



**Anticipated Merger between SIA Engineering Company Limited and Pos Aviation Engineering Services Sdn Bhd**

Reference Number	:	MAVCOM/ED/CC/DIV4/2021(2)
Application	:	Voluntary Notification and Application for an Anticipated Merger under section 55 of Act 771
Applicants	:	SIA Engineering Company Limited and Pos Aviation Sdn Bhd
Receipt of Application	:	26 October 2021
Summary of Application	:	<p>SIA Engineering Company Limited (“SIAEC”) and Pos Aviation Sdn Bhd (“PASB”) (collectively, the “Applicants”) are seeking for approval pursuant to section 55 of Act 771 in relation to SIAEC’s proposed acquisition from PASB of 49% equity of Pos Aviation Engineering Services Sdn Bhd (“PAES”).</p> <p>PAES is a wholly-owned subsidiary of PASB and is primarily in the business of providing aircraft maintenance certification and engineering services at the following airports in Malaysia:</p> <ol style="list-style-type: none"><li>1. Kuala Lumpur International Airport</li><li>2. Kuala Lumpur International Airport 2 (klia2)</li><li>3. Penang International Airport</li><li>4. Sultan Azlan Shah Airport (Ipoh)</li><li>5. Kota Kinabalu International Airport</li><li>6. Kuching International Airport</li><li>7. Langkawi International Airport</li></ol> <p>The Applicants note that the proposed acquisition would not result in any substantial lessening of competition (SLC) as PAES has a relatively small market share and has no market power or ability to foreclose the market of ground handling services in Malaysia.</p> <p>The Applicants further note that PAES’ competitors have higher market shares than PAES and that the proposed acquisition will strengthen PAES so as to ensure continued options in the ground handling market for the benefit of airlines.</p>



	<p>The Applicants further provide that the proposed acquisition will have benefits in terms of economic efficiencies through synergies with SIAEC and cost reductions. The application also provides that the proposed acquisition will bring about employment opportunities and promote market growth as the proposed acquisition will result in the introduction of new market segments and in turn, promote investment in Malaysia.</p>
Consultation	<p>:</p> <p>MAVCOM welcomes any party to submit written feedback on the notification and application regarding the proposed acquisition of 49% of PAES by SIAEC.</p> <p>Any written feedback shall be titled “Anticipated Merger between SIA Engineering Company Limited and Pos Aviation Engineering Services Sdn Bhd” and submitted to MAVCOM by email to <a href="mailto:competition@mavcom.my">competition@mavcom.my</a> by 13 December 2021.</p> <p>If the feedback contains confidential information, the party submitting the feedback shall clearly identify the confidential information and provide a non-confidential version of the feedback (with the confidential information removed and replaced by the word [“CONFIDENTIAL”]). “Confidential information” refers to trade, business or industrial information that belongs to any person, that has economic value and is not generally available to or known by others.</p>