

Ekuinas buys stakes in Orkim, CoolBlog for RM400m

Part of government-linked private equity firm's plans to further expand its O&G and F&B portfolios

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KUALA LUMPUR: Ekuiti Nasional Bhd (Ekuinas) is investing nearly RM400 million to acquire a 95.5% stake in clean petroleum product (CPP) tanker company Orkim Sdn Bhd and a 60% stake in CoolBlog Sdn Bhd, as part of plans to further expand its oil and gas (O&G), and food and beverage (F&B) portfolios.

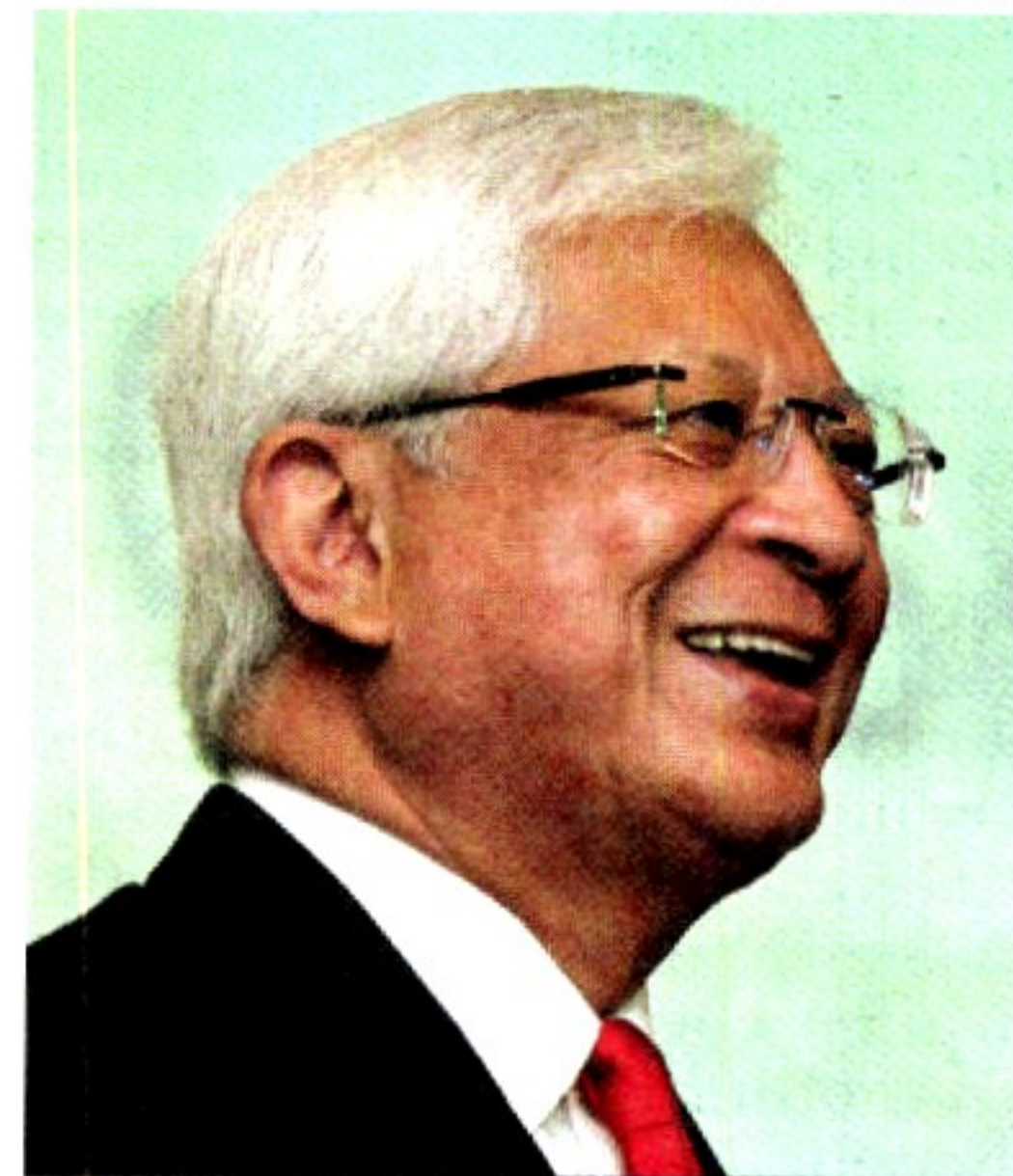
Ekuinas' acquisition of Orkim, which has a 30% market share in the CPP market, was first reported by *The Edge* weekly dated Aug 18. The two investments bring the government-linked private equity firm's total investment value to RM450.1 million so far this year, including investments undertaken by its outsourced programme partners.

In a statement yesterday, Ekuinas chairman Raja Tan Sri Arshad Raja Tun Uda said the firm's acquisition of Orkim for RM346.3 million opens the door for Ekuinas to enter the petroleum transport industry,

which he said has "favourable industry growth dynamics", especially in liquefied petroleum gas transport which is dominated by foreign corporations.

"Further, this investment provides Ekuinas with the opportunity and platform to help develop Orkim into a leading regional petroleum transport 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 added.

Ekuinas is taking over Orkim from Global Maritime Ventures Bhd, a subsidiary of Bank Pembangunan (M) Bhd, in line with its strategy of acquiring non-core



Arshad: Acquisition of Orkim for RM346.3 million opens the door for Ekuinas to enter the petroleum transport industry.

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ter of this year. Orkim, which was founded in 2004, currently has 11 vessels under its ownership and management.

For its financial year ended Dec 31, 2013 (FY13), Orkim posted a net profit excluding exceptional items of RM33.5 million on revenue of RM136.4 million.

Meanwhile, Ekuinas is spending RM50.8 million for the 60% stake in CoolBlog, a homegrown F&B player with 299 outlets in the country and recently made its presence in Indonesia. Ekuinas said CoolBlog is also the first bubble tea chain to be awarded the halal certification by Jabatan Kemajuan Islam Malaysia.

CoolBlog recorded revenue and net profit of RM42.52 million and RM8.47 million respectively for FY13.

"Backed by a strong management, 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," said Ekuinas chief executive officer Datuk Abdul Rahman Ahmad.

or divestable assets of government-linked and public-listed companies.

The founders of Orkim, Wan Izani Wan Mahmood and Captain Khoo Chin Yew, will continue to retain a residual stake in the company and help chart its next phase of growth under Ekuinas. The investment in Orkim is expected to be completed by the fourth quar-