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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: ATL.SI)

DISCLOSEABLE TRANSACTION DISPOSAL OF VESSEL – MV COURAGE

On 17 December 2015 (after trading hours), CM Company, an indirect wholly-owned subsidiary of the Company, entered into the MOA with AHM in relation to the disposal of a vessel, MV Courage, for a total cash consideration of US\$2,478,730.05 (equivalent to approximately HK\$19,334,094.39).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, AHM and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Disposal.

CM Company, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the British Virgin Islands 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.

The Board hereby announces that on 17 December 2015 (after trading hours), CM Company, an indirect wholly-owned subsidiary of the Company, has entered into the MOA with AHM in relation to the disposal of a vessel, MV Courage, for a total cash consideration of US\$2,478,730.05 (equivalent to approximately HK\$19,334,094.39) (the "Disposal").

* for identification purpose only

THE MOA

Date: 17 December 2015 (after trading hours)

Parties: (1) Vendor : CM Company
(2) Purchaser : AHM

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, AHM and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Disposal.

Asset to be disposed:

Pursuant to the MOA, AHM has agreed to acquire and CM Company has agreed to sell MV Courage which is a Panamax size vessel with carrying capacity of approximately 72,000 dwt. and beneficially owned by CM Company.

Consideration:

The total cash consideration for the Disposal is US\$2,478,730.05 (equivalent to approximately HK\$19,334,094.39) and shall be payable by AHM to CM Company in the following manner:

- (1) a deposit of twenty per cent (20%) of the Consideration shall be lodged in the bank account nominated by CM Company within three (3) Banking Days after signing of the MOA; and
- (2) the balance of eighty per cent (80%) of the Consideration less commission payable shall be paid into the bank account nominated by CM Company within three (3) Banking Days after the notice of readiness has been tendered by CM Company, the exchange of documents has been completed and MV Courage has been deemed ready for delivery in accordance with the terms of the MOA.

The Consideration was arrived at after arm's length negotiations between CM Company and AHM 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 built 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 Company and its shareholders as a whole.

Delivery and Completion

MV Courage is to be delivered on or before 31 December 2015 and AHM has an option to cancel the MOA if delivery of MV Courage shall not take place by 31 December 2015.

Completion takes place upon receipt of the balance of the Consideration by CM Company, whereupon CM Company shall procure physical delivery of MV Courage and documents relating to the Disposal to AHM. The Directors currently expect that the Completion and delivery of MV Courage will take place on or before 31 December 2015.

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

INFORMATION ON AHM

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, AHM is a company established in the Republic of Liberia and is principally engaged in the business of scrapyards.

INFORMATION ON MV COURAGE

MV Courage is a Panamax size vessel with carrying capacity of approximately 72,000 dwt. Its flag state is Panama and was inspected and classified by the China Corporation Register of Shipping for the purpose of safety classification society. It was acquired by the Group in January 2014 at purchase cost of approximately US\$8,600,000 (equivalent to approximately HK\$67,080,000). MV Courage is free from all encumbrances, taxes, maritime liens and debts whatsoever.

According to the unaudited management accounts of CM Company, the unaudited carrying value of MV Courage as at 30 September 2015 was approximately US\$6,232,000 (equivalent to approximately HK\$48,609,600).

According to the audited accounts of the Group for the year ended 31 December 2014, the revenue attributable to MV Courage was approximately US\$3,557,000 (equivalent to approximately HK\$27,744,600).

According to the audited accounts of the Group for the year ended 31 December 2014, the net loss (both before and after taxation and extraordinary items) attributable to MV Courage was approximately US\$952,000 (equivalent to approximately HK\$7,425,600).

No revenue and net profit/loss was attributable to MV Courage for the year ended 31 December 2013 as it was acquired in January 2014.

INFORMATION ON THE GROUP

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are provision of marine transportation services, property holding and investment, and investment holding.

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 as general working capital of the Group and/or for funding of attractive business/investment opportunities which may arise in future.

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 Company and its shareholders as a whole.

The sale proceeds of the Disposal is US\$2,478,730.05 (equivalent to approximately HK\$19,334,094.39). The net proceeds of the Disposal is approximately US\$2,370,000 (equivalent to approximately HK\$18,486,000), after deducting the related expenses to be paid by the Company in connection with the Disposal of approximately US\$108,730.05 (equivalent to approximately HK\$848,094.39), which will be used as general working capital of the Group and/or for funding of attractive business/investment opportunities which may arise in future.

FINANCIAL EFFECTS OF THE DISPOSAL

Subject to audit, it is estimated that the Group will record a loss on the Disposal of approximately US\$3,862,000 (equivalent to approximately HK\$30,123,600) for the year ending 31 December 2015, which will be reflected in the consolidated profit and loss account of the Group for the year ending 31 December 2015. The estimated loss on the Disposal is the difference between the net proceeds of approximately US\$2,370,000 (equivalent to approximately HK\$18,486,000) arising from the Disposal and the carrying value of MV Courage of approximately US\$6,232,000 as at 30 September 2015 (equivalent to approximately HK\$48,609,600).

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 2015, it is estimated that the Disposal would not have a material impact on the Group's financial position or performance.

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:

“AHM”	Autumn Harvest Maritime Co., a company established in the Republic of Liberia and the purchaser under the MOA
“Banking Days”	A day on which commercial banks are open for business in New York/London/Belgium
“Board”	The Board of Directors
“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 the Singapore Exchange Securities Trading Limited
“Completion”	completion of the sale and purchase of MV Courage in accordance with the MOA
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	a total cash consideration of US\$2,478,730.05 (equivalent to approximately HK\$19,334,094.39) payable by AHM to CM Company
“CM Company”	Courage Marine Co. Ltd., a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“MOA”	a memorandum of agreement dated 17 December 2015 entered into between AHM as purchaser and CM Company as vendor
“MV Courage”	MV Courage, a Panamax size vessel with carrying capacity of approximately 72,000 dwt. and beneficially owned by CM Company
“Panamax”	dry bulk vessels size range from 60,000 to 99,999 dwt.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
Courage Marine Group Limited
Sue Ka Lok
Chairman

Hong Kong, 17 December 2015

For the purpose of this announcement, unless otherwise specified, conversion of United States dollars into Hong Kong dollars are based on the approximate exchange rate 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 Board comprises Mr. Sue Ka Lok (Chairman), Mr. Lai Ming Wai (Chief Executive Officer), Mr. Wu Jian and Ms. Chan Yuk Yee as Executive Directors; Mr. Tsoi Wai Kwong as Non-executive Director and Mr. Foo Meng Kee, Mr. Ngiam Zee Moey, Mr. Zhou Qijin and Mr. To Yan Ming, Edmond as Independent Non-executive Directors.