

## **Ekuiнас acquires Davex for RM255 million**

CORPORATE NEWS

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KUALA LUMPUR: Ekuiti Nasional Bhd (Ekuiнас) has acquired a 100% stake in homegrown lighting design, consultancy and manufacturer, Davex (Malaysia) Sdn Bhd (Davex) for RM255mil, its largest investment in the manufacturing sector thus far.

Davex manufactures its own product under the brand name Davis Lighting and is primarily involved in the luminaire segment of the lighting market. The Penang-based manufacturer, founded in 1983, provides end-to-end lighting solutions to commercial, industrial and residential clients and has strong presence in Singapore and Australia, in addition to the domestic market.

“Ekuiнас is pleased to enter the luminaires segment with Davex, a strong, homegrown regional market leader that has illuminated notable projects across the region, including our very own Petronas Twin Towers.

“The investment marks our entry into the manufacturing sector, which is timely as demand for luminaires, especially energy efficient models, is rapidly increasing,” chairman Raja Tan Sri Arshad Tun Uda said in a statement.

The government-linked private equity fund management company said the region’s economic growth track would spur demand from property and infrastructure developers, combined with the Malaysian luminaire market which was expected to grow to US\$882mil by 2020.

Additionally, innovation in energy efficiency will push developers to adopt energy efficient lighting solutions for regional major developments, which are projected to drive demand for light fittings.

Ekuiнас said Davex was well-placed to capitalise on the increasing demand for energy efficient lighting solutions as the industry experienced a shift from conventional to energy-efficient LED lighting,

Ekuiнас CEO, Syed Yasir Arafat Syed Abd Kadir said: “Ekuiнас will leverage Davex’s strengths towards achieving its value creation plan that we have put in place to expand its top line growth whilst increasing its presence in Malaysia and the region, as well as streamlining systems and process integration with the aim of improving brand equity.”

“We will work closely with Davex’s management team to establish and accelerate local and regional growth to replicate the company’s success in Singapore and Australia, and look to expand its facility in Penang. We are confident that as the company grows, there will also be increased employment opportunities for all Malaysians,” he added.

Meanwhile, Davex group managing director Yap Chung San said the acquisition by Ekuiнас was a defining milestone for the company.

“We look forward to working with Ekuiнас to take Davex to the next phase. With their expertise and track record of growing companies in Malaysia, we are confident Davex is in good hands.”

Ekuias has made 54 direct and outsourced investments, with a total committed capital of over RM3bil since 2009. The company recorded a strong performance last year, closing 2016 on a positive note.

The Ekuias Direct (Tranche I) Fund recorded a Gross Portfolio Return of RM466.4mil, at a gross annualised Internal Rate of Return (IRR) of 13.1% and a net annualised IRR of 9.4%. The second fund, Ekuias Direct (Tranche II) Fund posted a Gross Portfolio Return of RM331.6mil at a gross annualised IRR of 18.1% and a net annualised IRR of 12.7%.

*Source: <https://www.thestar.com.my/business/business-news/2017/12/13/ekuias-acquires-davex-for-rm255mil/#ESrALeVCD7G2o2Mu.99>*