

PRESS RELEASE
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EKUINAS ENDS 2016 ON A POSITIVE NOTE

Key Highlights: -

- Ekuinas Direct (Tranche I) Fund continued to deliver strong performance, recording a **Gross Portfolio Return of RM466.4 million**, which translates to a **gross annualised Internal Rate of Return (IRR) of 13.1%** and a **net annualised IRR of 9.4%**, exceeding the long term minimum targeted annualised return of 12%.
- At the same time, the second fund, Ekuinas Direct (Tranche II) Fund posted a **Gross Portfolio Return of RM331.6 million** which translates to a **gross annualised IRR of 18.1%** and a **net annualised IRR of 12.7%**.
- In FY2016, Ekuinas undertook seven (7) direct and outsourced investments with a total commitment capital of RM172.6 million. This brings the total cumulative committed investments undertaken by Ekuinas to 53 amounting to nearly RM3.0 billion, which together with private capital, facilitated a total capital deployment of RM3.6 billion that has positively impacted the Malaysian economy.
- Through its investment activities, Ekuinas delivered an increase in Bumiputera Equity Value of **RM3.9 billion** or **1.4 time** the total invested capital and an increase in Total Shareholders' Value of **RM5.6 billion** or **2.0 times** Ekuinas' invested capital, reflecting the continued success of Ekuinas' model of increasing shareholder's value for Bumiputera and all Malaysians.

KUALA LUMPUR, 9 May 2017: Government-linked private equity fund management company, Ekuiti Nasional Berhad (Ekuinas), announced today its continued strong performance for financial year ending 31 December 2016 (FY2016). Ekuinas Direct (Tranche I) recorded a Gross Portfolio Return of RM466.4 million and the second fund, Ekuinas Direct (Tranche II) Fund posted a Gross Portfolio Return of RM331.6 million.

During his speech, Minister in the Prime Minister's Department, Yang Berhormat Datuk Seri Abdul Rahman Dahlan said, "It is gratifying to see that, against the backdrop of challenging economic conditions, Ekuinas successfully maintained its performance to achieve both the financial and social objectives that have been set to positively impact and benefit all

Malaysians. Ekuinas' achievements thus far have showcased the effectiveness of the Government's strategy in introducing an innovative approach to increase Bumiputera economic participation through the private equity model."

He added "Since inception, Ekuinas had undertaken 53 cumulative investments via Direct Investments and Outsourced Programme, amounting to nearly RM3.0 billion, which together with private capital, facilitated a total capital deployment of RM3.6 billion that positively impacted the Malaysian economy."

"In FY2016, Ekuinas committed a total of RM172.6 million in seven (7) direct and outsourced investments. These include two (2) direct investments with a total committed capital of RM123.2 million."

The results were announced by Ekuinas Chairman, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda who said, "Ekuinas Direct (Tranche I) Fund recorded a gross annualised Internal Rate Return (IRR) of 13.1% and a net annualised IRR of 9.4%. At the same time, Ekuinas Direct (Tranche II) Fund posted a gross annualised IRR of 18.1% and a net annualised IRR of 12.7%. For the seventh year running, Ekuinas has succeeded in maintaining its IRR above the minimum target of 12% per annum."

Ekuinas Outsourced (Tranche I) Fund posted a gross portfolio return of RM120.7 million, which translates to an annualised gross IRR of 9.8% and a net IRR of 8.7%. Ekuinas' Outsourced Programme also experienced significant expansion with five (5) new investments undertaken by external private equity firms under the programme at RM80.6 million, out of which Ekuinas' committed capital is RM49.4 million. These include investments in the retail, fast moving consumer goods (FMCG), manufacturing and services sectors.

2016 also saw Ekuinas exiting its maiden investment in Alliance Cosmetics Group (ACG), which generated gross proceeds of RM61.8 million with an IRR of 9% and money multiple of 1.5 times the capital invested. The divestment exercise is in line with Ekuinas' move to

crystallise its investments under Ekuinas Direct (Tranche I) Fund, as part of its investment strategy to secure positive IRR in addition to ensuring the realisation of the Fund is done within the required timeline.

During his presentation, Syed Yasir Arafat Syed Abd Kadir, Chief Executive Officer at Ekuinas said, “We believe that the challenging market conditions presented us with opportunities to improve and readjust the strategies of our portfolio companies and the value creation initiatives implemented have helped to build sustainable businesses. For FY2016, Ekuinas’ existing portfolio companies collectively generated more than RM1.6 billion in revenue and RM392.3 million in EBITDA.”

In terms of its social objectives, Ekuinas has successfully increased Bumiputera Equity Value by RM3.9 billion, or 1.4 times the total capital invested. Simultaneously, Total Shareholders’ Value for all portfolio companies increased by RM5.6 billion, equivalent to 2.0 times the invested capital, which demonstrated the success in Ekuinas’ private equity model in increasing shareholder’s value for Bumiputera and all Malaysians.

Meanwhile, Ekuinas, through its portfolio companies has provided job opportunities to 498 managers and 16,038 employees at the end of 2016, out of which 40.4% and 60.3% respectively are Bumiputeras. These represent a healthy increase of 16.9% and 29.7% for Bumiputera managers and employees respectively since Ekuinas’ entry.

Whilst elaborating on the FY2016 results, Syed Yasir Arafat also said, “Our strategy moving forward is to continue building our capabilities and expertise in line with our aspirations to become a leading private equity firm in the region and replicating the success we had with our existing portfolio companies.”

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About Ekuinas

Ekuiti Nasional Berhad (Ekuinas) 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 & gas, logistics, education, retail and healthcare.

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