

SPECIAL REPORT: MALAYSIA COUNTRY REPORT

Weststar soars with developments of the future

Diversification has driven Malaysia to unprecedented growth rates in the past few years. From commodities to non-commodities and from raw commodities to processed goods, the economy has diversified horizontally and vertically. Non-resource sectors were particularly strengthened by welcoming foreign investments and talents, while new, hi-tech manufacturing plants have been established to complement infrastructure for traditional industries such as oil and gas.

Apart from raising the nation's chances against volatile market conditions and currency exchange rate fluctuations, the increased diversity also boosted the competitiveness of Malaysia's goods and currency exchange rates.

Mirroring the robust economic atmosphere in Malaysia are the country's key industry players – but few reflect such dynamism better than homegrown conglomerate Weststar Group of Companies.

On land, in the air, on the vanguard of defence and at the forefront of the construction industry, Weststar has grown alongside Malaysia over the past 10 years to become among the nation's most valued revenue generators.

Equipped with its own diversification strategy, Weststar quickly grew from a single company to a family of niche product and service providers – thanks to the strong vision and founder and group managing director Syed Azman Syed Ibrahim.

"I saw the opportunity in catering to a high-potential market that had yet to be served by a reliable and accessible supplier. That was the luxury vehicle market 10 years ago; today it is aviation,

defence and commercial vehicles," Syed Azman says. "These are the businesses of the future, which I believe have come to learn to be the best investments forward-looking entrepreneurs can make."

Staying true to his business acumen, Syed Azman has built Weststar into a recognised symbol of excellence and uncompromising quality in Malaysia and globally. The group today consists of nine corporations: Weststar Aviation Services, Weststar General Aviation, Weststar Maxus, Weststar Maxus Distributors, Weststar Auto, SAZ Auto, Global Komited, Weststar Construction & Property and Weststar Insurance.

Foundations of a homegrown giant

What the industry has come to know as a Malaysian icon of excellence and high quality began as a humble – yet ambitious – vehicle company. Incorporated in 2002, Weststar Auto is an award-winning and consistent performer among authorised Honda dealers and after-sales service centres in the country.

Earning Honda's full range of models, Weststar Auto has also earned the title as a "Honda 3S Centre" for being a one-stop sales, service and spare-parts hub.

"Much like Honda, Weststar Auto has grown to become synonymous with high-quality, top-performing vehicles," Syed Azman says. "Its record of servicing as many as 1,700 cars on a monthly basis proves how much our clients enjoy our reliability, professionalism and customer care."

Weststar's success in the automotive field has spun off related companies: SAZ Auto for high-end charter operations under Weststar General Aviation and offshore operations for oil and gas companies



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Syed Azman Syed Ibrahim
Founder and group managing director

From streets to the skies

Taking off from the streets to the skies became a natural progression for Weststar, following Syed Azman's business principle of serving a niche, high-end market. Just more than one year after it began operations, the company launched Weststar Aviation Services.

"Weststar Aviation Services thrived as soon as we got a licence from the Department of Civil Aviation. We began chartering for news and television stations, and other private companies," Syed Azman says. "It started with a single helicopter in 2003 and now has a fleet of 45 helicopters operating from Malaysia, Mauritania and Thailand."

The company has since been divided into two specialised areas – charter operations under Weststar General Aviation and offshore operations for oil and gas companies

under Weststar Aviation Services. Weststar General Aviation boasts a fleet of seven Eurocopter helicopters, two Boeing B727-VIP aircraft, a Boeing B737-VIP and a Gulfstream II twin-engine business jet. Apart from providing transport services for corporate VIPs, Weststar General Aviation also offers chartering for timber survey, powerline/pipeline inspections, medical/emergency evacuations, personal/private tours and sling-load operations.

From mainly a general aviation business, Weststar Aviation Services evolved to providing advanced offshore services in 2008. By 2011, it had become the largest offshore helicopter service provider in the Southeast Asian region, winning a bid to supply AW139 helicopters to Petronas Carigali, ExxonMobil, Newfield, Talsman and Petrofac.

In the succeeding couple of years, other prominent oil and gas players have joined Weststar Aviation Services' clientele. These

include Petronas Carigali, ExxonMobil, Carigali Hess, Carigali-PTTEPI Operating Company, Talsman, Petrofac, Newfield, Total, Kolabangan Petroleum Operating Company, ConocoPhillips, Lundin, WesternGeco, Hess, Shell, Tullow Oil, CGV Veritas, INPEX Offshore, FTTEP and Mubadala Petroleum.

The company's commitment to quality and safety is also reflected through its award-winning track record. Weststar Aviation Services won the Silver award from Safety Award for Excellence (SAFE) in 2009, the Platinum award the following year, and the Platinum award the year after. Honouring Weststar Aviation Services' four years of safe operations, Petronas Carigali Hess awarded the company another Platinum award in 2012.

"Safety is paramount, and offshore is all about safety," Syed Azman says. "Oil and gas companies have the highest safety standards – and we are proud to be able to fully satisfy their stringent requirements."

Recognising the oil and gas industry as among the main drivers of Malaysia's economy, Weststar Aviation Services aims to become an industry leader with a powerful fleet of state-of-the-art helicopters.

Adding to its reliable, spacious and sturdy Sikorski STRC – fleet are Weststar Aviation Services' newly acquired AgustaWestland AW139, AW169 and AW189 lines of cutting-edge helicopters.

New bases to house the company's expanding fleet have also been established in the strategic locations of Kertoh, Kota Bharu, Kuala Terengganu, Kota Kinabalu and Langkawi in Malaysia; in Nouakchott, Mauritania; and in Sangkhli, Thailand. This year, another hangar is scheduled for construction at the Sultan Abdul Aziz Shah Airport in Subang, Kuala Lumpur.

"I have envisioned growing the company by at least 10 per cent per year," Syed Azman says. "We have been fortunate to exceed our targets, and that is why we feel that we owe our customers and partners to pursue even greater heights together with them."

Continuous pursuit of excellence

Pursuing excellence means constantly evolving around the equally dynamic markets, as Weststar has demonstrated over a decade. For Syed Azman, it also means focusing on the businesses of the future.

"Businesses of the future, such as aviation and specialised vehicles, will drive the growth of burgeoning economies such as Malaysia and the rest of Asia," Syed Azman says. "People used to shy away from such businesses because of niche markets and high learning and technological

thresholds. Weststar, however, has proven that the rewards for overcoming these challenges are worth every bit of hard work that an aspiring global industry leader must commit to."

Setting a benchmark in their respective industries, each Weststar subsidiary is committed to attaining its vivid short- and long-term visions. Global Komited, for instance, is on the path towards a regional role as it aims to become a key supplier of defence and commercial-use automotive, aviation and electronic products and services in the Asia-Pacific.

Global Komited has several memorandums of understanding and agreement on commercial and industrial collaboration, including equipment licensing, marketing and supply and consultation on a wide range of vehicles, technologies and services.

Closer to home, SAZ Auto is set to become the first in its field to provide a warranty of as long as three years for its refurbished luxury imported cars for the convenience and peace of mind of its customers. It will also open new showrooms in key locations such as Penang and Johor, and soon offer after-sales services.

Weststar's overall automotive business contributes about 40 per cent to the group's income, with aviation accounting for the rest of revenues. Anticipating increased demand from the defence and retail markets, it is expected to grow its contribution to the group's total revenues to as much as 60 per cent this year.

"There is always room for expansion and innovation for a passionate business," Syed Azman says. "We are proud to be developing the future – one where we see ourselves growing alongside Malaysia and our neighbours in Asia."

Greater heights in the offing for ambitious ventures

Propelled by increased spending from the consumer and business sectors, Malaysia's gross domestic product is projected to rise by as much as 5.1 per cent this year.

The country has also received favourable forecasts from industry observers who have analysed its IPO market in the past years. Many analysts agree that this year's IPO market should perform just as well, if not better, as last year due to a stable political and economic climate.

Furthermore, the oil and gas and property industries are also expected to lead to new IPO launches.

The year will likewise mark milestones for Weststar as it ventures once again into exciting, exciting and game-changing journeys. This is especially true for the group's flagship corporations, Weststar Aviation Services, Global Komited, Weststar Maxus and Weststar Maxus Distributors.

KKR partnership strengthens reach, paves way for IPO

Having been able to catch the interest of United States-based investment firm Kohlberg Kravis Roberts (KKR) is, in itself, a testament to how far and wide Weststar Aviation Services has reached since 2003. The fact that the partnership is KKR's first-ever investment in the country is another.

KKR invested about US\$20 million in Weststar Aviation Services last year, enabling it to gain a sizeable minority stake in the corporation, which is set to magnify its presence as a leading provider of helicopter services provider to the oil and gas sector.

Syed Azman Syed Ibrahim, Weststar Group managing director, refers to the partnership as a vehicle to take the group to the next level, which he believes will harness Weststar Aviation Services' full potential in offshore aviation. He is confident that KKR's established networks and resources in Southeast Asia, in particular, will be a key conduit for Weststar Aviation Services' regional and global growth.

"Beyond having a common vision of building a global leader in offshore helicopter services, KKR and Weststar Aviation Services clearly add value to each other's individual strengths," Syed Azman says. "We hope to then pass on the added value to our clients as we move forward together."

KKR has also expressed its confidence in its partnership with Weststar Aviation Services and Malaysia's oil and gas industry in general, which is forecast to continue flourishing in the coming years. KKR is backed by a long and positive track record in Asia, where it has

about US\$1.5 billion in total investments.

Syed Azman met with KKR's Southeast Asia regional head Ming Lu at the partnership signing ceremony in Dubai, where Ming reinforced that the joint venture will pave the way for value-added services.

As with Syed Azman's other ventures, KKR's immediate partnership with KKR makes up only a part of Weststar Aviation Services' bigger plans when it comes to growth and expansion. One major objective is to launch an IPO for Weststar Aviation Services within this year, but not before the company has reached its goals.

"An IPO for Weststar Aviation Services is certainly in the offing, but the timing and value must be right," Syed Azman says. "The company has tremendous potential – and we look forward to realising it fully with prospective investors and stakeholders."

Sharing Syed Azman's view, Ming also acknowledged that a public listing is a likely option for Weststar Aviation Services, but it is not in the company's immediate priorities.

According to Syed Azman, the company is more interested in leveraging KKR's know-how and experience in running a large regional operation. It aims to further expand its fleet of 45 helicopters, and win more overseas contracts in the next 12 months.

Having participated in various tenders in Africa, Thailand and Morocco, Weststar Aviation Services is set to expand its footprint in Southeast Asia and West Africa.

Full protection at a fraction of the price

While national defence is of the utmost importance for every country, most developing nations are able to allocate only a small budget for their defence. Coming from a military background and a country focused intently on development, Syed Azman has his understanding of such a crucial yet delicate issue to a win-win opportunity for Weststar and its clients through Global Komited.

"I cannot afford to buy a fleet of state-of-the-art military vehicles? Buy a standard commercial vehicle and we will upgrade it with the complete set of equipment and design that is worthy of any defence mission," Syed Azman says. "The best part of working with us is being able to offer a complete package of services, which means getting exactly what you need – at the price you are willing to pay."

Each Global Komited vehicle can serve clients as much as 75 per cent of their budget without compromising



Weststar Aviation Services has grown into the largest offshore helicopter service provider in Southeast Asia.

quality and security. The savings, in turn, can be allocated for bigger priorities such as education, technology advancement and other development agenda. The company aims to grow its clients locally and in similarly emerging economies such as Indonesia, Thailand and the Philippines, among other Asian countries.

Maximising Maxus' potential

Understanding the market – and its intricate needs – has been a crucial factor to Weststar's growth. Weststar Maxus and Weststar Maxus Distributors testify to applying

such know-how and understanding, exemplifying that paying attention to customers results in a bigger payoff in the long run.

Weststar Maxus quickly became popular since its inception, thanks to its ability to turn an average large van into a highly customised and specialised vehicle. Apart from being the ultimate passenger van, a unit can turn into a rescue van or ambulance, prisoner carrier, forensic vehicle, broadcast communications hub and even a mobile office.

As many as 1,000 vans roll out of Weststar Maxus' facilities each year – with assembly, distribution, marketing, sales and after-sales

services all done in-house, ensuring customers uncompromised quality. Among Weststar Maxus' repeat clients are government offices, including the Armed Forces, Fire and Rescue Department, Ministry of Health, Ministry of Youth and Sports, Road Transport Department, banks and a host of hospitals.

Through its joint venture agreement with one of China's largest automakers, Shanghai Automotive Industry Corporation (SAIC), signed in 2010, Weststar Maxus holds exclusive distribution rights for SAIC's offerings across Asia-Pacific. The main manufacturer of the

Weststar Maxus V90 commercial vehicles line, SAIC recognised Weststar Maxus' success and ambassadorship with its Most Outstanding Distributorship award last year. Weststar Maxus Distributors has also earned the privilege of becoming the first SAIC partner overseas allowed to assemble vehicles for regional distribution through factories in Malaysia.

"Earning the trust of partners such as SAIC is an achievement rooted in hard work and the perseverance of our people," Syed Azman says. "It motivates Weststar Maxus and the rest of

the group to work even harder to deliver better products and reach higher targets."

The company will continue to open more showrooms and after-sales centres throughout Malaysia, and is slated to extend its regional footprint in Indonesia where the Maxus V90 will soon be launched.

"The Asia-Pacific will definitely see more of Weststar Maxus' signature vans in the near future," Syed Azman says. "Not only will the region have Weststar Maxus offices, it will also witness further innovations rolling out from our doors."

At the helm of a national business icon

No less iconic than Weststar Group itself is founder and group managing director Syed Azman Syed Ibrahim, the man behind the grand vision that transcends boundaries in a way Malaysia – and even Asia – has never witnessed before.

A legacy all his own, Syed Azman traces his roots to a modest family whose life revolved around civil service. He himself joined the Malaysian Armed Forces immediately after high school where he served for 13 years.

Syed Azman attributes much of his passionate interest in defence-related business while

to his extensive background in the military.

"The 13 years I dedicated to serving in the Armed Forces enabled me to identify my passion in life – which is creating successful, meaningful businesses," Syed Azman says. "It also instilled in me a deep interest in providing products and services that can help developing nations such as Malaysia reach equal footing with the West."

Beyond the company's formidable achievements and continued success, however, Syed Azman takes greater pride in fulfilling his personal passion while

helping other people pursue theirs. He boasts, for instance, that Weststar started with 10 people a decade ago and has since recruited more than 1,000 select, dedicated and passionate talents.

Apart from advising investors to focus on businesses of the future, Syed Azman is also keen on inspiring ambitious young entrepreneurs to put their money where their heart is.

"Training comes naturally when you have your heart and mind in it," Syed Azman says. "I poured all of my savings into importing and selling cars, knowing that it is what I wanted to do."

Attracting the best to inspire

Drawing in the best minds and talent in Malaysia and worldwide is uppermost among Weststar's priorities for several reasons. Apart from keeping the group in tiptop shape with the finest engineers and pilots in the industry, employing brilliant workers also fosters a family learning environment within the group.

"I am proud to admit that I am still learning new things in business," Syed Azman says. "Be it aviation, information technology or social media – there is an endless way to learn and equally endless

means to earn from them. The key is finding your niche and growing from there."

Syed Azman believes that Singapore has the most tremendous potential that only needs to be unlocked with the right opportunities and strong business acumen.

"Achieving a goal – whether it is a personal dream or a company's bottom-line target – is a matter of believing and realising it," Syed Azman says. "Fortunately for us in Southeast Asia, we are a growing economy where opportunities abound. I advise taking them, and taking them now."



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