

NOTABLE MENTION

Weststar Aviation attracts KKR investment

BY **KAMARUL ANWAR**

Tan Sri Syed Azman Syed Ibrahim is not as high profile as other local tycoons, but his name is synonymous with the automotive industry. That's because he is one of the beneficiaries of the Franchise AP (approved permit) system to facilitate the imports of certain types of marques.

However, it is not the automotive business, but the oil and gas (O&G) business that has put his name on the radar of global investors.

His company Weststar Aviation Services Sdn Bhd, which provides helicopter services, made the headlines in 2011 after inking a RM4.2 billion deal to provide offshore rotary wing services to O&G giants for 10 years. In October 2013, Weststar received a US\$200 million injection from US private equity investment firm KKR & Co LP.

In return, KKR received "a substantial minority equity stake" of Weststar Aviation, which could range from 5% to 49.9%. If news reports that the stake being sold was 30% are true, then KKR would have valued the whole of Weststar Aviation at a cool US\$666.67 million.

"This deal represents one of the largest — if not the largest — private equity investment deals to date in Malaysia for the year 2013 by an international private equity investor", says RHB Investment Bank, the sole financial adviser to Weststar Aviation.

Syed Azman's name rarely crops up in the media. However, he has been called one of the AP kings after reports showed his name turning up on the list of AP recipients.

He made his riches from distributing Honda automobiles in Malaysia, and set up Weststar Group of Companies in 2003. The group has eight subsidiaries involved in the distribution of cars



Syed Azman: The plan is to add value or grow the company before taking it public

and vans, construction, and defence and engineering, among other things.

In a 2005 interview with *Bernama*, he defended himself by saying the APs he received were franchise

APs, which only allows the holder to import cars from a specific foreign manufacturer — in this case Honda — to be sold through a particular company in Malaysia.

Weststar Aviation has been providing services to Malaysia's O&G industry since 2008, starting with a five-year contract to provide offshore transport services for Carigali HESS, according to Weststar's website.

The group has a fleet of 35 helicopters and recently purchased another 10, mainly to cater for current tenders.

In 2011, Weststar Aviation became the largest offshore service provider in Southeast Asia when it was awarded a contract to provide nine AW139 helicopters for Petronas Carigali Sdn Bhd, ExxonMobil Exploration and Production Malaysia Inc, Talisman (M) Ltd, Newfield Peninsular (M) Inc and Petrofac Ltd. The 10-year contract was valued at RM4.2 billion.

Weststar Aviation continued get-

ting more contracts in 2012 and this year. Then came the investment by KKR — its first ever in Malaysia.

RHB Investment Bank says previous private equity investments in Malaysia by foreign investors have been on a much smaller scale. "The deal demonstrates that investors continue to invest in Malaysia notwithstanding the global economic uncertainty and represents confidence by investors in the policies of the Malaysian government," the investment bank adds.

Sources had said that KKR initially wanted to purchase the entire stake in Weststar Aviation, a proposal which Syed Azman declined.

Next, a listing of Weststar Aviation could be on the horizon, possibly as early as next year. Syed Azman said the plan is to add value or grow the company before taking it public. ■

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