heightened volatility across equity markets. The investment rate is reflective of the changing investment landscape and the need to balance returns with stability to be able to capitalise on future investment opportunities."

As part of its ongoing investment strategy, Ekuinas committed a total of RM338.7 million in nine investments under its direct investment and outsourced programme. These include five (5) direct investments with a total committed capital of RM301.8 million, comprising follow-on investments in San Francisco Coffee to sustain its business operations and Orkim Sdn Bhd to acquire three new Clean Petroleum Product (CPP) tankers. The new investments were undertaken in MediExpress (Malaysia) Sdn Bhd and PMCare Sdn Bhd, two leading third party medical claims administrators, and ILMU Education Group (ILMU) to support the Group in its buy-out of the minority shareholders of its institutions namely APIIT Education Group, UNITAR International University and Tenby Schools.

Ekuinas' Outsourced Programme continued to grow in FY2015 with four (4) investments amounting to more than RM60.0 million undertaken by its Outsourced Fund Managers (OFMs), out of which Ekuinas' committed capital contribution was RM36.9 million. The OFMs undertook two new investments in high potential companies Excelvite Sdn Bhd and Romstar Sdn Bhd, as well as two follow-on investments in Strateq Sdn Bhd and HG Power Transmission Sdn Bhd.

This brings the total committed investments undertaken by Ekuinas since inception to 45 amounting to approximately RM2.8 billion, which together with private capital, successfully facilitated total economic capital deployment of RM3.4 billion that positively impacted the Malaysian economy.

For the year under review, the Ekuinas' F&B portfolio underwent a restructuring exercise that saw the Company's exit from the Quick Service Restaurant (QSR) segment to facilitate deeper focus on the casual dining and dessert segments. This restructuring involved the divestment of the Burger King franchise and San Francisco Coffee, which presented a negative gross IRR of 29.1% and 5.7% respectively.

Syed Yasir Arafat Syed Abd Kadir, the Chief Executive Officer at Ekuinas said, "Our F&B portfolio which comprises Tony Roma's, Manhattan Fish Market, New York Steak Shack, Popeye's, Coolblog and PrimaBaguz, provides numerous avenues for value creation. We are now focused on improving resources and capabilities, growing the business as well as the respective brands' footprints further. As it stands, our Food Group posted a combined revenue of RM379.0 million, an increase of 12.1% as compared to 2014."

On the social objectives front, Ekuinas continued to deliver on its mandate to increase Bumiputera equity by RM3.7 billion or 1.6 times the capital invested. At the same time, Total Shareholders' Value for all portfolio companies increased by RM4.7 billion, equivalent to 2.1 times of the invested capital, reflecting Ekuinas' model of increasing wealth for Bumiputeras and all Malaysians.

Meanwhile, the talent pool of managers and employees in Ekuinas' portfolio companies continued to grow. At the end of FY2015, the portfolio companies employed 485 managers and 15,177 employees, out of which 31.1% and 51.6% were Bumiputeras respectively. This represents an increase of 12.7% Bumiputera managers and 31.5% Bumiputera employees since Ekuinas' entry.

Syed Yasir Arafat, whilst presenting the detailed results also said, "Moving forward, we must ensure that we are able to anticipate changes in the market and position our portfolio companies accordingly. Although the outlook is uncertain and risks persist, it is also an exciting time for Ekuinas. We are hopeful that our active portfolio management strategy and the implementation of various value creation strategic initiatives will bode well for our portfolio companies in the years to come."

- End -

**About Ekuinas**

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

**Media Contacts:**

**Sunita Kanapathy**, Ogilvy Public Relations KL, [sunita.kanapathy@ogilvy.com](mailto:sunita.kanapathy@ogilvy.com) 012-226 1216

**Joanne Timbuong**, Ogilvy Public Relations KL, [joanne.timbuong@ogilvy.com](mailto:joanne.timbuong@ogilvy.com) 012-327 5114