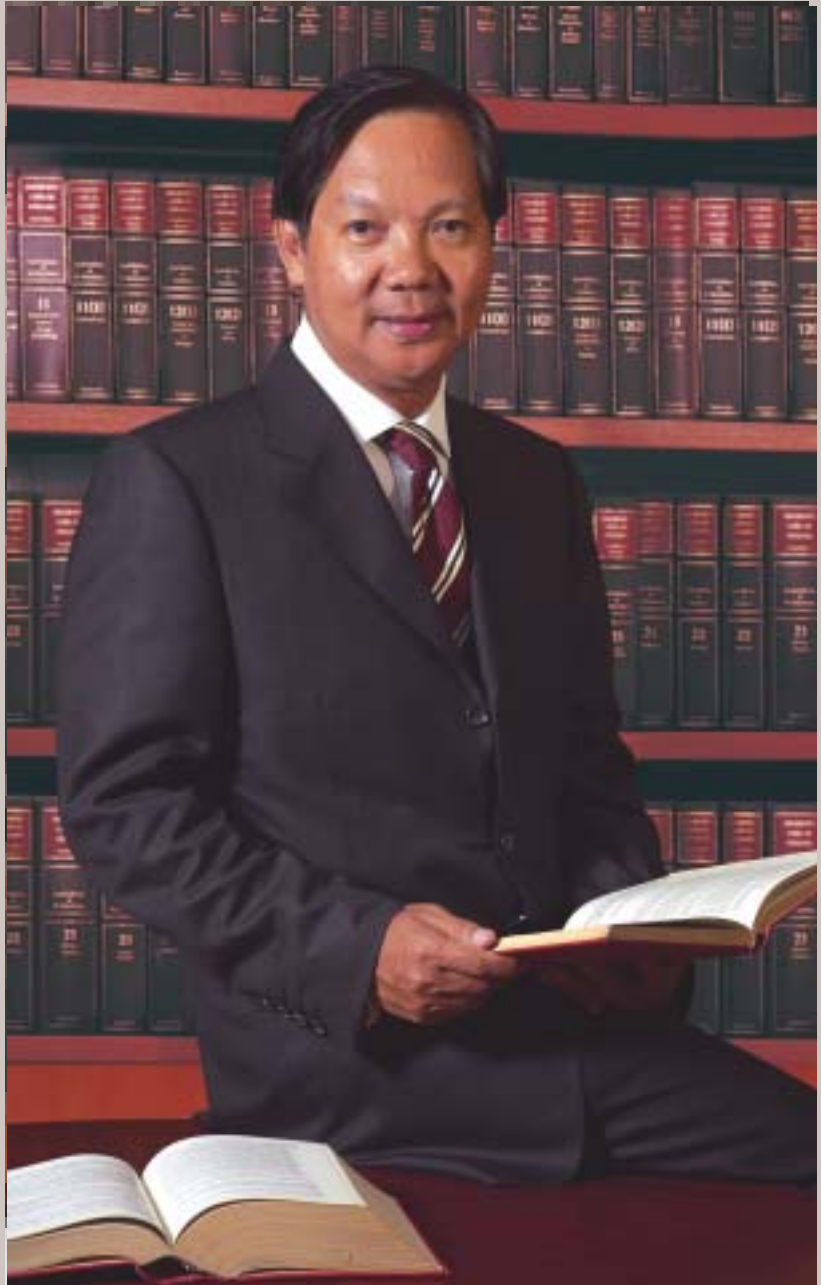


▼ We continued to
maintain a steady
course in our
growth and
progress. This is
reflected in our
sustained



performance during the year under
review, guided by prudent management
practices and a clear sense of direction. ▼

Chairman's Statement



Kuala Lumpur, the capital city of Malaysia.

On behalf of the Board of Directors, I am pleased to present the Annual Report of Halim Mazmin Berhad for the financial year ended 31 December 2002.

The year under review was an important one in the growth and development of the Company.

A major milestone was achieved in the corporate history of HMB when on 17 January 2002 the Company was transferred to the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").

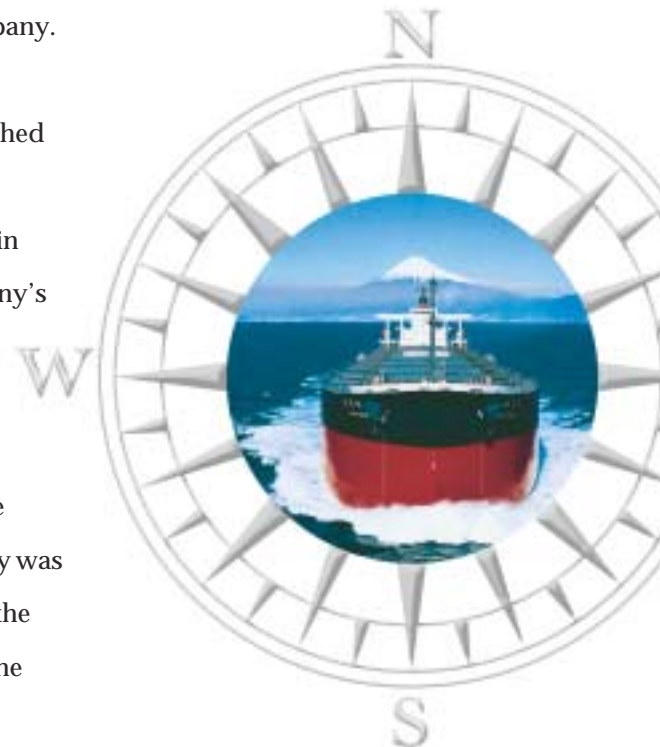
The transfer to the Main Board was a logical progress in the development of the Company to position itself as an important player in the international

shipping industry. The transfer gives us the position, prestige and recognition in our uninterrupted growth as a viable and reputable international shipping company.

We maintained an unblemished track record for positive performance for the 6th year in succession since the Company's listing in 1996.

I am happy to report to our valued shareholders that the performance of the Company was particularly satisfying after the transfer of the Company to the Main Board of KLSE as its profitability continued to rise.

For year 2002, total revenue of HMB was RM132.8 million. After-tax profit was RM34.3 million.





The largest bulk carrier in the Malaysian Registry	Name: Meridian Polaris
	Type: Capesize Bulker
	Year Built: 1993
	GRT: 77,372
	DWT: 149,475



America Senator - one of HMB's 2,680 TEUs container vessels made her maiden call at Westport on 20 April 2002.

The performance of the Group during the year was significant despite the lack of vigour in the general global and the national trading conditions that was affected by the extenuating circumstances precipitated by the September 11 incident in US.

Global Overview

World seaborne trade, which recorded only 1 per cent growth in 2001, remained largely unchanged during the year at about 5.83 billion tonnes. (UNCTAD: Review of Maritime Transport 2002).

On the supply-side, the world merchant fleet, which grew by 2.1 per cent in 2001, stood at 825.6 million DWT at the start of 2002.

About 70 per cent of the world fleet is made up of oil tankers and dry bulk carriers.

Freight markets which saw improvements in the first few months of 2002, remained listless for the remaining part of the year although certain sectors fared better. Excess capacity continued to plague the industry, especially in the liner sector.

Malaysia's External Trade & Shipping

Despite uncertainties in the global trading conditions, the Malaysian economy fared better than expected although the rate of growth was lower than the higher levels recorded in previous years. The economy expanded by 4.2 per cent during the year in review



Ship Management

Prima Shipmanagement Sendirian Berhad, a member of HMB Group of companies is engaged in providing ship management services, such as crewing, shipboard maintenance, docking and bunkering services. We provide specialised services to vessels owned by HMB as well as to other vessel owners and operators.



with stronger growth rates recorded in the third and fourth quarters. (Source: Bank Negara Report 2002.)

Overall, as a reflection of the performance of the economy, total volume of cargo handled by Federal Ports in the country rose by 12.2 per cent to 202 million tonnes.

Total arrival of ships at Federal Ports in the country was 38,993.

Company Overview

The fluctuations and the vagaries of the shipping charter markets did not affect the performance of the vessels operated by the Group

largely because of the long-term contracts secured by the Group with leading and reputable international shipping companies and operators.

Financial Performance

The financial health of the Company remained robust during the year under review.

Total revenue generated during the year in review was RM132.8 million and after-tax profit was RM34.3 million.

Earnings per share rose to 40.3 sen while shareholders' funds increased to RM151.5 million.



Product Tankers

HMB owns three Clean Petroleum Product tankers (CPP) and one Dirty Petroleum Product tanker (DPP), which are engaged in sea transportation of petroleum products from refineries in Malaysia and Singapore to local terminals. The tankers are on charter to Petronas and Shell.

The Board of Directors is proposing a tax exempted final dividend of 7% to be paid in respect of the financial year ended 31 December 2002. The proposed dividend is one of the highest payouts to date by HMB since its listing.

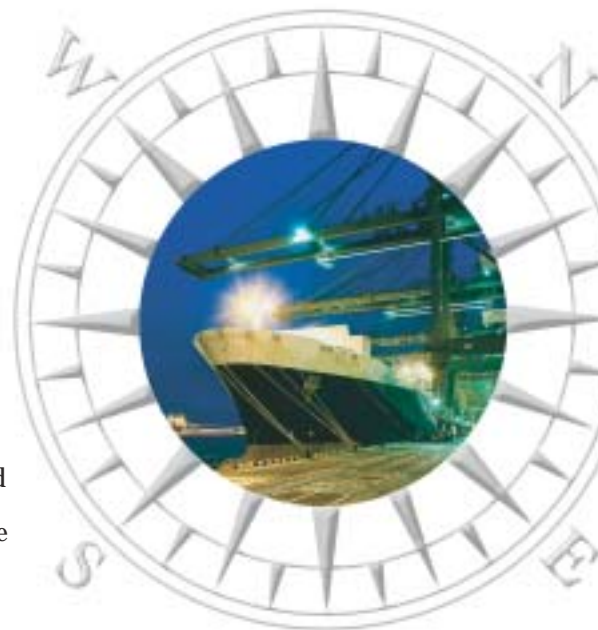
The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

The increase in profit was achieved as a result of increased earnings from the full deployment of all nine vessels belonging to the Group. Our vessels operated under firm and secured market environment that provided stability in earnings and returns.

Apart from the efficient deployment of our vessels, the improved performance of the Group was contributed by the continued strong commitment and dedication of our officers, crew and shore management.

We continued to address costs in a number of activities of the Group by focusing on greater efficiency and higher productivity. This had the desired impact on the overall performance of the Group.

It is indeed a credit to the efficient management and operation that the Group recorded impressive gains in profit, whilst maintaining the same shore-based staff ratio and number of vessels.



Dry Bulkers

HMB is involved in the operation of dry bulk carriers to serve in both national and international trades with both owned and chartered Capesize and Panamax vessels which operate in a bulk pool together with its partners.

The vessel, Meridian Polaris, performs contracts for Government-owned national facilities.



The improved capital and employment valued-added output is a strong reflection of the resilience of the Group.

The easing of the interest rates on the US Dollar denominated loans has also contributed to the improved performance.

The share of revenue contributed by earnings from the operation of container ships formed the largest component of the total earnings by the Group. Contribution from earnings of tanker vessels, came second and followed by the dry bulker.

Prospects & Challenges

With the global economy under siege, there are no clear indications on the performance of the global economy during the current year. A decisive return to strong growth may be impeded. However, despite the uncertainties, cautious forecasts have been made of the global economy growing 2.75 per cent especially in the second half of the year. *(UN World Economic Situation & Prospects 2003.)*

Overall demand conditions in the global shipping industry will depend on the performance of the global economy. Early in the year, freight markets have shown



Container Vessels

We currently own and operate four vessels - two 2,680 TEUs and two 1,510 TEUs capacity vessels. The two 2,680 TEUs vessels - America Senator and Japan Senator- are operated by Senator Line GMBH. The other two 1,510 TEUs vessels - Harmony Container and Freedom Container - are operated by Kien Hung Shipping Co Ltd. All four vessels operated by the charterers call at Port Klang, Malaysia's National Load Centre.

improvements but escalation of oil prices and the slide in US Dollar are also expected to impact the performance of shipping lines.

HMB remains optimistic about its performance as the Group's vessels are all committed on long

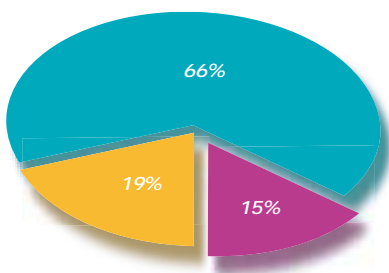
term charter contracts. Subject to any unforeseen developments affecting the global trading conditions, the Group is expected to maintain its positive track record in its financial performance for the year 2003.



Appreciation

On behalf of the Board, I would like to express our appreciation to the management and staff of HMB, including the Masters and crews of the fleet of HMB vessels for their commitment and dedication.

I would also like to thank our valued clients, relevant Government agencies, business



Revenue analysis for the year ended 31-12-02

Bulk Carrier	15%
Tankers	19%
Containers	66%

Total revenue for year 2002 100%



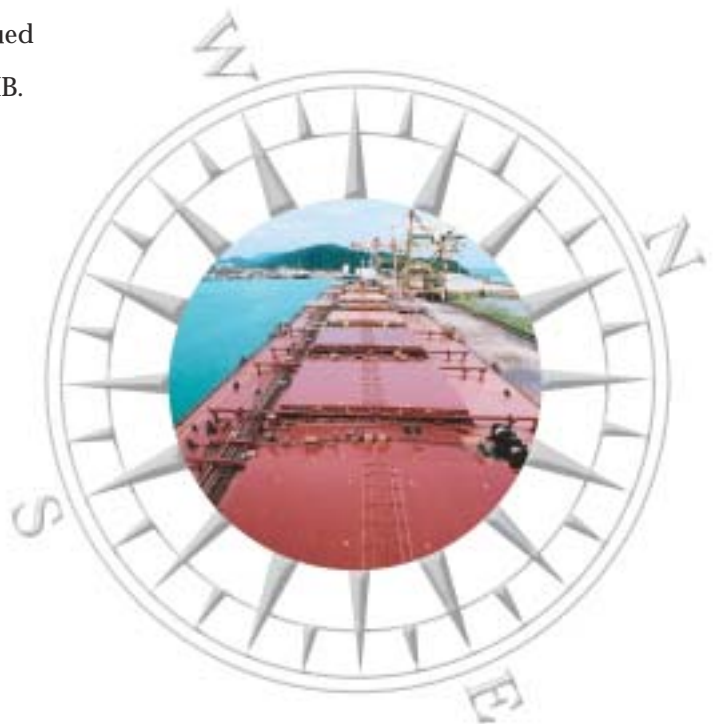
associates and bankers for their continued support and assistance.

I would also like to welcome the appointment of Tan Sri Datuk Abdul Aziz Bin Ismail and Mr Ee Beng Wat as new Board Members in January during the year under review. I am confident given their background and experience, Tan Sri Datuk Abdul Aziz and Mr Ee would be able to contribute towards the continued development of HMB.

I would also like to take this opportunity to express my deep gratitude to the Board of Directors for their valued advise, support and cooperation during the year.

Thank You

Tan Sri Dato' Halim Bin Mohammad
Executive Chairman



Company Highlights



17 January 2002:

HMB was transferred to the Main Board of the Kuala Lumpur Stock Exchange.

20 April 2002:

"America Senator", one of HMB's 2,680 TEUs container vessels made her maiden call at Westport, Port Klang.



30 May 2002:

The Seventh Annual General Meeting of HMB was held at CITITEL-Mid Valley, Kuala Lumpur.

Network of Offices & Main Ports of Call

International ports of call



Branch offices and ports of call in Malaysia



List of Vessels/Property

List of Vessels

Name of Vessel	Type	Year Built	GRT	DWT
Meridian Sun	Dirty Petroleum Product Tanker	1990	2,467	4,574
Meridian Star	Clean Petroleum Product Tanker	1991	2,467	4,574
Meridian Vega	Clean Petroleum Product Tanker	1991	3,885	6,979
Meridian Mira	Clean Petroleum Product Tanker	1994	3,581	6,012
Japan Senator	Containership (2,680 TEU)	1993	34,231	45,696
America Senator	Containership (2,680 TEU)	1993	34,231	45,696
Harmony Container	Containership (1,510 TEU)	1997	17,613	24,066
Freedom Container	Containership (1,510 TEU)	1997	17,613	24,066
Meridian Polaris	Capesize Bulker	1993	77,372	149,475

Property

Location	Description	Tenure	Land area	Net book value
Precinct 5.3 Seksyen 14 Pusat Bandar, Shah Alam, Selangor Darul Ehsan.	Vacant land for development of office and commercial complex	99-year lease from date of issuance of title*	5,814 sq.metres	RM 5.21million

* Lease title has yet to be issued.