

By KIRENNESH NAIR

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EKUITI Nasional Bhd (Ekuinas) has turned to an insider for guidance after nearly a decade of Datuk Syed Yasir Arafat leading the firm, appointing Aliff Omar Mohamad Omar as its third chief executive officer (CEO) in May.

Aliff, who joined the private equity firm in 2017, takes the helm at a pivotal moment.

"It's a very interesting period to take charge because we are in the midst of a strategic shift with the alignment with Permodalan Nasional Bhd (PNB)," says Aliff, who had a stint in investment banking.

Ekuinas was first placed under Yayasan Pelaburan Bumiputera (YPB) – the foundation that owns PNB – in 2023, before becoming a direct subsidiary of PNB in January this year.

The move reflects the government's push to consolidate bumiputra-focused investment institutions.

But the real shift is happening within Ekuinas itself.

It is expanding its role as a builder of bumiputra businesses, and moving into private credit and capacity-building initiatives.

Private equity – scaling entrepreneurs

Ekuinas was formed in 2009 with a mandate to promote bumiputra economic participation.

Aliff stresses this goes beyond equity ownership, pointing to value creation across the supply chain.

Its private equity strategy is to focus on sectors that are competitive, innovative and have room for growth.

"We prefer sectors that are freely competitive because they foster innovation and create value. Competition drives creativity and progress within these sectors."

Discipline in exits, he adds, is fundamental.

"Ekuinas is highly disciplined in strategic exits because that's how we fulfill our mandate. Without exiting, you can't realise your gains."

"With the strategy alignment with PNB, there's a clear focus on public market exits to strategic sales."

"This ensures continuity in bumiputra ownership, aligning with the 'bumiputra relay race'."

One of the most notable developments under this new alignment is the impending listing of Orkim Bhd, a clean petroleum products tanker operator.

Ekuinas, which fully owned Orkim, transferred a 60% stake to PNB and its unit trust funds ahead of the company's initial public offering (IPO).

The remaining 40% – equivalent to 300 million shares or 30% of Orkim's enlarged capital – will be sold through the IPO.

Post-listing, PNB and its unit trust funds will remain the controlling shareholder with 60%.

This marks a clear departure from how Ekuinas handled Icon Offshore Bhd's – now known as Lianse Fleet Group Bhd – IPO in 2014.

Ekuinas enters pivotal phase with Aliff



Aliff: We prefer sectors that are freely competitive because they foster innovation and create value. Competition drives creativity and progress within these sectors. — CHAN TAK KONG/The Star

Ekuinas then sold only a portion of its stake and retained about 42% after listing, remaining a major shareholder for several years before gradually paring down its interest.

With Orkim, Ekuinas' exit reflects its new alignment with PNB and the "bumiputra relay race" strategy.

On returns, Aliff says ultimately, the "true alpha" comes from people or entrepreneurs that they partner with.

Private credit – a new growth engine

Private credit, a fairly new initiative for Ekuinas, represents the firm's second investment pillar and was launched under Syed Yasir last year.

Its private credit strategy provides tailored, syariah-compliant financing to the same middle-market segment targeted by its private equity side, effectively lending to companies against assets or private shares.

This strategy took shape with the launch of a RM800mil Ekuinas credit (Tranche I) fund in November 2024, offering

bespoke financing typically ranging from RM50mil to RM80mil per deal.

The fund made its first investment in January this year in a company from the industrial sector, though Aliff is tight-lipped on the details.

He describes private credit as filling the gap between bank financing and private equity.

"This is a loan we can structure to fit the credit profile of a particular company, allowing flexibility in both interest and principal repayment structures," he says.

He adds that the pipeline is strong, with significant potential to scale the business further.

Capacity building – plugging the gaps

The firm's newest initiative is capacity building, designed to uplift smaller bumiputra companies outside its direct "investment orbit".

"It's not an investment product, but a structured three-year programme where we work hands-on with lower mid-market bumiputra companies – typically those with RM15mil to

RM50mil in annual revenue," Aliff explains.

Under this programme, and through a "grant-in-kind" model, Ekuinas will select two or three companies a year.

These firms will go through a three-year programme focused on six areas of value creation – strategy, people, operations, sales and marketing, finance, and regulatory compliance.

The goal is to make these firms investable – either by banks, by Ekuinas' private equity and credit funds, or eventually by the public market – or as Aliff puts it, "investor ready."

Looking ahead

Ekuinas today manages RM4.9bil in assets, having launched eight funds since its inception in 2009.

To date, it has invested in 48 companies – 30 directly and 18 through outsourced programmes – with 14 still active across its portfolio.

Aliff notes that the firm has generated RM8.8bil in total shareholders' value, or about two times the capital invested.

On the private equity front, Ekuinas is deploying from its RM1bil Tranche IV, with about RM500mil left.

Aliff expects it to be fully deployed by end-2026, paving the way for Tranche V in 2027.

He says the focus is firmly on direct investments.

The outsourced programme, he explains, was necessary in the early years when private equity was still new in Malaysia.

But with two tranches completed and the industry more mature, Aliff says Ekuinas has shifted to managing its own deals.

"We've built up the capabilities in-house – our own investment team, with the experience, sector depth and local knowledge to originate and manage deals directly."

"That gives us more control, better alignment, and allows us to work hands-on with our portfolio companies."

Looking ahead, Aliff is bullish on pharmaceuticals and healthcare for their "earnings defensibility and growth"; technology and digitisation building on investments like Exabytes Capital Group and Bluesify Solutions Sdn Bhd; consumer plays particularly in fast-moving consumer goods; and advanced manufacturing, anchored by its Flexi Versa Group Sdn Bhd investment in Johor.

Aliff acknowledges that the food and beverage (F&B) retail sector remains highly challenging – dynamic, margin-sensitive and execution-driven.

"We are exploring options for our F&B investments, including Revenue Valley Sdn Bhd."

"These are legacy portfolio companies, and our focus is to maximise value and ensure the businesses remain competitive," he says.

The focus is clear for Aliff – sectors with strong fundamentals and strong alignment to national priorities, including healthcare, industrial innovation, digital infrastructure and education.

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