

Ekuinas enters O&G, F&B sectors

by FARAH ADILLA

GOVERNMENT-LINKED private equity fund management company, Ekuiti Nasional Bhd (Ekuinas), is investing RM400 million in two companies, Orkim Sdn Bhd and CoolBlog Sdn Bhd, to further expand its oil and gas (O&G) and food and beverage (F&B) portfolios.

In a statement yesterday, Ekuinas said it is investing RM346.3 million to acquire up to 95.5% stake in Orkim, one of Malaysia's clean petroleum product (CPP) tanker companies.

Ekuinas is taking over Orkim from Global Maritime Ventures Bhd, a subsidiary of Bank Pembangunan Malaysia Bhd, in line with its strategy of acquiring non-core or divestable assets of government-linked companies and public listed companies.

Ekuinas' chairman Raja Tan Sri Arshad Raja Tun Uda said the investment facilitates Ekuinas' entry into the petroleum trans-

portation industry which has favourable growth dynamics, especially in liquefied petroleum gas (LPG) transportation, an area that is currently dominated by foreign companies.

"Further, this investment provides Ekuinas with the opportunity and platform to help develop Orkim into a leading regional petroleum transportation and logistics group in the future. This is in line with Ekuinas' objective to transform mid-sized Malaysian companies into market leading companies of the future," he said.

Orkim transports CPP from refineries to various oil storage terminals throughout the country and currently has market leading industry share of nearly 30%.

Ekuinas said the acquisition of stakes in Orkim is expected to be completed by the fourth-quarter of 2014.

Besides that, Ekuinas is also investing RM50.8 million for a 60% equity interest in CoolBlog, a homegrown franchised des-

serts and beverages specialist.

First launched in 2007, CoolBlog specialises in desserts and beverages in a takeaway kiosk concept and represents Ekuinas' entry into the popular yet lucrative street stalls and kiosks component of the F&B industry.

Ekuinas' CEO Datuk Abdul Rahman Ahmad said Ekuinas believes that CoolBlog can continue to grow significantly, taking advantage of the flourishing street stalls and kiosks industry in Malaysia and the region.

"Further, this investment will also allow Ekuinas to work with smaller Malaysian and Bumiputera entrepreneurs and help create a sustainable income for them. Our focus is to continue to grow CoolBlog's network by playing a catalytic role in helping more entrepreneurs, especially Bumiputeras, to become licensees and thereby further expanding the franchise," he said.

Ekuinas said the investment

expands Ekuinas' F&B portfolio to six popular brands, with 495 outlets across the region with a combined revenue of RM262.5 million as of June 30, 2014.

"With these investments and investments undertaken recently by its outsourced programme partners, Ekuinas has undertaken RM450.1 million worth of investments in FY2014 to date. This brings the total cumulative investments to date by Ekuinas to 28 companies totalling RM2.3 billion.

"Together with co-investments made by private investors, Ekuinas has facilitated a total capital economic capital deployment in the country of RM2.8 billion, positively impacting the Malaysian economy," it said.

Recently, two new investments were undertaken by Ekuinas' outsourced programme partners amounting to RM39.6 million, out of which RM32 million represents contribution by Ekuinas.