



Courage Marine records net profit of US\$40.1 m for FY08 despite a difficult fourth quarter

- **Maintains high dividend payout ratio with declared final dividend of 0.755 US¢ per ordinary share**
- **Healthy cashflow from operations sustains net cash position**
- **Strong balance sheet and prudent expansion policy will enable company to seize opportunities and overcome challenges ahead**

SINGAPORE, 26 FEBRUARY 2009

FOR IMMEDIATE RELEASE

Courage Marine Group Limited (Courage, or the Group), an efficient dry bulk shipper focused on infrastructure and energy-related commodities, reported a net attributable profit (PATMI) of US\$40.1 million for the full year ended 31 December 2008 (FY08). This was despite a difficult fourth quarter where dry bulk freight rates plunged and the shipping trade came almost to a standstill as a result of the global financial crisis.

The Group proposed a final tax-exempt dividend of 0.755 US cents per ordinary share. Together with the interim tax-exempt dividend of 1.133 US cents announced with the half year results, the total dividend per share for FY08 is 1.888 US cents. This represented a payout ratio of around 49%, maintaining the levels that Courage had been returning profits to shareholders since its listing in 2005.

Said non-Executive Chairman Hsu Chih-Chien: “Although net profit for 2008 fell by 33% over the previous year, we strongly believe in rewarding loyal shareholders who have stayed with us. The dividend payout ratio of around 50% delivers attractive returns to our shareholders.”

Group turnover decreased by 16% to US\$75.7 million in FY08, compared with US\$90.4 million achieved in FY07. This was largely attributed to sharply lower freight rates and low fleet utilization in the second half of last year, particularly in the fourth quarter where rates hit an unprecedented all-time low. This led to a 33% decline in the PATMI for FY08, which was exacerbated by higher crew wages and depreciation expenses, but partly shored up by ship sale gains.



Bank lending came to a near standstill as a result of the global credit crunch and businesses could not obtain the Letters of Credit (LC) to facilitate trade. This badly affected demand for dry bulk, and the Baltic Dry Index (BDI) dropped sharply from a record high of 11,793 in May 2008 to an all-time low of 663 in early December. The BDI has since recovered slightly and is currently hovering around the 2,000 mark.

Cashflow from operations remained healthy for the Group. After making out US\$38 million in dividend payments to shareholders, as well as US\$20 million for the acquisition of one panamax (MV Sea Pioneer) and one handymax (MV Zorina) vessels, the Group remained in a net cash position of US\$42.8 million.

Armed with a strong balance sheet, Courage is on the lookout to acquire younger vessels to renew its fleet, and to further expand should the returns look attractive. Already, it has disposed one of its oldest vessels, handysize MV Ally II in November last year and another 28-year old MV Panamax Mars this January. It presently has eight vessels with a total tonnage of approximately 400,000 dwt.

Mr Hsu continued: “We believe Courage is in a strong position to ride out this global crisis given our strong balance sheet and prudent expansion policy. The Group will be vigilant in reining in expenses, while growing our base of good customers to keep our fleet well deployed and running efficiently. We will also be on the alert to seize opportunities to prepare Courage for its next growth phase when the good times return.”

ABOUT THE COMPANY

www.couragemarine.com
SGX mainboard listing: October 2005

Courage Marine Group Ltd (Courage) owns and operates eight dry-bulk carriers that transport raw materials for Asia’s growing energy needs. Its fleet is deployed around Greater China, Japan, Russia, Vietnam, Indonesia, Bangladesh and elsewhere in Asia.

The vessels transport mainly dry-bulk commodities such as coal, gravel, cement, cement clinker, iron ore and various minerals. This fleet of Handysize, Handymax and Panamax vessels allows greater flexibility in plying long and short voyages. The Group’s strong fleet management and logistics capability have enabled Courage to keep fleet utilisation high.

An efficient operator armed with a strong balance sheet which is in a net cash position, Courage is well placed to weather uncertainties in the global economy. With a combined experience of 150 years between them, the Group’s five directors excel in their own fields, forming a perfect partnership that personifies the passion for successful shipping.



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MEDIA RELEASE

Management hopes to grow Courage Marine by renewing and expanding the fleet, injecting new blood and building a strong corporate culture that reflects the vision, spirit and values of the founding members. Courage Marine was rated by *Marine Money International* as the Best Shipping IPO Performer of 2005 (22 June 2005), one of the world's Top 10 Shipping Companies of 2006 (June/July 2007) and the Best Overall Performing Shipping Company for 2007 (June/July 2008).

FOR FURTHER ENQUIRIES

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Other media releases on the company can be accessed at www.oaktreadvisers.com