

Shaw Kwei acquires Singapore oil industry supplier for \$50m



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Shaw Kwei & Partners has agreed to acquire a 75.6% stake in Singapore-listed oil and gas industry equipment supplier Gaylin for \$68 million (\$50 million).

According to a [filing](#), the GP will purchase about 1.4 billion shares at S\$0.05 apiece. Gaylin stock has fluctuated in a range of S\$0.06-\$0.12 since the beginning of the calendar year and last closed at about S\$0.09.

Shaw Kwei is investing via its Asia Value Fund, which was [launched](#) earlier this year with a target of \$800 million and a focus on industrial, manufacturing and services sectors in Asia. Gaylin will continue to be listed on the Singapore Exchange. The transaction is expected to be finalized early next month.

Founded in 1974, Gaylin offers marine and offshore heavy lifting and mooring services, with a focus on heavy objects and securing floating structures. It claims to be one of the country's largest multi-disciplinary specialist providers of rigging and lifting services for the global oil and gas industry.

The investment has been interpreted as an extension of an energy industry restructuring and consolidation phase related to low international crude prices.

Oil has traded in a range close to \$50 a barrel for most of the period since a sharp price drop in late 2014. Although this environment has created investment opportunities for private equity, deal activity in Asia has been [subdued](#) due to a lack of specialized talent and difficulties realizing favorable partnership terms with the region's national oil companies.

Shaw Kwei's third fund closed in 2010 at \$450 million. Recent activity by the GP includes a 4.8x exit from [YongLe Tape](#), China's largest producer of PVC adhesive tape, to Avery Dennison for \$300 million.