

Former DSI CEO sells stake in Dubai contractor

Tabarak Investment becomes the largest shareholder in MEP contractor

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Investment welcomed
Wael Allan, CEO of Drake and Scull International, has welcomed the investment from Tabarak.



Khaldoun Tabari, former CEO and vice-chairman of Drake & Scull International, has sold his shares to UAE-based Tabarak Investment, making it the largest shareholder in the Dubai-based building contractor.

The sale – believed to have taken place on June 8 – boosts Tabarak’s stake in DSI to between 18% and 20%, a source with knowledge of the deal told Zawya. It is understood that Khaldoun Tabari owned between 12% to 14% of the company.

In a statement to **Big Project ME**, Wael Allan, CEO of DSI, said he welcomed the acquisition, pointing out that it was a sign of commitment from Tabarak Investment.

“The management and the

people of Drake & Scull are extremely encouraged by this news, and we are excited by the commitment of Tabarak Investment to the turnaround of the company,” he said.

“We can move faster and better now that Tabarak is the major shareholder of DSI. Their involvement in the business now will accelerate recovery and create confidence for our people and clients alike. We are in track, with our capital reduction and the equity injection by Tabarak expected to be completed within the next two months.”

DSI is in the midst of a capital restructuring exercise that could see the company write down as much as 75% of its share capital, or about 1.7 billion shares, in

an attempt to extinguish prior losses. Once this is complete, the company will have 580 million shares, with Tabarak Investments due to subscribe to 500 million new shares at a price of AED 1 per share, giving it a 47% stake in the company.

Given the recent share acquisitions, Tabarak Investments will become the majority stakeholder post-recapitalisation.

The capital restructuring was rejigged following the cancellation of an earlier plan, which called for a write-down of 50% of its capital while allowing Tabarak to subscribe to shares at a discounted rate of 43 fils per share. This plan was rejected by the regulator, the Securities and Commodities Authority.

“The acquisition of Tabari’s share is a voice of confidence in the DSI brand and the longstanding track record of the company, particularly in the MEP sector in the UAE,” said Ahmed Kilani, CEO of Tabarak Investment, during a joint press conference with DSI.

“The strategic synergies between DSI and Tabarak will be pivotal to the success of the turnaround strategy set forth by the company earlier this year.

“We are optimistic about the prospects of the company in the long term, and we are keen on the completion of the capital restructuring programme to assist the company during this challenging time, yet positive outlook,” he concluded.