



THAILAND

UOB EXITS MERMAID

United Overseas Bank Limited's [UOB Venture Management Pte Ltd](#) has divested all its shares – a 10.87% interest – in marine safety and offshore subsea engineering business Mermaid Maritime Ltd. in Thailand. The divestment, for a total consideration of \$16.68 million, was made to Thoresen Chartering (HK) Ltd., a subsidiary of Thai Agencies Public Co. Ltd.

"Mermaid needed the funds to expand into the tender drilling rig business. With the funding from ACIF and the existing shareholders, they achieved their objective. As Mermaid's major shareholder is also looking to increase its stake in Mermaid, we felt that the timing is right to divest. The return is good for the investment period," [Seah Kian Wee](#), MD of UOB Venture Management, told *AVCJ*.

According to UOB Venture Management, they made a gain of \$10.29 million resulting in an IRR of 87% over the period of the investment, which was made by means of UOBVM's ASEAN China Investment Fund.

Established in 1982, Mermaid owns and runs a fleet of offshore service



Mermaid Maritime diver training

vessels, ROV support vessels, and purpose-built diving vessels.

Seah explained that UOB Venture Management identified Thailand's oil and gas sector as one to support, and Mermaid, which is an SME in Thailand, is in the right business. "This sector is sexy. If you use listed companies as a proxy, this is one of the sectors that fund managers like. It



Seah Kian Wee

is growing. In addition, Mermaid has a good management team, strong shareholders, and a good track record."

"We will still be focusing in Thailand in sectors like automotive, water/waste treatment, consumer related and will continue to source for companies with good management and good growth potential," he added.

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CHINA

EASTON CLOSES FIRST CHINA DEAL

New China fund Easton Capital Partners has closed its first transaction in China, investing \$2.5 million in wireless handset design house DCWireless Technology.

The transaction was structured as a bridge between a Series A round raised last year, and a Series B round that is currently being raised, according to Charles Hughes, managing director at Easton Capital Investment Group in New York.

Founded in mid-2004 by Dr. Xiaoliang Deng, DCW produces handset designs for smart phones with such features as handwriting capability, MP3 and MP4 and even a TV phone for the China market. Hughes said DCW is the first design house to have developed a TV phone for the PRC.

The company, which is targeted at the mid-tier market with smart phones priced at \$120 to \$250, earned \$4 million in revenues and \$2 million in profits during 2005, Hughes said. It is on track this year to record \$18 million in revenues



Charles Hughes

and \$5 million in profits, he added. While most of the company's customers are Chinese handset manufacturers, one new project the company is working on is a new music phone for Disney, Hughes said.

The deal was sourced by Mark Chen, a Beijing-based partner with Easton Capital Investment Group.

DCW will use the new funds to put itself on a "higher growth curve" without relying on profits to fuel that growth, Hughes said, adding, "They want to add some personnel, and some engineering and design capability."

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