

Ekuinas to hit investment target of more than RM500 mil

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Ekuiti Nasional Bhd (Ekuinas) is on track to achieve this year's investment target of between RM500 million and RM600 million after recently adding two more investments into its portfolio.



Abdul Rahman Ahmad

Its chief executive officer, Abdul Rahman Ahmad said the government-linked private equity fund management company recently concluded the takeover of Orkim Sdn Bhd and CoolBlog Sdn Bhd with a total investment of RM400 million and is looking for more private equities to be included into its portfolio.

"The deals in the pipeline for this year are looking pretty good. We've done about RM400 million to date, so we are hopeful to be able to hit the investment target and are looking at a number of investments in the pipeline," he told reporters after the launch of the Malaysian Private Equity Forum here today.

Abdul Rahman said the company's investment performance this year outperformed that of last year, mainly driven by the country's better economic condition as well as outsourced fund management programme gathering pace. \

"Malaysia's economy in the first half of the year has been particularly very good. I think we've exceeded the forecast growth rate," he said.

He said despite targeting between RM500 and RM600 million investment this year, the company does not put a limit cap on the figure and is willing exceed the target if interesting opportunities come along.

"Sometime, you can't predict investment. If there are a number of opportunities that fit our criteria, meet our guideline and offer a good growth opportunity and a good potential return, we will make the deal," he said.

However, he said the company maintains its investment period target for individual investment of between three to five years.

"Our fund life is about seven years, so we can own some of the investment slightly longer, but our target term investment period is from three to five years. We can take sufficient time to create value in the invested company, help them to grow and only then we exit to crystallise the value from the investment," he added.

On the outlook of Malaysia's private equity investment, he said it still lagged behind in allocation for private equity investment among domestic institutions compared with that of western countries.

He said allocation of domestic institution for private equity investment is below 5% while the world's average is already at between 15% and 20%.

"I think we can go up, maybe not as high as between 15% and 20%. I think we can increase it to between 5% and 10%," he said.

The forum was launched by Minister in the Prime Minister Department Abdul Wahid Omar.