

General Announcement

Reference No **MB-050125-60799**

Company Name : **MALAYSIAN BULK CARRIERS BERHAD**
Stock Name : **MAYBULK**
Date Announced : **25/01/2005**

Type : **Announcement**
Subject : **DISPOSAL OF 100% EQUITY INTEREST IN BRODSWORTH ENTERPRISES LIMITED**

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1. The Disposal

Malaysian Bulk Carriers Group ("MBC Group") hereby announces that it has on 25 January 2005 entered into a Share Purchase Agreement with the Torm Group of Denmark ("Torm") whereby Torm will acquire the entire equity of the MBC Group's wholly owned subsidiary, Brodsworth Enterprises Limited and all its underlying subsidiaries ("Brodsworth Group") for a total consideration of approximately US\$82 million (RM311.6 million). Brodsworth Group owns four Panamax Tankers, the Penyu Agar and three other vessels, which are presently under construction.

Although delivery of the final vessel will only be in January 2006, full settlement to the MBC Group will be made on 30 September 2005.

2. Rationale for / Effects of the Disposal

The Board is of the view that Panamax Tankers (73,000 dwt) will face increasing competition as newbuildings of this class are delivered over the next three years. This disposal is an opportunity for the MBC Group to exit the Panamax Tankers market and to unlock values created by the prevailing strong tanker market. The effect of the sale will be a capital gain of approximately US\$77.7 million (RM295.3 million) and coupled with the repayment of loans due to MBC by Brodsworth, it will release cash of approximately US\$155 million (RM589 million). The liquidity will enable MBC to redeem all its outstanding Redeemable Preference Shares and will contribute towards financing the new vessels, which the MBC Group has contracted.

3. Statement by the Board of Directors

The Board of Directors is of the opinion that this disposal is in the best interest of MBC and its shareholders.

Torm is not connected in anyway to the major shareholders and/or directors of MBC.

This Announcement is dated 25 January 2005.

