

Ekuiņas ventures into healthcare sector

PETALING JAYA: Ekuiti Nasional Bhd (Ekuiņas), the government-linked private equity fund management company, has made its maiden entry into the healthcare sector by investing RM79.8mil in two third-party administrators (TPA) managing medical claims.

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

In a statement, Ekuiņas said the purchases comprise the acquisition of 60% equity in both MediExpress Group and PMCare Sdn Bhd.

MediExpress consists of MediExpress (M) Sdn Bhd and Health Connect Sdn Bhd.

MediExpress is a leading managed care organisation (MCO) which operates as a TPA for insurance companies and small medium enterprise segment, while PMCare is the leading bumiputra TPA service provider, focusing on the corporate client segment.

The two companies shall later be merged under one holding company to create the largest TPA provider in Malaysia with 40% market share and servicing more than 2 mil-

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Raja Tan Sri Arshad Raja Tun Uda

lion members.

"Ekuiņas is pleased to make its maiden investment in the healthcare sector with these two strong TPA service providers.

"The healthcare sector is one of Ekuiņas' six identified target sectors for investment and the TPA market forms a fast-growing sub-sector with a current estimated size of RM100mil and expected to grow by 10% per annum to reach RM156mil in 2019.

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

In addition, Ekuiņas also announced the

acquisition of three additional clean petroleum product (CPP) tankers for Orkim Sdn Bhd.

In August 2014, Ekuiņas bought a 95.5% stake in Orkim Sdn Bhd for RM346.3mil from Bank Pembangunan Malaysia. Orkim currently transports CPP from refineries to various oil storage terminals.

With three new CPP vessels, Orkim will own 14 vessels in total, making it the largest CPP transportation provider in Malaysia, with an estimated market share of 24%.

On Ekuiņas' latest investments, its CEO Dato' Abdul Rahman Ahmad said: "In line with Ekuiņas' mandate to create industry leading groups in high growth sectors, it plans to leverage on each company's strengths in providing value-added services to their customers through a proprietary high technology platform to further expand their business and grow regionally."

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