

EkuiNAS enters healthcare sector with maiden investment RM79.8 mln

KUALA LUMPUR: Ekuiti Nasional Bhd (EkuiNAS) has invested RM79.8 million in two third-party medical claims administrators (TPAs), marking its maiden entry into the healthcare sector.

The investments comprise the purchase of 60 per cent equity in the Express Group (MediExpress), which consists of MediExpress (M) Sdn Bhd and Health Connect Sdn Bhd, and another 60 per cent stake in PMCare Sdn Bhd.

MediExpress is a leading managed care organisation which operates as a TPA for insurance companies and small medium enterprises and PMCare is the leading Bumiputera TPA service provider focusing on the corporate client segment.

The two companies would later

be merged under one holding company, to create the largest TPA provider in Malaysia with 40 per cent market share and servicing over two million members, said the government-linked private equity fund management company in a statement here.

The TPAs will act as an interface among consumers, medical funders and health providers, directly tapping the growth of healthcare and health insurance markets.

The healthcare sector is one of EkuiNAS' six identified target sectors for investment and the TPA market forms a fast growing sub-sector with a current estimated size of RM100 million and expected to grow by 10 per cent per annum to reach RM156 million in 2019.

"Together, they provide a platform for EkuiNAS to form the leading TPA service provider in Malaysia and regionally in line with EkuiNAS' mandate to create future market leading companies," said EkuiNAS chairman, Raja Tan Sri Arshad Raja Tun Uda.

Meanwhile, EkuiNAS has also announced it has undertaken a RM70 million follow-on investment in Orkim Sdn Bhd to help the company finance the acquisition of three additional clean petroleum product (CPP) tankers.

This brings the total vessels owned by Orkim to 14, making it the largest CPP transportation provider in Malaysia, with an estimated market share of 24 per cent.

EkuiNAS had in December 2014 had invested RM346.3 million for a 95.5 per cent stake in Orkim as part of its strategy to create a leading regional downstream petroleum transportation and logistics group.

With these investments in the healthcare sector and the follow-on investment amounting to RM149.8 million, as well as investments completed under its Outsourced Programme, EkuiNAS has undertaken a total of 38 investments since inception.

EkuiNAS said together with co-investments from private sector partners, it has facilitated a total economic deployment of RM3.2 billion, positively impacting the Malaysian economy. — Bernama