



COURAGE MARINE GROUP LIMITED

(Incorporated in Bermuda on 5 April 2005)

(Company Registration no: 36692)

Unaudited Results For The Second Quarter And First Six Months Ended 30 June 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Income Statement for the Second Quarter and First Six Months Ended 30 June 2008:

	US\$'000		%	US\$'000		%
	Q2 2008	Q2 2007		Change	6 months 2008	
Turnover	28,491	18,255	56	49,994	34,919	43
Cost of sales	(10,619)	(7,374)	44	(19,448)	(13,967)	39
Gross profit	17,872	10,881	64	30,546	20,952	46
Other operating income	704	384	83	1,279	648	97
Administrative expenses	(704)	(556)	27	(1,273)	(1,173)	9
Other operating expenses	(27)	(17)	61	(66)	(113)	(41)
Share of loss of associate	(80)	-	NM	(163)	-	NM
Finance cost	-	(80)	NM	(4)	(183)	(98)
Profit before income tax	17,763	10,611	67	30,317	20,131	51
Income tax	(1)	(1)	0	(3)	(7)	(57)
Profit for the period	17,762	10,610	67	30,314	20,124	51

1(a)(ii) Additional Information

	US\$'000		%	US\$'000		%
	Q2 2008	Q2 2007		Change	6 months 2008	
Profit before tax is arrived after (charging) / crediting:						
Other income including interest income	704	384	83	1,279	648	97
Interest on borrowings	-	(80)	NM	(4)	(183)	(98)
Depreciation and amortisation	(1,565)	(1,227)	28	(2,925)	(2,188)	34
Gain (loss) on held-for-trading investment	(14)	10	(240)	(35)	(66)	(47)
Share of loss of associate	(80)	-	NM	(163)	-	NM
Foreign exchange gain (loss), (net)	216	5	4,220	300	(2)	(15,100)

NOTES

NM denotes not meaningful.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	US\$'000	US\$'000	US\$'000	US\$'000
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
ASSETS				
Non-current asset				
Investment in Subsidiaries	-	-	14,217	14,217
Interest in associate	3,161	3,325	-	-
Property, plant and equipment	48,410	47,327	-	-
	51,571	50,652	14,217	14,217
Current assets				
Trade receivables	2,706	3,593	-	-
Other receivables and prepayments	852	1,109	20	9
Prepaid tax	15	15	-	-
Amount due from subsidiaries	-	-	66,000	70,103
Held-for-trading investment	683	718	-	-
Bank balances and cash	68,625	64,364	528	514
	72,881	69,799	66,548	70,626
TOTAL ASSETS	124,452	120,451	80,765	84,843
EQUITY AND LIABILITIES				
Capital and reserve				
Share Capital	19,059	19,059	19,059	19,059
Share Premium	28,027	28,027	28,027	28,027
Exchange reserve	45	45	-	-
Reserve	72,901	68,581	967	26,890
	120,032	115,712	48,053	73,976
Current liabilities				
Other payables and accruals	4,420	4,059	167	1,616
Amounts due to subsidiaries	-	-	32,546	9,252
Borrowings - due within one year	-	680	-	-
	4,420	4,739	32,713	10,868
TOTAL EQUITY AND LIABILITIES	124,452	120,451	80,765	84,843

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/6/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
-	-	680,000	-

Amount repayable after one year

As at 30/6/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Secured borrowings are generally secured by:

1. Mortgages over a vessel of the Group with net book value US\$8,597,000 as at 31 December 2007
2. Assignment of charter-hire income and insurance of certain vessels
3. Personal and corporate guarantees given by a director of the Company and his associates, and a company in the Group

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	US\$'000	
	Q2 2008	Q2 2007
Operating activities		
Profit for the period	17,762	10,610
Adjustments for		
Interest income	(367)	(381)
Interest expense	-	80
Gain (loss) on held-for-trading investment	14	(10)
Share of loss of associate	80	-
Depreciation	1,565	1,146
Operating cash flows before movements in working capital	19,054	11,445
(Increase) in trade receivables	(348)	(1,690)
(Increase) decrease in other receivable and prepayments	415	(1,577)
(Decrease) Increase in other payable and accruals	937	(677)
Cash generated from operations	20,057	7,501
Interest received	367	381
Interest paid	-	(80)
Net cash from operating activities	20,423	7,802
Investing activities		
Purchase of property, plant and equipment	(2,903)	(1,347)
Net cash used in investing activities	(2,903)	(1,347)
Financing activities		
Dividend paid	(25,994)	(9,953)
Repayment of borrowings	-	(1,170)
Net cash used in financing activities	(25,994)	(11,123)
Net (decrease) in cash and cash equivalents	(8,474)	(4,668)
Cash and cash equivalents at beginning of the period	77,099	34,789
Cash and cash equivalents at end of the period	68,625	30,121

	Group	
	US\$'000	
	6 months of 2008	6 months of 2007
Operating activities		
Profit for the period	30,314	20,124
Adjustments for		
Interest income	(858)	(630)
Interest expense	4	183
Loss on held-for-trading investment	35	66
Share of loss of associate	163	-
Depreciation	2,925	2,188
Operating cash flows before movements in working capital	32,584	21,931
(Increase) decrease in trade receivables	888	(662)
(Increase) decrease in other receivable and prepayments	258	(2,118)
(Decrease) increase in other payable and accruals	361	(596)
Cash generated from operations	34,090	18,555
Interest received	858	630
Interest paid	(4)	(183)
Net cash from operating activities	34,943	19,002
Investing activities		
Purchase of property, plant and equipment	(4,008)	(2,394)
Net cash used in investing activities	(4,008)	(2,394)
Financing activities		
Dividend paid	(25,994)	(9,953)
Repayment of borrowings	(680)	(2,340)
Net cash used in financing activities	(26,674)	(12,293)
Net Increase in cash and cash equivalents	4,261	4,315
Cash and cash equivalents at beginning of the period	64,364	25,806
Cash and cash equivalents at end of the period	68,625	30,121

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital	Share Premium	Exchange Reserve	Retained profits attributable to the shareholders	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group					
Balance at 1 April 2007	19,059	28,027	-	34,677	81,763
Profit for the period	-	-	-	10,610	10,610
Dividend for 2006	-	-	-	(9,953)	(9,953)
Balance at 30 June 2007	19,059	28,027	-	35,334	82,420
Balance at 1 April 2008	19,059	28,027	45	68,581	115,712
Profit for the period	-	-	-	17,762	17,762
Dividend for 2007	-	-	-	(25,994)	(25,994)
Balance at 30 June 2008	19,059	28,027	45	60,349	107,480

	Share Capital	Share Premium	Exchange Reserve	Retained profits attributable to the shareholders	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Company					
Balance at 1 April 2007	19,059	28,027	-	10,551	57,637
(Loss) for the period	-	-	-	(54)	(54)
Dividend for 2006	-	-	-	(9,953)	(9,953)
Balance at 30 June 2007	19,059	28,027	-	544	47,630
Balance at 1 April 2008	19,059	28,027	-	26,835	73,921
Profit for the period	-	-	-	126	126
Dividend for 2007	-	-	-	(25,994)	(25,994)
Balance at 30 June 2008	19,059	28,027	-	967	48,053

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There has been no change in the Company's share capital since the end of the previous period reported on.

As at 30 June 2008, there were no options granted or outstanding pursuant to the Courage Marine Employee Option Scheme approved by the shareholders of the Company on 24 August 2005.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not Applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted the same accounting policies and method of computation in the financial statements for the current period compared with the financial statements for the financial year ended 31 December 2007.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not Applicable

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends (a) based on the weighted average number of ordinary shares in issue; and (b) on a fully diluted basis (detailing any adjustments made to the earnings)

	Group			
	Q2 2008	Q2 2007	6 months 2008	6 months 2007
	US Cents	US Cents	US Cents	US Cents
a Based on the weighted average number of ordinary shares in issue	1.67	1.00	2.86	1.90
b On a fully diluted basis	1.67	1.00	2.86	1.90

NOTES:

The earnings per ordinary share is calculated by dividing the consolidated profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the financial period reported on.

The fully diluted earnings per ordinary share is the same as the earnings per ordinary share as there were no options granted or outstanding during the financial period.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	08/06/30	07/12/31	08/06/30	07/12/31
	US Cents	US Cents	US Cents	US Cents
Net asset value per ordinary share	11.75	10.93	4.54	6.99

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Turnover

2Q2008

Group turnover increased by 56% in 2Q08 to US\$28.5 million from US\$18.3 million in 2Q07, reflecting the general increase in dry bulk rates. The Baltic Dry Index ("BDI") averaged about 8,800 in 2Q08, 54% higher than 2Q07's average of 5,700. The BDI is currently trading around the 7,000 level.

1H2008

The overall turnover increased by 43% in 1H08 to US\$50.0 million from US\$34.9 million in 1H07. The BDI averaged about 9,400 in 1H08, 81% higher than the 5,200 average level in 1H07. Fleet utilisation stayed high at 90% despite having four vessels out of deployment for special / intermediate surveys.

Profitability

2Q2008

Despite the 56% increase in turnover, the Group managed a cost of sales rise of only 44% mainly attribute to higher bunker cost. Gross profit increased by 64% to US\$17.9 million from US\$10.9 million in 2Q07. Gross profit margin of 62.7% for 2Q08 was higher than the 59.6% achieved in 2Q07 on the back of higher freight rates.

The Group recorded other operating income of US\$704,000 in 2Q08, a increase of 83% compared to 2Q07 due mainly to the foreign exchange gain. The other operating income mainly consisted of interest income from bank balances and foreign exchange gain.

Administrative expenses increased by 27% to US\$704,000 in 2Q08 due mainly to the general increase of expenses.

Other operating expenses increased by 61% to US\$27,000 in 2Q08.

The Group's associate recorded a net loss of approximately US\$80,000 in 2Q08, as the Group had recorded its 25% share of the loss in line with its proportion of interest in the associate.

The Group did not obtain any additional borrowings after 1Q05 and all borrowings was repaid in 1H08.

The Group's subsidiaries recorded an income tax expense of US\$1,000 during 2Q08.

Overall, the Group's net profit increased 67% from 2Q07 on higher freight rates and tight cost control.

1H2008

Despite 43% increased in turnover, cost of sales only increased by 39% due to higher bunker cost, port expenses, depreciation and crew wages. Gross profit increased by 46% to US\$30.5 million from US\$21.0 million in 1H07. Gross profit margin of 61.1% for 1H08 was higher than the 60.0% achieved in 1H07 on the back of higher freight rates.

The Group recorded other operating income for US\$1.3 million in 1H08, an increase of 97% compared to 1H07 due mainly to more interest income and foreign exchange gain.

Administrative expenses increased by 9% due mainly to the increase of legal and professional fees.

The Group recorded US\$66,000 in other operating expenses, a decrease of 41% over 1H07.

The Group's associate recorded a net loss of approximately US\$163,000 in 1H08, as the Group had recorded its 25% share of the loss in line with its proportion of interest in the associate.

The minimal finance cost in 1H08 resulted from the reduced loan amount outstanding. The Group did not obtain any additional borrowings after 1Q05 and all borrowings was repaid in 1H08.

The Group's subsidiaries recorded an income tax expense of US\$3,000 during 1H08.

Overall, the Group's net profit increased 51% on higher freight rates and tight cost control.

Cashflow

The Group continued to generate strong cashflow from its operations. There was a net increase in cash and cash equivalents of US\$4.3 million in 1H08 despite dividend payment of US\$26.0 million for the final dividend of 2007.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not Applicable

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Freight rates have been very volatile during the past few months, with the BDI collapsing to the 5,600 level during the end of January this year after climbing to an all-time record above the 11,000 level from November 2007. The BDI is currently at around the 7,000 level. The Group believes that the market conditions will remain positive based on the perceived strong demand from China for raw materials.

We sent four vessels for dry-docking in 1H08 and they were out of deployment for a total of about 120 days. We expect to send two more vessels for dry-docking during 2H08 and they are expected to be out of deployment for a total of approximately 90 days.

The Group will maintain its cost-efficient structure and focus on keeping its fleet well deployed and running efficiently. Assuming that the BDI stays at around the current level and barring any unforeseen circumstances, the Group expects to continue to do well in the second half of FY2008.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Subsequent to 30 June 2008, the Directors recommend an interim dividend of US (cents) 1.133 per ordinary share on the total 1,058,829,308 issued ordinary shares, amounting to approximately US\$12 million to be paid in respect of the financial year ending 31 December 2008. The proposed dividend is not tax applicable and has not been accrued as a liability for the financial statements ended 30 June 2008 in accordance with IFRS.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of dividend	Interim
Dividend type	Cash and not tax applicable
Dividend rate	US\$0.0066 per ordinary share

(c) Date payable

12 September 2008

(d) Books closure date

5 September 2008

12. If no dividend has been declared/recommended, a statement to that effect

Not Applicable

By Order of the Board

WU CHAO HUAN
Managing Director
12 August 2008



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COURAGE MARINE GROUP LIMITED (Incorporated in Bermuda)

To: All Shareholders

The Board of Directors of Courage Marine Group Limited wishes to make the following announcement:

Financial Result

The unaudited financial results of the Group for the six months / second quarter ended 30 June 2008 are enclosed.

Confirmation by Directors

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group for the six months / second quarter ended 30 June 2008 to be false or misleading.

**By Order of the Board
Courage Marine Group Limited**

Mr. Hsu Chih-Chien
Chairman and Director

Mr. Wu Chao-Huan
Managing Director

Dated this the Twelfth day of August 2008