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From left: Poh, Shah Hakim Zain and Quek

## Quek, his associate and two institutional funds mop up shares in O&G outfit

By RISEN JAYASEELAN

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**PETALING JAYA:** The buyers of the 268.79 million Scomi Energy Services Bhd shares that crossed ownership last Friday included parties other than Tan Sri Quek Leng Chan, with the single largest buyer being Paul Poh, a former long-serving employee of the Hong Leong group.

The block of shares belonging to Standard Chartered Private Equity Ltd, which amounted to 11.48%, had been up for sale since late last year and posed an overhang to the share price.

"Scomi Energy has been bulking its order book and tipped to win a contract to develop a marginal oil field. But the market is somewhat waiting to see who the new shareholders are," says a dealer.

"The latest development should put an end to any uncertainties because the additional shareholders are well-known names."

Poh, who is said to maintain a close relationship with Quek, bought about 40% of the block of Scomi Energy shares via his private investment vehicle Caprice Capital.

Quek, the major shareholder of the Hong Leong group, took up the second largest portion of 30% or 80 million shares.

There were two other institutional shareholders

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## Poh said to have struck a good bargain

who also jumped at the opportunity to pick up a block in Scomi Energy – Norway's oil fund, Norges and Lembaga Tabung Haji (LTH).

Norges, one of the world's largest sovereign funds, took up 30 million shares, while LTH bought 50 million, the sources said.

"The deal was largely driven by Poh and was clinched only late last week after some tough negotiations. It's a pretty decent price so he's (Poh) struck a good bargain," said an investment banker.

Industry sources said UOB Kay Hian Securities (M) Sdn Bhd also played a key part in putting this deal together.

Late last Friday, a block of 268.79 million shares of Scomi Engineering were traded off market at an average price of 76.5 sen a piece. The seller of the block is said to be Standard Chartered Private Equity Ltd which ended up with the block last year following a group restructuring exercise.

The price of 76.5 sen was at a significant discount to Scomi Energy's closing price of 88.5 sen the day before.

But late Friday, Scomi Energy shares saw a hive of activity after the block crossed and closed at 99.5 sen.

Indications are that the shares could see a lot more buying interest today following the entry of this group of investors, especially Quek.

Scomi Energy is the jewel in the Scomi group after it went through a restructuring last year to reduce the debt burden at the group level.

During the restructuring, Scomi Group's oil fields services subsidiary KMC Oiltools Sdn Bhd – where Standard Chartered had a 19.99% stake – was injected into Scomi Energy in return for shares.

Hence, Standard Chartered Private Equity ended up with the 11.48% in Scomi Energy while Scomi Group increased its stake in the oil and gas unit to 65%.

At the Scomi Group level, IJM Corp emerged as a shareholder with an interest of 10%. IJM's stake can go up to about 24% if the construction giant converts a RM110mil convertible debt paper issued by Scomi Group.

The entry of IJM and the subscription of the convertible debt papers stabilised the financials of Scomi Group, that is led by group chief executive officer Shah Hakim Zain who is also its major shareholder.

The 40-year-old Poh, who declined to comment, had spent a large part of his career with the Hong Leong Group. He recently left the group to be more active in his private investment vehicle Caprice Capital.

Poh's last position at Hong Leong was managing director of Hong Leong Management Co Sdn Bhd, which oversees all the group's investments.

Poh had begun his Hong Leong stint in the mid-1990s with Hume Industries and later joined the stockbroking arm of Hong Leong, rising to head Hong Leong Securities.

He also did a stint as the managing director of Guocoland (M) Bhd, where he remains a director.

Caprice Capital had emerged as one of the cornerstone investors in last year's mega IPO of UWM Oil and Gas Corp Bhd.

Industry sources said Caprice has also made some joint investments with Creador Sdn Bhd, the private equity fund helmed by Brahmil Vasudevan, into companies such as Bonia Corp Bhd and MNC Sky Vision, Indonesia's largest pay-TV operator.

Meanwhile Norway's Norges fund had last year taken up 18 million shares in another local oil and gas services firm Daya Material Bhd, indicating the sovereign fund's appetite for small stakes in Malaysian companies in that sector.

LTH had already owned 1.6% or 34 million shares of Scomi Energy prior to this block sale.

This new group of investors of Scomi Energy are said to have been attracted to the later's drilling fluids and drilling waste management business.

Scomi Energy's shares have also rallied in recent times on the back of speculation that it is close to securing a risk service contract from Petroliam Nasional Bhd to develop a marginal oilfield in the Ophir cluster, off the coast of Terengganu.