

**PRESS RELEASE**

**3 September 2013**

## **EKUINAS CATALYSING THE MALAYSIAN PRIVATE EQUITY INDUSTRY THROUGH EXPANSION OF ITS OUTSOURCED PROGRAMME**

**Key Highlights: -**

- Five (5) local Malaysian Private Equity (PE) firms have been selected under the Ekuinas Outsourced Programme to manage and undertake investments utilising funds provided by Ekuinas and private investors.
- An additional **RM373 million** is now made available for growth capital investments in high potential Bumiputera and Malaysian companies, out of which RM240 million derives from Ekuinas' committed capital while RM133 million is provided by private investors.
- This brings the total amount made available for investments under Ekuinas Outsourced Programme to **RM925 million**, out of which 30% is raised from private capital in line with government's aspiration for fostering public - private partnerships.
- The Ekuinas Outsourced Programme Tranche II will focus more on developing the nascent private equity industry in Malaysia by supporting high-potential Bumiputera and Malaysian PE firms to broaden the reach of private equity as an alternative provider of capital to growing local companies.

**KUALA LUMPUR, 3 September 2013:** Ekuiti Nasional Berhad (Ekuinas), the government-linked private equity fund management company, today announced that five (5) local Malaysian private equity (PE) firms have been successfully selected under its Outsourced Programme to manage and undertake investments on behalf of Ekuinas and other private investors.

Under the Outsourced Programme, Ekuinas allocates capital to selected third party private equity firms who then raised additional funds from private investors. This creates an expanded pool of capital to be invested in high potential Bumiputera and Malaysian companies, in line with Ekuinas' mandate to undertake its activity through a public - private partnership model.

After an independent and rigorous selection process which adhered to global best practices, five (5) Bumiputera and Malaysian PE firms were selected. Tael Partners, RM Capital Partners, Tuas Capital Partners, and CMS Opus Private Equity have been appointed as the private equity managers under Tranche II of the Outsourced Programme. Another firm, Asiasons has been selected as the replacement manager for the earlier launched Tranche I Outsourced Programme.

The Outsourced Fund Managers (OFMs) were chosen based on selection criteria covering the strength of the investment team, the historical investment track record, proven and robust investment processes, their ability to raise external capital and alignment to Ekuinas' investment requirements and guidelines.

The selected OFMs and the launch of the Ekuinas Outsourced Programme Tranche II were announced by Ekuinas at an event in Petaling Jaya this morning, officiated by the Minister in the Prime Minister's Department, YB Senator Dato' Sri Abdul Wahid Omar.

Lauding Ekuinas on the decision to extend its Outsourced Programme into a second tranche, YB Senator Dato' Sri Abdul Wahid said in his speech, "Under the newly launched Tranche II, Ekuinas has committed a total of RM240 million which will be allocated amongst the selected OFMs. On their part, the OFMs managed to successfully attract an additional capital of RM133 million from private investors, bringing the total amount available for investment to RM373 million."

"Together with the amount committed earlier under Tranche I, this brings the total amount allocated by Ekuinas under its Outsourced Programme to RM640 million with the overall amount made available for investment now amounting to RM925 million."

EkuiNAS Chairman, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda had earlier in his speech highlighted, "EkuiNAS made a deliberate decision to focus on a more developmental role for its Tranche II Outsourced Programme. This means allocating capital to capable Bumiputera and Malaysian PE firms with a view of developing them to help broaden the reach of traditional private equity as an alternative provider of capital to high growth potential local companies."

The outsourced PE firms will use the funds to undertake predominantly growth capital minority investments ranging between RM10 million to RM30 million in high potential Malaysian companies, out of which 70% of EkuiNAS' capital commitment shall be dedicated to Bumiputera companies.

During his presentation on the Outsourced Programme, EkuiNAS CEO, Dato' Abdul Rahman Ahmad said, "We are pleased to select these local PE firms that we believe have the necessary credentials to identify and assist the best companies. They are required and have given their commitment to predominantly invest in high potential Bumiputera companies, in line with EkuiNAS' objective to enhance equitable Bumiputera economic participation through the creation of the next generation of leading companies".

The selection process for EkuiNAS' Outsourced Programme which commenced in 2012 saw 30 firms registering interest, out of which 16 firms submitted proposals and 7 shortlisted for detailed due diligence process, before the selected firms were finally chosen.

The EkuiNAS Outsourced Programme currently has an investment portfolio of seven (7) companies at a total investment of RM177.3 million of the RM400 million committed by EkuiNAS and is poised to grow further with the commencement of Tranche II today.

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**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 under the 9th Malaysia Plan and 10th Malaysia Plan, 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 the business of fast moving consumer goods, oil and gas, logistics, education and retail.

Media Contacts:

Adli Abdul Karim, Weber Shandwick, [AAbdulKarim@webershandwick.com](mailto:AAbdulKarim@webershandwick.com) (03) 6209 5222

Anis Azharuddin, Weber Shandwick, [AAzharuddin@webershandwick.com](mailto:AAzharuddin@webershandwick.com) (03) 6209 5217