



Navis Capital Partners announces the acquisition of Hernan Corporation

Kuala Lumpur, 8 October 2019: Navis Capital Partners (“Navis”), an Asia-based private equity firm, has completed an investment into Hernan Corporation (“Hernan” or “the Company”). The Company is a leading processor/exporter and value-added product manufacturer in Malaysia’s durian fruit industry.

Demand for durian has been growing fast in China, and in overseas Chinese communities around the world. China alone spent c. US\$ 1 billion on durian imports in 2018, and this is expected to double by 2023. Thailand and Malaysia are the top durian producing nations, with the Musang King cultivar from Malaysia commanding a price premium due to its distinct taste profile that is well sought-after.

Navis will assist in building the largest integrated and industrialised player in Malaysia, and in professionalising its sales presence in China and other overseas markets. At the moment, durian growing and processing is a cottage industry, with variable agricultural and manufacturing practices, and little traceability. Navis’ investment into Hernan will support a large capacity expansion for the production of the paste, puree and finished products (mooncake, ice cream, chocolate and other durian-flavoured confectionaries). In order to ensure long term security of supply, their adherence to good agricultural practice, and complete traceability, Navis will look to acquire and plant up to 10,000 acres of durian plantation with initial focus in Pahang, Malaysia, in partnership with an established and highly reputable local agri-player. Over time, Navis is prepared to invest up to MYR400 million into this opportunity.

Nicholas Bloy, Co-Founder and Managing Partner at Navis, commented: “Hernan is the leading durian downstream player in Malaysia, which has been at the forefront of developing the durian export market for Malaysia and in developing great durian value-added products. We are very excited by this opportunity to partner with Hernan to build an integrated durian platform to lead the industrialisation of Malaysia’s durian sector. We believe there is substantial scope for the application of agri-tech, IOT and Industry 4.0 to modernise the entire value chain from durian farming to processing, and will look to adopt an open collaboration approach together with other industry players for knowledge and best practice sharing to raise the standards of the industry as a whole.”

About Navis Capital Partners Limited

Founded in 1998, Navis manages approximately US\$ 5 billion in private equity capital and focuses on investments primarily in and around Asia. Navis contributes both capital and management expertise to a limited number of well-positioned companies with the objective of directing strategic, operational and financial improvements. Navis has one of the largest private equity professional teams in Asia, comprising 70 individuals, supported by over 30 administrative staff, in six offices across the region. Navis has a long and proven track record in pan-Asian private equity, with over 80 control transactions across the Asian region completed since its establishment.

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