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Halim Mazmin buys new vessels

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HALIM Mazmin Bhd, a leading Malaysian shipping company, has entered into a joint venture with an established ship operator to acquire two 1,510 TEUs (20-foot equivalent units) container vessels for US\$43.6 million (US\$1 = RM3.80).

Under the deal, Halim Mazmin and Powick Marine (S) Pte Ltd will form two joint-venture companies to acquire the two vessels - "MV Freedom Container" and "MV Harmony Container" from Powick Marine for US\$21.8 million each.

Halim Mazmin and Powick Marine will have a 60 per cent and a 40 per cent equity interest respectively in the two Malaysian incorporated joint venture companies.

Halim Mazmin currently has a fleet of six vessels - four clean product tankers and two 2,680-TEU container ships.

Powick Marine was incorporated in Singapore on August 31 1994 and its principal activity is shipowning.

The company which has a paid-up capital of S\$50 million (S\$1 = RM2.22) currently owns a fleet of 10 vessels, including Harmony Container and Freedom Container.

The joint-venture companies will each have an authorised capital of 500,000 shares of RM1 each and issued and paid-up capital of RM100,000 consisting of 100,000 shares of RM1 each, said Commerce International Merchant Bankers Bhd in a statement issued on behalf of Halim Mazmin.

In addition, the joint-venture companies will also enter into a time charter agreement with a Taiwanese shipping line, Kien Hung Shipping Co Ltd, for a 10-year period from the date of purchase of the respective vessels.

A related company of Halim Mazmin will be appointed as the ship manager for Freedom Container and Harmony Container.

The proposed acquisitions will not have any material impact on the earnings of Halim Mazmin in the current financial year but they are expected to contribute positively to its future earnings and cashflow of the group.

Freedom Container and Harmony Container were built at the Shin Kurushima Shipyard in Japan and currently flagged in Singapore.

Upon the completion of the proposed acquisition, both vessels will be registered under Malaysian flag.

The vessels have a service speed of 19 knots and currently employed in the Far East-South Africa and South America container liner service of Kien Hung Shipping. Kien Hung was incorporated in Taiwan on July 28 1982 and is a worldwide container shipping company.

It has a fleet of 27 container vessels with a total capacity of 33,000-TEU slots and also some 55,000 TEUs of containers.

Halim Mazmin Bhd executive chairman Tan Sri Halim Mohammad when contacted by Business Times said it was an opportunity for the company to expand its fleet of vessels and operations internationally, in line with the expected growth in world and domestic trade.

"It allows us to explore into the South American market with established operators such as Kien Hung Shipping which will provide Halim Mazmin with better and stable returns on our investments.

"I am also doing a part to complement the South-South cooperation and trade which are being promoted by our Prime Minister Datuk Seri Dr

Mahathir Mohamad," he said.

Halim said a move has been made to get Kien Hung Shipping to extend its Far East-South Africa-South America service to Port Klang.

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