

PRESS RELEASE
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EKUINAS ENTERS MANUFACTURING SECTOR WITH RM255.0 MILLION ACQUISITION IN DAVEX, A HOMEGROWN LIGHTING MANUFACTURER

Key Highlights: -

- Ekuinas acquires 100% stake in a homegrown lighting design, consultancy and manufacturing firm Davex (Malaysia) Sdn Bhd (Davex) for RM255.0 million. This acquisition marks Ekuinas' first foray into the luminaire lighting manufacturing industry to leverage the increasing demand for luminaires within the region.
- Davex provides end-to-end lighting solutions, equipped with dedicated in-house design teams and wide technology integration possibilities that have allowed it to be one of the market leaders in Singapore and Australia.
- In line with its mandate of creating market leaders, Ekuinas backs a high potential Malaysian company to strengthen its position in Malaysia and expand its footprint further within the region.

KUALA LUMPUR, 13 DECEMBER 2017: Ekuiti Nasional Berhad (Ekuinas), the government-linked private equity fund management company, made its largest investment in the manufacturing sector with the acquisition of 100% stake in a homegrown lighting design, consultancy and manufacturer, Davex (Malaysia) Sdn Bhd (Davex) for RM255.0 million.

Davex manufactures its own product under the brand name Davis Lighting and is primarily involved in the luminaire segment of the lighting market. The team carefully designs the luminaire and integrates the light source with the control gear to form a complete light fixture compliant to specifications required by the end customers. 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.

Davex's dedicated in-house design teams and innovative technology integration capabilities have positioned it to become one of the region's market leaders, having delivered products for large-scale projects such as the Petronas Twin Towers, Sunway Medical Centre, Singapore's Changi

Airport and Public Housing programme, and Australia's John Curtin School of Medical Research and Big W department stores.

Commenting on the investment, Ekuinas Chairman Raja Tan Sri Dato' Seri Arshad Raja Tun Uda said "Ekuinas 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."

The region's economic growth track will spur demand from property and infrastructure developers, combined with the Malaysian luminaire market which is expected to grow to USD882.0 million 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. As the industry experiences a shift from conventional to energy-efficient LED lighting, Davex is well-placed to capitalise on the increasing demand for energy efficient lighting solutions.

Ekuinas Chief Executive Officer, Syed Yasir Arafat Syed Abd Kadir said, "Ekuinas 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.

Davex Group Managing Director, Yap Chung San said the acquisition by Ekuinas is a defining milestone for the company. "We look forward to working with Ekuinas 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."

This acquisition is Ekuinas' largest investment in the manufacturing sector thus far. Since its inception in 2009, Ekuinas has made 54 direct and outsourced investments, with a total committed capital of over RM3.0 billion. The company recorded a strong performance last year, closing 2016 on a positive note. The Ekuinas Direct (Tranche I) Fund recorded a Gross Portfolio Return of RM466.4 million, at a gross annualised Internal Rate of Return (IRR) of 13.1% and a net annualised IRR of 9.4%. The second fund, Ekuinas Direct (Tranche II) Fund posted a Gross Portfolio Return of RM331.6 million at a gross annualised IRR of 18.1% and a net annualised IRR of 12.7%.

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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, 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 Ekuinas' core target sectors namely fast moving consumer goods, oil and gas, logistics, education, retail and healthcare.

About Davex

Established in Malaysia in 1983, Davex (Malaysia) Sdn Bhd provides end-to-end lighting solutions, equipped with dedicated in-house design teams and innovative technology integration capabilities have positioned it to become one of the region's market leaders. The company distributes products under the Davis Lighting brand and operates a 140,000 sq feet manufacturing and testing facility in Penang.

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