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THHE–Destini JV eyes government shipbuilding contract

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KUALA LUMPUR: TH Heavy Engineering Bhd (THHE) and Destini Bhd have inked a joint-venture (JV) agreement to pursue a shipbuilding contract entailing the supply of three offshore patrol vessels for the Malaysian Maritime Enforcement Agency (MMEA).

According to a bourse filing, the works comprise the supply, delivery, testing and commissioning of the three vessels for the MMEA, including the performance of an industrial collaboration programme as required by the government.

Under the agreement, THHE Fabricators Sdn Bhd and Destini Shipbuilding and Engineering

Sdn Bhd — the respective subsidiaries of the companies — are to form a consortium to undertake the next stage of negotiations to secure the award.

The three vessels, measuring 80m each, will be the largest vessels in MMEA's fleet. The consortium estimates construction of the vessels to take three and a half

years to be completed.

"We see this as a strategic step in making THHE a group with a balanced portfolio of oil and gas and non-oil and gas businesses," said THHE chief executive officer Suhaimi Badrul Jamil.

"There are strong synergies for both THHE and Destini to be working together on this offshore pa-

trol vessel project as it combines THHE's capabilities and facilities in handling large-scale offshore structures and Destini's shipbuilding expertise," he said.

The consortium aims to secure the contract before end-2016 and expects it to contribute positively to the parties' financial performance over the next few years.