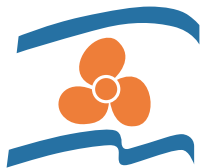


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**Courage Marine Group Limited**  
**( 勇利航業集團有限公司 )**

*(Incorporated in Bermuda with limited liability)*

**(Hong Kong Stock Code: 1145)**

**(Singapore Stock Code: E91.SI)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF VESSEL – M/V CAPE WARRIOR**  
**AND CONTINUING CONNECTED TRANSACTIONS**

On 3 May 2012, Cape Ore, an indirect wholly-owned subsidiary of the Company, entered into the MOA with GPGL in relation to the disposal of a vessel, MV Cape Warrior, for a total cash consideration of US\$8,793,337.95 (equivalent to approximately HK\$68,588,036.01).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, GPGL and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and save for Mr. Chang Shun-Chi, of whom the Broker is an associate within the meaning of Rule 14A.11(4) of the Listing Rules, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

Cape Ore, an indirect wholly-owned subsidiary of the Company, is a company incorporated in Panama with limited liability and is principally engaged in the provision of marine transportation services.

The Disposal constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

Pursuant to the Brokerage Agreement, the Broker acts as broker of the Company in respect of the Disposal. The Broker is a connected person of the Group under Rule 14A.11 of the Listing Rules.

## **MOA**

**Date:** 3 May 2012

**Parties:** (1) Vendor : Cape Ore Marine Corp.  
(2) Purchaser : Giant Power Group Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, GPGL and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and save for Mr. Chang Shun-Chi, of whom the Broker is an associate within the meaning of Rule 14A.11(4) of the Listing Rules, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

### **Asset to be disposed:**

Pursuant to the MOA, GPGL has agreed to acquire and Cape Ore has agreed to sell MV Cape Warrior which is a Capesize vessel with carrying capacity of approximately 146,351 dwt and beneficially owned by Cape Ore and save for Mr. Chang Shun-Chi, of whom the Broker is an associate within the meaning of Rule 14A.11(4) of the Listing Rules, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

### **Consideration:**

The total cash consideration for the Disposal is US\$8,793,337.95 (equivalent to approximately HK\$68,588,036.01) and shall be payable by GPGL to Cape Ore in the following manner:

- (1) a deposit of 20% of the Consideration shall be lodged in bank account nominated by Cape Ore within 24 hours after signing of the MOA; and
- (2) the balance of the Consideration shall be paid to Cape Ore within 24 hours after the notice of readiness has been tendered by Cape Ore.

The Consideration was arrived at after arm's length negotiations between GPGL and Cape Ore with reference to market intelligence the Company has gathered from its own analysis of recently concluded sale and purchase transactions of vessels of comparable size and year of build in the market. The Directors consider the terms and conditions of the Disposal to be fair and reasonable and are in the interests of the Group and the shareholders of the Company as a whole.

## **Delivery and Completion**

MV Cape Warrior is to be delivered between 5 May 2012 and 30 May 2012 and GPGL has an option to cancel the MOA if delivery of MV Cape Warrior shall not take place by 30 May 2012.

Completion takes place within 24 hours after receipt of the balance of Consideration by Cape Ore, whereupon Cape Ore shall procure physical delivery of MV Cape Warrior and documents relating to the Disposal to GPGL. The Directors currently expect that the Completion and delivery of MV Cape Warrior will take place on or 10 May 2012.

Upon Completion, the Group will not hold any interests in MV Cape Warrior.

## **INFORMATION ON GPGL**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, GPGL is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the business of scrapyard.

## **INFORMATION ON MV CAPE WARRIOR**

MV Cape Warrior is a Capesize vessel with carrying capacity of approximately 146,351 dwt. Its flag state is Panama and was inspected and classified by Isthmus Bureau of Shipping for purpose of safety classification society. It was acquired by the Group in 2010 at purchase cost of US\$9,680,000.00 (equivalent to approximately HK\$75,504,000.00). MV Cape Warrior is free from all encumbrances, mortgages, taxes, maritime liens and debts whatsoever.

According to the unaudited management accounts of Cape Ore, the unaudited net asset value of MV Cape Warrior as at 31 March 2012 was approximately US\$9,430,000.00 (equivalent to approximately HK\$73,554,000.00).

According to audited accounts of the Group for the year ended 31 December 2011, the net profit (both before and after taxation and extraordinary items) attributable to MV Cape Warrior was approximately US\$570,000.00 (equivalent to approximately HK\$4,446,000.00).

According to audited accounts of the Group for the year ended 31 December 2010, the net loss (both before and after taxation and extraordinary items) attributable to MV Cape Warrior was approximately US\$970,000.00 (equivalent to approximately HK\$7,566,000.00).

## **INFORMATION ON THE GROUP**

The principal activity of the Company is that of an investment holding company and the principal activities of the Group are provision of marine transportation services, property holding, investment holding and provision of administration services.

## **REASONS FOR THE DISPOSAL**

The Directors consider that the Consideration to be attractive in the current market condition.

The Disposal is for demolition and this provides a good opportunity for the Group to generate cash which is intended to be used for general working capital and for funding any future acquisition of further vessels when suitable opportunities arise.

The Directors believe that the terms of the MOA are entered into upon normal commercial terms following arm's length negotiations between the parties and the terms of the MOA are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

The sale proceeds of the Disposal is US\$8,793,337.95 (equivalent to approximately HK\$68,588,036.01). The net proceeds of the Disposal of approximately US\$8,573,504.50 (equivalent to approximately HK\$66,873,335.11), after deducting the related expenses paid by the Company in a sum of approximately US\$219,833.45 (equivalent to approximately HK\$1,714,700.90), will be used for general working capital of the Group and if the right opportunity arises in future, such proceeds can also be used for the acquisition of further vessels.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

Subject to audit, it is estimated that the Group will record a loss on the Disposal of approximately US\$856,495.50 (equivalent to approximately HK\$6,680,664.90) for the year ending 31 December 2012, which will be reflected in the consolidated profit and loss account of the Group for the year ending 31 December 2012. The loss on the Disposal is calculated by the net proceeds of approximately US\$8,573,504.50 (equivalent to approximately HK\$66,873,335.11) arising from the Disposal less the book value of MV Cape Warrior of approximately US\$9,430,000.00 as at 31 March 2012 (equivalent to approximately HK\$73,554,000.00).

Apart from the loss on the Disposal to be reflected in the consolidated profit and loss account of the Group for the year ending 31 December 2012, it is estimated that the Disposal would not have a material impact on the Group's financial position/performance.

## **CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 16 April 2012 in respect of the Broker, a connected person of the Group under Rule 14A.11 of the Listing Rules, providing brokerage service to the Group ("CCT Announcement"). Under the CCT Announcement, it was stated that the Directors estimated that except for the sale of M/V Courage, the Group would have completed its fleet renewal strategy for the time being. The Disposal did not form part of that fleet renewal strategy, but the Directors consider that the Consideration to be attractive in the current market condition.

The aggregate of the commission to be received by the Broker for the Disposal and the previous commissions received by the Broker (as disclosed in the CCT Announcement) does not exceed the Annual Cap.

## **LISTING RULES IMPLICATION**

The Disposal constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Annual Cap”	HK\$1,500,000.00
“Broker”	Maxmart Shipping & Trading Corp., a company formed under the laws of Taiwan
“Brokerage Agreement”	a vessel brokerage agreement entered between Courage Marine (Holdings) Co., Limited and the Broker on 16 April 2012 as disclosed in CCT Announcement
“Cape Ore”	Cape Ore Marine Corp., a company incorporated in Panama with limited liability, an indirect wholly-owned subsidiary of the Company and the vendor under the MOA
“Capesize”	dry bulk vessels size range as 100,000 dwt or larger
“Company”	Courage Marine Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange and on Singapore Exchange Securities Trading Limited
“Completion”	completion of the sale and purchase of MV Cape Warrior in accordance with the MOA
“Consideration”	a total cash consideration of US\$8,793,337.95 (equivalent to approximately HK\$68,588,036.01) payable by GPGL to Cape Ore
“Directors”	the directors of the Company
“Disposal”	the disposal by Cape Ore of MV Cape Warrior subject to and upon the terms and conditions of the MOA

“dwt”	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including bunker oil, fresh water, crew and provisions
“GPGL”	Giant Power Group Limited, a company incorporated in the British Virgin Islands with limited liability and the purchaser under the MOA
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Indonesia”	the Republic of Indonesia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOA”	a memorandum of agreement dated 3 May 2012 entered into between GPGL as purchaser and Cape Ore as vendor
“MV Cape Warrior”	M/V Cape Warrior, a Capesize vessel with carrying capacity of approximately 146,351 dwt and beneficially owned by Cape Ore
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**Courage Marine Group Limited**  
**Hsu Chih-Chien**  
*Chairman*

Hong Kong, 3 May 2012

*For the purpose of this announcement, unless otherwise specified, conversion of United States dollars into Hong Kong dollars are based on the approximate exchange rates of US\$1.00 to HK\$7.80. The exchange rate is for illustration purpose only and do not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.*

*As at the date of this announcement, the managing Director is Mr. Wu Chao-Huan, the Chairman and non-executive Director is Mr. Hsu Chih-Chien, the non-executive Directors are Mr. Sun Hsien-Long and Mr. Chang Shun-Chi, the independent non-executive Directors are Mr. Lui Chun Kin, Gary, Mr. Sin Boon Ann and Mr. Chu Wen Yuan.*