



**MEDIA RELEASE – FOR IMMEDIATE RELEASE**

**Marco Polo Marine disposes 8 vessels on a  
sale-and-leaseback arrangement for a  
total value of S\$8.8 million**

**Singapore, 29 March 2010** - Singapore Exchange Mainboard-list Marco Polo Marine Ltd (“Marco Polo Marine” or “the Group”), a growing integrated marine logistic group is pleased to announce that it had through its wholly-owned subsidiary, Marco Polo Shipping Co Pte Ltd (“MP Shipping”), entered into several agreements to dispose another 8 Singapore-flagged vessels (tugs and barges) on a sale-and-leaseback arrangement with a related party for an aggregate cash consideration of about S\$8.8 million (the “Sale-and-Leaseback”). The cash consideration is based on an arm’s length transaction that is supported by valuations from a marine surveyor. Following the sale, these vessels will be leased back to MP Shipping as Indonesian-flagged vessels.

The Sale-and-Leaseback arrangement, which is carried out as part of an ordinary course of business of the Group, was approved by the shareholders of the Company under a general mandate renewed at the last annual general meeting of the Company on 28 January 2010.

The sale-and-leaseback arrangement serves two purposes. First, it allows us to reduce our gearing and improve cash flow, while maintaining our current fleet size since we will continue to have full commercial and operational control of the vessels. By doing this, we are able to deploy capital more efficiently towards developing our existing businesses and acquiring new vessels. Second, as we are not permitted to own Indonesian-flagged vessels (since such vessels may only be owned by Indonesians), by embarking on this Sale-and-Leaseback arrangement, we are able to operate Indonesian-flagged vessels freely in Indonesian waters to continue supporting our customers’ logistic requirements in Indonesia and to avail ourselves to the business opportunities and operational cost benefits accorded to such vessels which ply Indonesian waters.

Commenting on the Sale-and-Leaseback, Mr Sean Lee Yun Feng, CEO of the Company, remarked that “With more new coal-fired power plants being built in Indonesia, the



## **MARCO POLO MARINE LTD**

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consequential higher domestic demand for coal is expected to generate more demand for transshipment and trans-island logistic services within Indonesia. With our increased operating fleet of Indonesian-flagged vessels, further enhanced under the Sale and Leaseback arrangement, our Group is well-poised to ride the growth in this regard.”

The Sale-and-Leaseback is expected to contribute positively to the Group’s consolidated profit after tax for the current financial year ending 30 September 2010.

### **About Marco Polo Marine Ltd**

Marco Polo Marine (Bloomberg Code: MPM.SP) is an integrated marine logistic group that facilitates the growth of and investments in South East Asia through its ship chartering and shipyard businesses.

The Group’s ship chartering business provides tug boats and barges to its customers from the mining, commodities, construction, infrastructure, property development and land reclamation industries.

The Group’s shipyard undertakes ship building, ship repair and conversion services in Batam, Indonesia. It occupies a total land area of approximately 34 hectares, with a seafront of approximately 650 metres. The shipyard has two dry docks to undertake ship repair and conversion services.

For more information, please refer to the corporate website [www.marcopolomarine.com.sg](http://www.marcopolomarine.com.sg)

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