



Syed Azman's commercial vehicle business unit WM is expected to see SAIC, which is the biggest commercial vehicle manufacturer in China, taking up a stake of up to 49% in the company and jointly establish an assembly plant in Malaysia.

# Azman ropes in SAIC

## China auto firm to invest up to RM1b in AP King's commercial vehicle arm

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**PETALING JAYA:** SAIC Motor Corp Ltd, which is among the big-four automotive companies in China, has joined hands with Tan Sri Syed Azman Syed Ibrahim's commercial vehicle business unit Weststar Maxus Sdn Bhd (WM) in a deal worth up to RM1bil.

According to sources close to the deal, SAIC, which is the biggest commercial vehicle man-

ufacturer in China and a Fortune Global 500 company, will take up a stake of up to 49% in WM and jointly establish an assembly plant here with investments totalling up to RM1bil.

This is not the first time Syed Azman, who made his early fortune in the automotive industry, has roped in a partner for his businesses here that also includes a company that provides helicopter services for oil and gas companies.

Last year, private equity firm KKR & Co L P

(formerly known as Kohlberg Kravis Roberts & Co) paid RM642mil for a 30% equity stake in Weststar Aviation Services Sdn Bhd that is en route to a listing on Bursa Malaysia this year.

At the moment, Syed Azman, who is known as the "AP King" for his dominance in bringing in imported vehicles under a franchise approved permit system that took the local market by storm some 10 years ago, owns the

> TURN TO PAGE 2

# WM gets Asean Free Trade Area certification

> FROM PAGE 1

entire equity interest in WM.

WM, which distributes commercial vans in the country, recently got the Asean Free Trade Area certification, allowing it to export commercial vans to Asean at zero tax. Thus far, WM has sold over 2,000 commercial vans in the country.

The deal will also give WM rights to bring into Malaysia some of the vehicles that SAIC makes. It will distribute SAIC's passenger vans, MG Rover cars and pick-up trucks.

For SAIC, it has its eyes on Asean, and WM is its platform to penetrate the Asean market for the export of commercial vans, sources said.

Malaysia is not SAIC's first stop. It now has a manufacturing plant in Bangkok and recently inked a joint venture to set up a manufacturing plant in Indonesia.

Though SAIC has been expanding beyond China's borders, it has had a long relationship with Syed Azman.

Both parties crossed paths when they were competing to acquire British van manufacturer LDV Group, which SAIC eventually won.

After SAIC had acquired LDV's intellectual property in 2010, the automotive player from China appointed Syed Azman's Weststar group as the official distributor of the V80 model for the Asia-Pacific region.

SAIC's business covers research, production and vehicle sales of both passenger cars and commercial vehicles. It also covers components including engines, gearboxes, power-trains, chassis, interior and exterior and miscellaneous electronic components, and logistics, vehicle telematics, second-hand vehicle transactions and auto finance services.

Being the largest auto maker in China with revenues totalling US\$101bil (630 billion yuan) as at end-2014, it sold 5.62 million vehicles last year.

Its affiliated vehicle companies include Morris Garages, SAIC Motor Commercial Vehicle Co, Shanghai Volkswagen, Shanghai General Motors, Shanghai General Motors Wuling, NAVECO, SAIC-IVECO Hongyan and Shanghai Sunwin Bus Corp.

On the impending listing of Weststar Aviation, sources said the group has appointed Maybank Investment Bank Bhd as lead arranger for the initial public offering (IPO), with CIMB Investment Bank Bhd and RHB Investment Bank Bhd also involved. The foreign tranche would be handled by UBS and JP Morgan.

Based on the current business of contracts from Petroliam Nasional Bhd and other oil majors, Weststar Aviation is valued at between RM2bil and RM4.2bil. It is expecting to raise some RM1.4bil from the IPO to pare down debts.