

PRESS RELEASE
8 January 2016

EKUINAS ENTERS HEALTHCARE SECTOR WITH MAIDEN INVESTMENT OF RM79.8 MILLION IN PMCARE AND MEDIEXPRESS

Key Highlights: -

- Ekuinas undertakes a RM79.8 million investment in two Third Party Medical Claims Administrators (TPA) service providers, marking its maiden entry into the healthcare sector. TPA forms a fast growing healthcare subsector, estimated at RM100 million and expected to grow 10% per annum to reach RM156 million by 2019.
- The investment comprises the acquisition of 60% equity in PM Care Sdn Bhd (PMCare) and the MediExpress Group, which consists of MediExpress (Malaysia) Sdn Bhd and Health Connect Sdn Bhd. The MediExpress Group is a leading TPA serving the insurance companies and small medium enterprises (SMEs) segment, whilst PMCare is the leading Bumiputera TPA service provider, focusing on the corporate client segment.
- These investments provide Ekuinas with an opportunity to create the largest Bumiputera-led TPA in Malaysia with combined market share of 40% and the potential for future regional expansion.

PETALING JAYA, 8 January 2016: Ekuiti Nasional Berhad (Ekuinas), the government-linked private equity fund management company, today announced two investments worth RM79.8 million in two Third Party Medical Claims Administrators (TPA) service providers, marking its maiden entry into the healthcare sector. TPAs act as an interface between consumers, medical funders and health providers, directly tapping into the growth of healthcare and health insurance markets.

The investments comprise the acquisition of 60% equity in the MediExpress Group (MediExpress), which consists of MediExpress (Malaysia) Sdn Bhd and Health Connect Sdn Bhd, and another 60% equity in PMCare Sdn Bhd (PMCare). MediExpress is a leading Managed Care Organisation (MCO) which operates as a TPA for insurance companies and small medium enterprises (SMEs) segment, whilst PMCare is the leading Bumiputera 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 million members.

EkuiNAS Chairman, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda said, "EkuiNAS is pleased to make its maiden investment in the healthcare sector with these two strong TPA service providers. 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 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".

Originally incorporated in 1998 for the purpose of managing Sihat Malaysia under the initiative of 39 insurance companies, MediExpress led by Paul Cheok focuses on managing inpatient benefits on behalf of insurance companies and through Health Connect, services outpatient benefits administration needs. The group now has more than one million members across an extensive health provider network of over 3,000 clinics and 150 hospitals.

PMCare, which is led by two Bumiputera entrepreneurs Wan Shukri Ariffin and Adzahar Abdul Wahid, specialises in the administration of corporate clients' medical benefits and caters to over 600,000 members across more than 3,000 medical providers nationwide. Together, both companies generated a combined revenue of more than RM50.0 million in FY2014.

Commenting on EkuiNAS' latest investments, its Chief Executive Officer, Dato' Abdul Rahman Ahmad explained, "In line with EkuiNAS' mandate to create industry leading groups in high growth sectors, EkuiNAS 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."

EkuiNAS also announced that it has undertaken a RM70.0 million follow-on investment in Orkim Sdn Bhd (Orkim) 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%. EkuiNAS had in December 2014 committed an investment of RM346.3 million for a 95.5% 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. Together with co-investments from private sector partners, Ekuinas has facilitated a total economic deployment of RM3.2 billion, positively impacting the Malaysian economy.

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About Ekuinas

Ekuinas (Ekuiti Nasional Berhad) is a government-linked private equity fund management company established on 1 September 2009. With the government endowment of RM5 billion under the 9th Malaysia Plan and 10th Malaysia Plan, Ekuinas aims to create Malaysia's next generation of leading companies whilst promoting equitable, effective and sustainable Bumiputera economic participation. To date, Ekuinas has undertaken investments in high potential Malaysian companies involved in the business of fast moving consumer goods, oil and gas, logistics, education, retail food and beverage, and healthcare.

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