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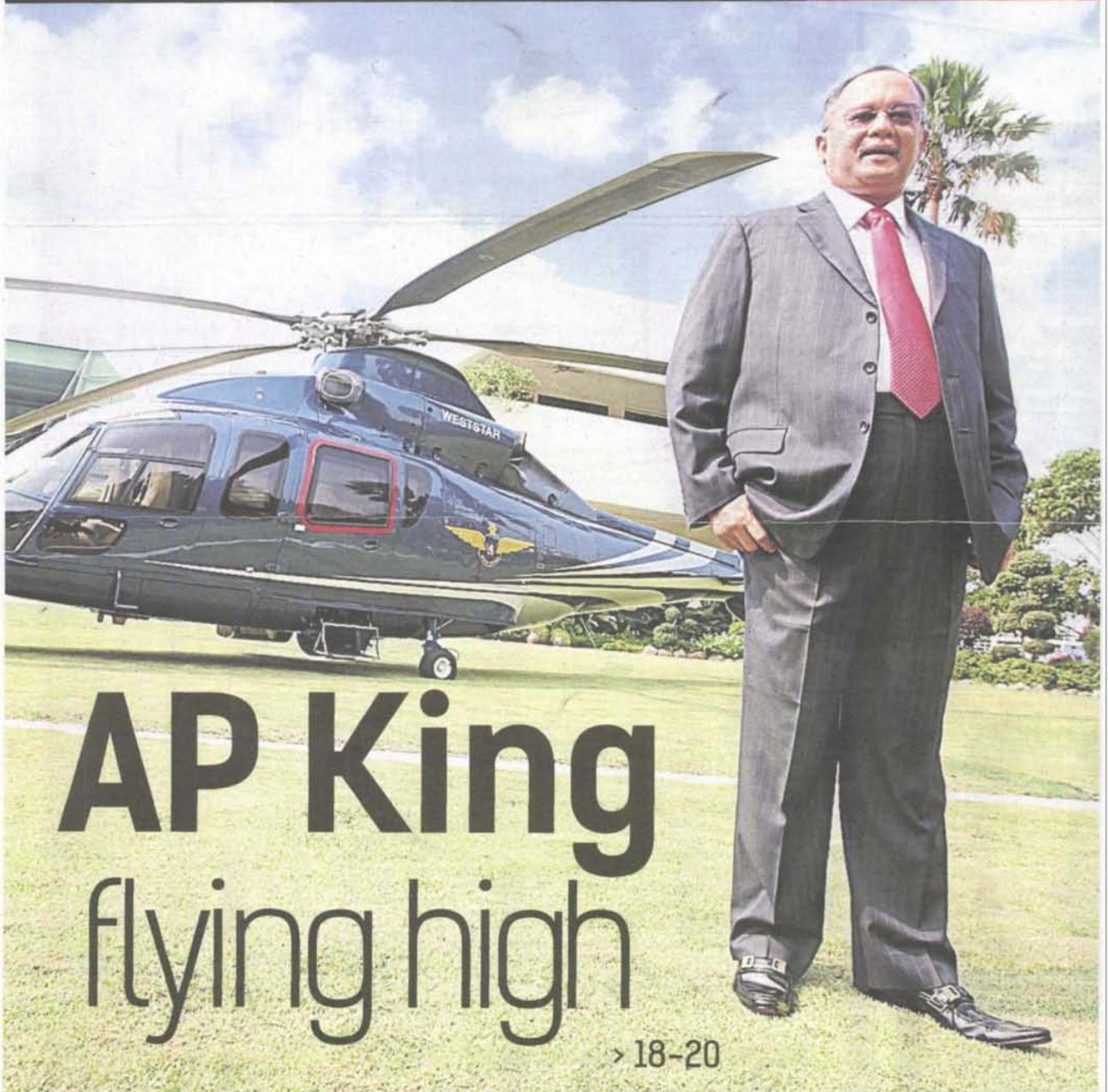
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**I love money and
everything I do is
about making money**

Weststar group of companies group
MD Tan Sri Syed Azman Syed Ibrahim



AP King flying high

> 18-20

Weststar

flying high

Syed Azman steers group into the big time

Stories by B.K. SIDHU
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FED up with traversing the country's roads to grow his luxury car business, Tan Sri Syed Azman Syed Ibrahim acted on a bit of advice that made him one of the richest people in Malaysia.

He was told to buy a helicopter if he is fatigued by the weariness of travelling by road. Syed Azman, a former military intelligence officer, did just that.

In 2003, he paid US\$1.5mil to buy a second-hand helicopter for his travels and when he was not using the copter, he leased it out. It was then he realised there was huge demand for helicopter-based aviation services in Malaysia.

Five years later he won his first contract to offer offshore aviation services to the oil and gas sector.

Today, as the owner of Weststar Aviation Services Sdn Bhd (WAS), he owns 40 helicopters and the company has over RM8bil worth of contracts to shuttle people and goods, predominantly offshore, for the massive oil and gas industry. He is angling for a further RM3bil worth of projects ranging from six months to 10 years.

"Now is also the window of opportunity and if we do not move fast enough we will miss it and have to wait ten years before a new set of contracts are given out by the oil and gas companies," he tells *StarBizWeek*. He is group managing director of the Weststar group of companies in which WAS is a unit.

Though he remains elusive and shuns the media limelight, his name was all over the newspapers in 2005 when the Government named the recipients of the AP (approved permits). He and the late Tan Sri Nasimuddin SM Amin of Naza Group topped the list with the most number of APs. Hence he was dubbed the "AP King", a monicker he is trying hard to lose.

In 2009, Syed Azman created a stir in Britain when he staged a takeover of Birmingham-based van manufacturer LDV (formerly Leyland DAF Vans, then LDV Group Ltd), but pulled out of the deal as it did not fit his plans.

Last year, he was again in the spotlight for selling 30% of WAS to one of the United States' biggest equity firms, KKR, for RM642mil. That values his company at RM2bil and he netted half of the sale proceeds.

Now he is planning to float WAS on Bursa Malaysia next year but that depends on market conditions.

He says he needs the lead time to "add value" so WAS gets the valuation he has in mind.

"But I am looking to build the most profitable offshore aviation services company though it may not be the biggest," he says.

"I love money and everything I do is about making money," he says.

Rise in the businesses world

Azman rose in the business world by tapping on opportunities provided by the Government to bumiputra businessmen wanting to make a foray in the automotive business.

He set up a company in 1994 after leaving the army. He and his wife had saved about RM200,000 and used it to get into the car business.

It is the passion for cars, nurtured since he was a boy, that saw him start by selling

second-hand cars. As the business and profits grew, Azman secured APs from his friends and started bringing in more cars from Britain to be sold here.

The big break came in 2002. Then, Weststar secured the right to sell Honda cars from Honda Motor Co of Japan, a deal concluded after two years of negotiations.

It broke the 30-year hold that Kah Motor had over the distribution of Honda marques in Malaysia.

Via his majority-owned Weststar Holdings Sdn Bhd, he entered into agreements with Honda Motor Co Japan and Honda (M) Sdn Bhd to import and distribute certain Honda models, such as the Jazz, that were not locally assembled.

Weststar managed to obtain 1,000 APs, called "franchise APs" from the International Trade and Industry Ministry (Miti) to import Honda cars.

The "franchise APs" phenomena had a great impact on the local automotive industry to the extent that it even dented the market share of Perusahaan Otomobil Nasional (Proton).

The "franchise APs" paved the way for mass market sales of imported cars, a development that did not go down well with proponents of Proton. It was also the ticket that catapulted Syed Azman to riches. By then he was said to

be worth a few hundred million ringgit.

Syed Azman grew his dealings with DRB-Hicom Bhd as his company Auto Pacific Star next started to import Chevrolet cars and sell them to DRB-Hicom's wholly-owned subsidiary Hicomobil Sdn Bhd.

He also had rights to distribute other marques such as Suzuki and the smart car.

But the National Automotive Policy (NAP) of March 2006 killed the award of "franchise APs" to individuals.

However, after several years of being a car importer, he realised that the local passenger car market had its limitations.

"I felt the passenger car market was not moving anywhere and we were already selling half a million cars in a competitive market where profit margins were falling. Rather than trying to build on the passenger car market, I decided it was better to move into the aviation business and also the commercial van business," Syed Azman says.

It was 2003 when he first started to look at aviation services seriously, and later diversified into the distribution of commercial vans and supply of military vehicles. He dabbled in construction and property development, and also set up a company providing insurance for his group. All these businesses are part of his Weststar group of companies where he is the sole owner. WAS is 30% owned by KKR and Syed Azman owns 70%.

After walking away from buying LDV, Syed Azman started selling LDV commercial vans.

He secured the distribution rights for South-East Asia and selected Asia-Pacific countries from Shanghai Automotive Industry Corp which now manages LDV.

The vans are branded as Weststar Maxus and supplied to various local agencies.

"We assemble them in Klang and are going to open six showrooms in Jakarta by April and also move to the Philippines and Vietnam," he says. Being a former military man, he understands the army needs. He set up Global Komited to sell military troop carriers and weapon platform vehicles.

"I know the military does not need fancy equipment that is difficult to maintain but whatever it needs must conform to Nato standards. So we got into providing specialised vehicles," he says.

In the construction business, Syed Azman established Weststar Construction in 1984.

The company has a PKK Class A licence and besides building showrooms, warehouses, delivery centres and hangars, the construction arm has also completed several property projects. The company today has RM600mil worth of jobs.

Though small, Weststar Construction has built some residential projects in the Klang Valley such as Taman Indah Jaya in Hulu Langat and Taman Titiwangsa Ukay in Ampang, including the high-end residential Sinaran service condominiums and retail projects in Taman Tun Dr Ismail. It is in the midst of completing 38 bungalows units in Kemensah Heights known as "The Reserve."

KKR has two board seats in Weststar Aviation Services

but eventually, it will need to maximise its investment," says someone familiar with KKR's investment strategy.

KKR has two out of the five board seats and though it will have influence, Syed Azman is very much in control.

WAS is aggressively bidding for new jobs and buying helicopters as it expands into new markets.

Maybank Investment Bank senior analyst Mohshin Aziz says that for a long time, WAS has been funding its helicopter purchases via borrowings. He says the listing of WAS will give it access to the capital markets.

The listing of WAS has seen bankers flock to knock on Syed Azman's door. "Bankers from London, Tokyo, Hong Kong and Singapore are seeing us almost every week and local bankers are also interested to do the flotation," he says.

CIMB Investment Bank Bhd and Maybank Investment Bank Bhd are the likely banks to be involved, those in the know claim.

"But these are early days and we have yet to finalise details and we are not in a hurry. What we want is good valuations and we must have more contracts and revenue," he adds.

A board meeting is scheduled for next week and Weststar group financial advisor Datuk Syed Izuan Jamalullail believes the topic of flotation will be discussed.

Syed Azman is looking to finalise details in May and appoint investment bankers a month later. Listing will likely be early next year.

Both Syed Azman and Syed Izuan would not say how much they are looking to raise, but a Bloomberg report suggests RM2bil and that puts a market value of RM6bil for WAS.

The company in 2012 was said to have earned a net profit of RM40mil and given the projects in hand, it would earn RM100mil in net profit for 2013. Both Syed Azman and Syed Izuan declined to divulge the profit numbers for last year.

"It is normal when you have good steady cashflow to diversify to buy land and develop it. But we are a very small player in the property sector. We buy 20-30 acres and develop in small pockets. We also prefer to develop land out of Kuala Lumpur. It is too expensive to buy and develop land in KL. We have just acquired 5,000 acres in the East Coast but it will take time as we need to first convert the agriculture land to commercial land," Syed Azman says.

With all his business, he is not willing to put a figure to his net worth, though those who know him believe it could be RM2bil to RM3bil based on all the assets that he has

locally and abroad.

"You work out your numbers, I can't tell you as I would sound too boastful and my mother will not like it. She keeps telling me to have my feet on the ground," he says candidly.

"With nine business units, we need to grow not in size but profits."

The thought of listing WAS must have come after KKR bought into the company. KKR typically invests in companies for a period of five to 10 years and by the seventh year onwards, it starts looking to divest. KKR bought into WAS in October.

"There is plenty of time and WAS needs to grow and add value. It is still early days

'I am no front man... I work for myself'

TAN Sri Syed Azman Syed Ibrahim has the taste for the good things in life and has built his empire from scratch. But given his meteoric rise and unsavoury links to being the AP King of Malaysia, he does have his fair share of sceptics. In a rare interview, Syed Azman spoke to Business editor (news) B.K. Sidhu on several issues and here are excerpts of the interview:

Your sceptics believe you are the front man for someone else or else you could not have built your business empire, please comment?

I am representing myself. It is my company and I am not the front man for anyone. People can say what they want but I am the one who has put in all the hard work and investment.

You were one of two businessmen who have been given the most number of APs (approved permits) to import cars. How was that possible without political connections?

I was the importer of cars and in the initial years I used "open APs" loaned from my friends. In the automotive business, APs are needed and we cannot sell APs.

It is just meant to bring in the cars. I later went to Miti and applied for APs and at that time they were only giving out "franchise APs."

That is different from "open APs." We sold 5,000 to 6,000 cars

a year, that is why we had so many APs.

Your naysayers believe you obtained the APs because of your ties with the former International Trade and Industry Minister Tan Sri Rafidah Aziz. Please explain?

I only met the Miti minister three times. If I was a nominee or representative, I would be meeting the minister every night. (Rafidah has denied any link to the issuance of APs for political favours).

How could you have just sold cars and still get into the aviation sector and other businesses which requires huge investments?

I dabbled in the stock market, I was buying stocks and I made a lot of money from that. In those days, the contra period was T+7 and that gave me a lot of time to roll the money.

But I was also not greedy and got out of the market before the crash. That is why we can build all the other parts of the business.

How did you land a deal with KKR and are you open to more investors for Weststar Aviation Services prior to its IPO?

They came to see me. Their Asian office must have been watching what we were doing. They also know the helicopter

business and they have a stake in Spanish-Avincis Group, which provides aerial services for mission-critical operations.

They first approached us in January 2013 and it took us 10 months before the deal was signed. We may look at more investors later.

Why do you need to order ten new helicopters before securing new service contracts?

I am buying based on my gut feel that we will win more contracts. In this business, you must have the aircraft ready when you win contracts because we are dealing with triple

A companies and they expect us to deliver after securing the contract.

This is also the window of opportunity to secure offshore aviation service jobs or else in the next 10 years there will be few contracts to go by. So, we do not want to miss out on the opportunity. We'd rather have the aircraft on standby.

What has your 13-year stint in the military thought you?

I served in the Royal

Intelligence Corps. My strength is in sizing up and I can see the future because in the intelligence game, you are anticipating what is going to happen in the future. You also have to size up your opponent.

With that base, I just need to put in the commercial sense from the security to business point of view.

When I give out orders to those who work at Weststar, they are clear because I set the direction so that they can carry them out easily.

I am not an economist, but I have military acumen and tactical warfare techniques. In the military, they teach you everything and I have attended numerous courses on how to evaluate your opponents. I just use what I have learnt and it works for me.

Your biggest challenge thus far?

I would say none. I have been very lucky, maybe because I have a string of good personal assistants (six of them) and advisors to tell me everything I should know. Just like buying the aircraft, I ask my advisors and they give me their views. But I make the final decision whether to invest or not. Even though they sometimes tell me something is not good, I will still evaluate for myself.

Your ambition for Weststar Group?

I want it to be a successful and profitable global company. I want Weststar to be able to do jobs in any part of the world and be more competitive than many companies in the US, Europe or the Middle East.

Syed Azman's love for flying machines

TAN Sri Syed Azman Syed Ibrahim's training in the military may have something to do with how he plans for new business. Instead of reacting to the terms of a new contract, he'd rather have his helicopters on standby in case he wins more jobs.

The cost of doing so is expensive. With the helicopter business being capital intensive, and to secure more contracts, Syed Azman knows he will need more helicopters. Typically a helicopter will cost about US\$20mil (RM66mil), depending on size and capacity.

Weststar Aviation Services Sdn Bhd (WAS) has 34 Agusta Westland AW139 aircraft and has ordered 10 more at a cost of RM600mil at the Singapore

Air Show. Delivery is expected in two years' time. WAS also has several Eurocopter EC225 and Sikorsky S-76 C++ helicopters bringing its fleet to 40.

"In this business, you must have the vehicles before you bid for jobs and that is why we are ordering even before getting the contracts. There is global demand for 40 helicopters for the oil and gas sector over the next 12 months and if we can get to supply 10, that will be a great headstart," says Syed Azman, the group managing director of Weststar group of companies.

Maybank Investment Bank senior analyst Mohshin Aziz says the demand for onshore and offshore helicopter services is huge, not just from oil and gas companies but also other sectors

including the Government.

WAS has RM8bil worth of contracts in hand. It has put in bids for new jobs and hopes to secure RM3bil worth of contracts this year. The bids are for jobs in Malaysia, Australia and Africa.

WAS currently operates out of seven bases – five in Malaysia and one each in southern Thailand and Mauritiana. Its clientele list includes companies such as Petronas Carigali, ExxonMobil, Carigali Hess, Tullow Oil, Newfield, Talisman, Petrofac, Schlumberger, HESS, Shell, Mubadala Petroleum, CCG Veritas and Conoco Philips.

About 50% of its RM8bil contracts are from Petronas Carigali.

Syed Azman is looking to expand further into Africa and also South

America. "Africa is where the next wave of oil and gas growth would be and we are positioning ourselves there to tap into that growth," he adds.

Three weeks ago, it bagged a RM2bil seven-year contract from Thailand's PTT Exploration and Production, to provide offshore helicopter services for seven years. WAS has also secured a US\$200mil job in Morocco to supply offshore aviation services.

Globally the helicopter market is controlled by Bristow Helicopters with a fleet size of 490 and Canadian Helicopters which operates 132 aircraft. WAS is creating waves in South-East Asia, but the challenge would be to secure more jobs before the wave of contracts dry up for the

season.

Locally, it is up against MHS Aviation Bhd which started out as Malaysian Helicopter Services in 1983. MHS is now owned by Boustead Holdings Bhd and the company also provides helicopter service to oil and gas companies. "Our edge is our high safety standards, and our decision making is very fast compared with bigger companies.

At Weststar, I own it and I take the risk. That is why we are buying helicopters before bidding for jobs so that we can have the aircraft as soon as we win contracts," Syed Azman says.

WAS has two arms – General Aviation and Oil & Gas Aviation. It is under General Aviation where a fleet of private jets are parked.

The group has four private jets for VIP flights. Those aircraft are used for corporate travelling and private charter.

"Like I said earlier, time is money and I hate wasting time so the jets are important for our travels. Imagine a group of five senior executives going for a meeting in Africa. They will probably spend many hours in airports and airplanes, and that means they have to be away from the office for many days. With our aircraft, they can get to the point, complete the business and return within a shorter time. That is why we invested in the jets.

"But we intend to sell two and just keep two," he adds.

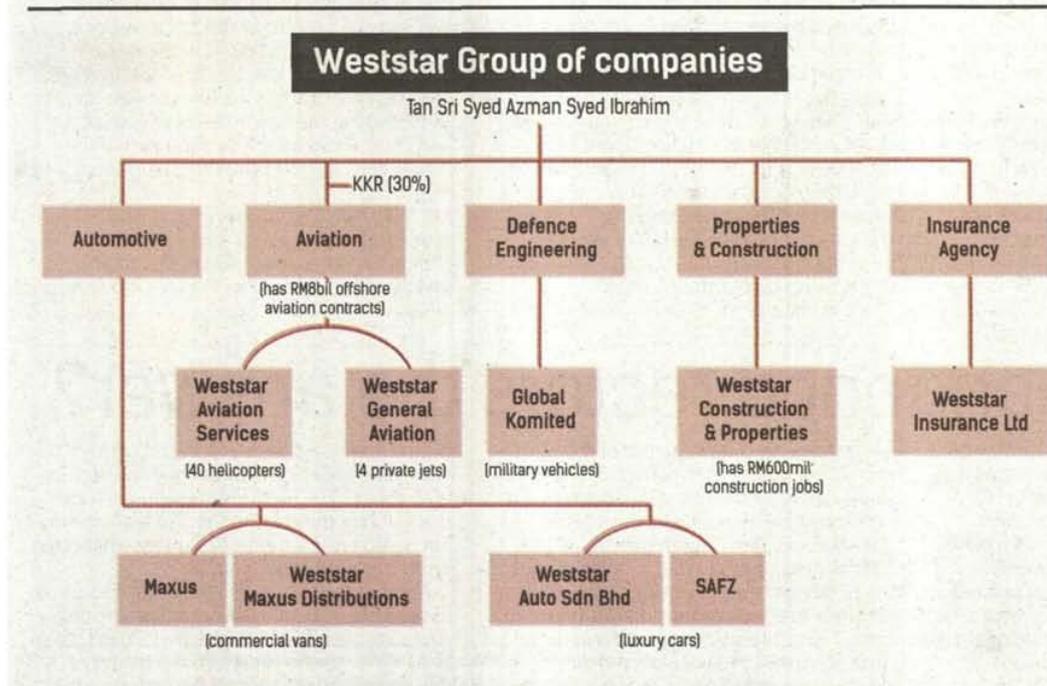
Now is also the window of **opportunity** and if we do not move fast enough we will miss it and have to wait ten years before a new set of contracts are given out by the O&G companies.

- Tan Sri Syed Azman Syed Ibrahim



Weststar Aviation Services' helicopter fleet

Group business structure



Time is money for copter tycoon

By B.K. SIDHU

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FOR a man who owns four private jets and a fleet of helicopters, Tan Sri Syed Azman Syed Ibrahim, who will be 54 next month, works out of a spartan office in the middle of Kuala Lumpur.

It is a non-descript office, where the walls of the office are adorned with pictures of him with prominent businessmen and political leaders.

But the office is probably the least flashy aspect of the billionaire businessman who is living the life many dream of.

"I had planned my life the way I wanted. I always wanted the finest things in life, right from young, and I have got them today," he says.

Syed Azman, born in Sungei Petani, was the eldest child of a civil servant father and a housewife.

As a boy, he was always attracted to cars. At school, he would admire any new car that came by and if he was lucky enough, his teachers would let him take a peak or sit inside the car. He studied at Ibrahim Primary and Secondary School in Sungai Petani up to Form 6.

"If you like cars, you will like money but I need to have the money first before I can buy a car. So after I finished Form 6 in Sungai Petani, I thought that if I were to further my studies at a university, it will be four years before I can start earning money. But if I started work, in months I would be earning and I can buy a car sooner," Syed Azman says.

Apart from cars, Syed Azman was also fascinated with the army. There was a army camp near where he lived and he wondered what life would be like in the army after seeing men in uniform and military vehicles passing by every day.

Leaving school in 1979, he took an entrance exam and soon found himself whisked away to the Officer's Cadet School in Port Dickson where he was in a bootcamp for nine months. Months later, he bought his first car. He refers to it as a junk – a Ford Escort – but it was his pride and joy. His first pay cheque was RM800.

In the mid-1980s when Proton launched the Saga, his colleagues in the army paraded their new cars. Though tempted, he knew it was important to save money.

So, after serving the army for 13 years and achieving the rank of major, he left to pursue his dreams in the business world.

That was in 1993 and with seed capital of RM200,000 – the savings he and his wife had accumulated – he ventured into the used car business. Soon after, he started selling reconditioned cars from Britain.

"I used to go to London and buy used cars, bring them back and sell them here. Then I did not have any approved permits (APs) but my friends did and I shared their APs," he says.

Eventually he made his way to the International Trade and Industry Ministry (Miti) to get APs for his business which was flourishing.

Unfortunately, Miti had stopped issuing "open APs" (meant for import of used/reconditioned cars) and could only offer him franchise APs. For the latter, he needs to be appointed as distributor by a foreign car maker.

Luck was on his side as he bagged the distribution rights of selected Honda cars such as the Jazz.

Instead of doing everything himself, he partnered DRB-Hicom. In 2003, he became the importer of the completely built up units, and DRB-Hicom the distributor.

After some time, other makers were also willing to let him sell their marques such as Chervolet, Suzuki and smart cars.

When Tan Sri Syed Mokhtar Al-Bukhary took over DRB-Hicom in 2006, things changed and Syed Azman handed over that business to the company. He remains a dealer of Honda cars.

Selling cars was good business for him but he also dabbled in stocks, both on the local bourse and overseas.

"Then it was easy to trade," Syed Azman says.

His typical day starts just like anyone else's but it does not end the same. He does not go to bed until the wee hours of the morning because he has meetings every night from 9pm to 3am. These are with employees and people who cannot catch him during the day. He also travels extensively locally and abroad for his business.

Work up to 3am

His business empire encompasses nine units that covers the luxury car business, helicopter and private jet services, commercial vans, construction and property development, defence supplies and insurance. To oversee all that, he has six personal assistants and several advisors.

"They get their slot with me every night at my house, when I am not travelling, and we can go on up to 3am. Those who have the late appointment slot can come to work after lunch the next day," he says.

He prefers to travel in private jets because to him, time is money.

"I am a person who hates to waste time. To me, time is money and that is why we have private jets to take us all around for our business. I am not the only one that travels in the jets, because when we go for business, we have our executives, lawyers and many other people joining us," he says.

Syed Azman expects his employees to share the same philosophy.

"He is full of energy and sometimes it is difficult for us to cope up with him. He is meticulous and when he gives an assignment, he expects it to be ready the day before. That's the kind of pace we are working at but we enjoy it because he takes care of us," says one personal assistant.

Being a military man, Syed Azman plans his work and does not like to procrastinate and neither does he expect others around him to do so.

"He is very regimented in his ways but easy to work with because his instructions are very clear and that makes it easy for us," says another assistant.

Syed Azman says he has six personal assistants so each can take care of a particular business segment. They brief him on a daily basis and that allows him to keep abreast on things all the time.

"I spend a lot of money on getting the best brains. I pay them well and my employees have a career path. I also have several advisors, people I can talk to, relate and cross examine," he says.

One assistant says: "Some people laughed at us when we told them we were getting into the helicopter business. But he told us to make sure that business takes off and today it is a sizeable operation."

Syed Azman loves to play golf but can hardly find time in KL to do so. He never leaves his golf bag and his caddie whenever he flies abroad. That's the only time he has, in between meetings overseas, to play golf.

"In fact I have two caddies, both are from Taiping. When I travel, I have some of our executives and lawyers travelling with me, and when there is free time, I play golf," he says.

Besides golf, he likes to read and has a passion for history. But it is not mere reading books about history. Syed Azman says he likes to visit historical places he has read about. Last year, he visited the Marshall Islands, the bloody battleground between Japanese and American soldiers during World War Two.

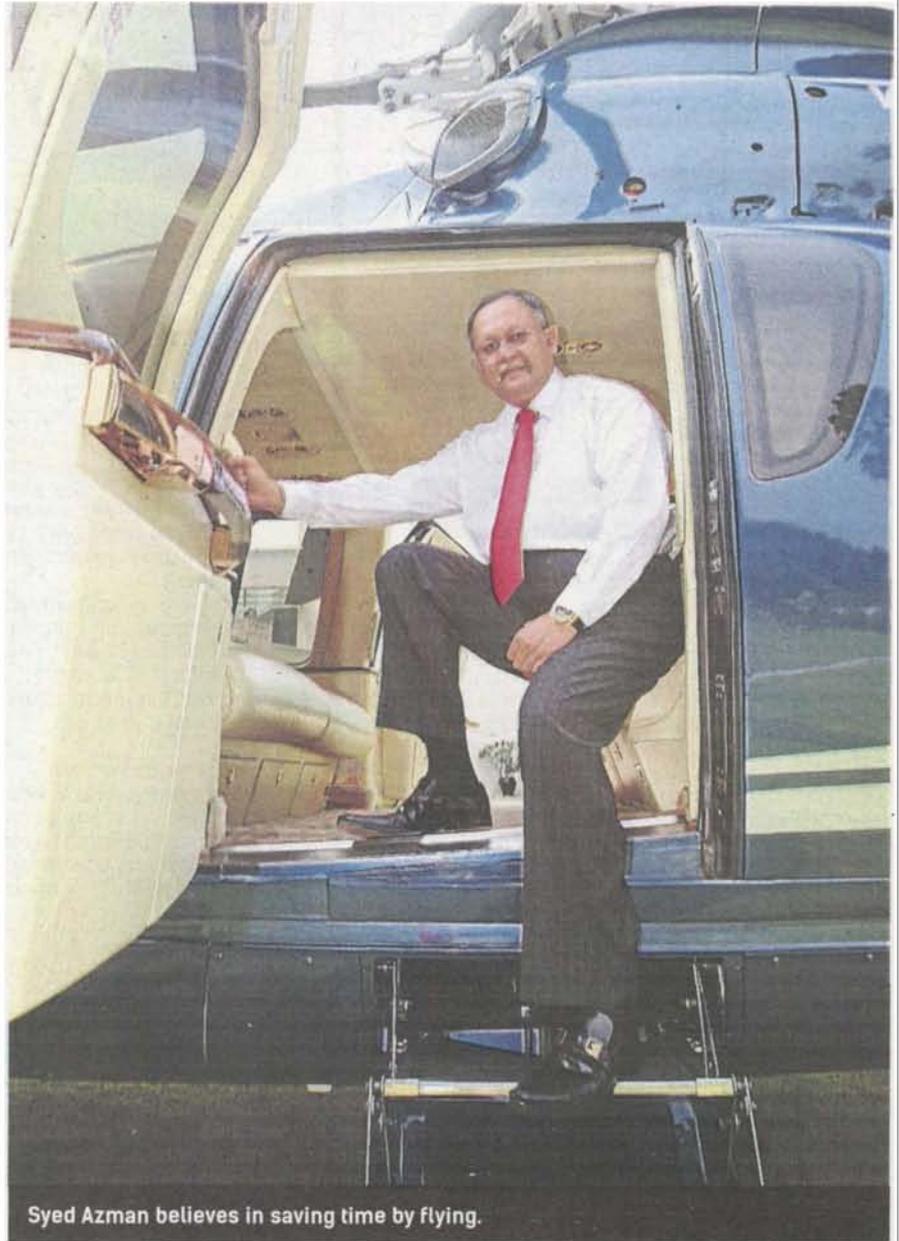
He hates shopping and dresses casually at home. He also goes scuba diving with his children at popular diving sites in Malaysia, Thailand and the Maldives.

His next choice destination is South America. That is also the place he hopes to get

some offshore aviation service contracts.

Many of those who work with him are also part of his enlarged family such as his brother, who runs the insurance business. His niece, Muhaini Mahmud, is director of corporate affairs. His group financial advisor Datuk Syed Izuan Jamalullail is his cousin.

His eldest daughter also works at Weststar Group and has just completed a stint in accounts and is moving to another unit to learn the ropes of the business.



Syed Azman believes in saving time by flying.