

MARINE WORKS

NWP DIVERSIFIES INTO SAND MINING

Joint venture with OneOne Marine will expand revenue stream, drive turnaround

KUALA LUMPUR

NWP Holdings Bhd's wholly owned subsidiary, NWP Marine Sdn Bhd, yesterday signed a joint-venture agreement with OneOne Auro Marine Sdn Bhd (OOA Marine) to undertake marine contractor works across the country.

The contract is to dredge, transport and load marine sand from the concession area onto mother vessels for export and to local sites for reclamation.

A filing with Bursa Malaysia yesterday showed the reclamation work would be undertaken by a joint-venture company that would be established by NWP Marine (51 per cent) and OOA Marine (49 per cent).

NWP Holdings non-executive

chairman Datuk Tan Lik Houe said the joint venture opened up new possibilities to expand the revenue stream and venture into the sand dredging business, which will drive the turnaround for the company in the near term.

"We are excited by the new business potential as it helps generate recurring cash flow and a steady income stream for NWP."

In the same filing, NWP also proposed diversifying business activities to include sand mining, trading and export of sand and related business activities.

The company is also undertaking a private placement of up to 10 per cent of the total number of issued shares of the company.

OOA Marine is the operator appointed by OneOne Auro Sdn Bhd (OneOne Auro) to provide sand extraction services at a con-



A vessel transporting and loading marine sand onto a mother vessel for export or to reclamation sites.

cession area in Melaka for export and local reclamation by fulfilling an average order of five mother vessels per month for export.

OneOne Auro is the exclusive dealer for marine sand export of concession owner Bahtera Teroka Sdn Bhd in Melaka and has been granted the exclusive right to

manage and appoint operators to undertake activities involving extraction, dredging, transporting of marine sand from the concession area to ship-to-ship points and loading marine sand onto carrying mother vessels.

The Energy and Natural Resources Ministry granted Bahtera

Teroka a three-year licence to extract marine sand in the waters of Tanjong Kling, Melaka, and a licence to export marine sand extracted from the concession area.

NWP Holdings executive director Tan Jyy Yeen said the diversification into sand dredging puts the company on the front foot to expand its growth strategies in the next five years.

"In addition, since the business operations are low-risk, as our role is to provide services for sand dredging operations and transport the sand to mother vessels, we are not exposed to the risks from the volatility of oil prices and foreign exchange.

"Based on current oil prices, the business operations are already operating with a healthy margin. This profit margin will expand once oil prices normalise and moderate to a lower level."

She said NWP's venture into the sand dredging business would create a new opportunity to add value for its shareholders.

MNCs bring global opportunities to Greater KL

KUALA LUMPUR: Malaysia's open, diverse and resilient economy places Greater Kuala Lumpur (Greater KL) as a competitive investment destination for leading global companies.

Despite downturns over the last few years, companies in Greater KL continue to grow and expand their operations, leveraging on the forward-looking policies, the vibrant business ecosystem and the pipeline of diverse talent ready for future industries.

Unprecedented challenges that arose from Covid-19, geopolitical conflicts and supply shortages have not discouraged companies like McDermott from expanding its growth in Greater KL. The leading global provider of engineering and construction solutions to the energy industry started its journey in 2016 when the company relocated its Asia Pacific headquarters from Singapore to Greater KL with the facilitation of InvestKL, an investment promotion agency under the International Trade and Industry Ministry. Recently, McDermott changed its business strategy from a

geographical operating model to a business line model which brings global opportunities to Greater KL.

InvestKL chief executive officer Muhammad Azmi Zulkifli said McDermott is an outstanding success story for Greater KL.

"Since its relocation, the organisation has grown to over 870 employees and brings immense spillover benefits such as the transfer of knowledge, technologies and industry partnerships. Greater KL is the centre for global growth and has the right fundamentals for the energy industry to thrive."



Mahesh Swaminathan

Muhammad Azmi Zulkifli



McDermott is executing some of the largest engineering, procurement, construction and installation contracts in the subsea and floating facilities market.

McDermott Subsea and Floating Facilities senior vice-president Mahesh Swaminathan explained the benefit of this change to Greater KL.

"Our employees are over 70 per cent Malaysians. This change to the business line strategy expands their opportunities and our team is exposed to large-scale projects around the world such as Africa, Europe and the Americas in addition to their experiences in the Asia Pacific. This grooms our local talent to become experts in the industry."

McDermott is executing some of the largest engineering, procurement, construction and installation contracts in the subsea and floating facilities market.

"With the new strategy in place,

our clients get the best practice execution for subsea, floating facilities and ultra-deep-water projects. In return, this is an excellent avenue for our team to gain more knowledge and experience executing projects outside the region."

Technological advancements have been central to McDermott's business strategy.

This is evident in the newly christened *Amazon* vessel, McDermott's most advanced, dynamically positioned ultra-deepwater j-lay vessel. Constructed in Rotterdam, the Netherlands, it is a one-of-a-kind construction vessel that enables hex joint pipelay installation up to 3,500m deep. Its fully automated process takes safety and quality to the highest standards, Mahesh noted. Projects involving the *Amazon* are already being bid out of Greater KL.

McDermott's *Derrick Lay Vessel 2000*

holds the record for the deepest pipelay in Asia on Reliance Industries' KG-D6 project, a scope that was engineered and managed from the Greater KL office.

In addition to advancements on vessels, McDermott has recently completed a net-zero study, enabling more sustainable subsea operations to help reduce carbon emissions.

The study showed that adapting the equipment on topsides to allow for CO2 separation, capture and enable off-shore post-combustion capture of CO2 can deliver significant results, reducing greenhouse gases emissions by up to 90 per cent.

"With a refreshed global outlook for subsea and floating facilities projects, McDermott looks forward to the office continuing to grow as global projects come to fruition," said Mahesh.