



COURAGE MARINE GROUP LIMITED

(Incorporated in Bermuda on 5 April 2005)

(Company Registration no: 36692)

Full Year Financial Statement And Dividend Announcement

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 Fourth Quarter and Year Ended 31 December 2010:

	US\$'000		% Change	US\$'000		% Change
	Q4 2010	Q4 2009		FY 2010	FY 2009	
Turnover	8,917	11,383	(22)	46,521	27,939	67
Cost of sales	(7,552)	(9,210)	(18)	(35,192)	(29,011)	21
Gross profit (loss)	1,365	2,173	(37)	11,329	(1,072)	NM
Other income	111	1,785	(94)	1,372	4,258	(68)
Administrative expenses	(1,395)	(960)	45	(3,487)	(2,599)	34
Share of loss of associate	-	-	NM	-	(223)	NM
Finance cost	(23)	(43)	(47)	(119)	(257)	(54)
Profit before income tax	58	2,955	(98)	9,095	107	8,384
Income tax	(46)	(7)	557	(71)	(32)	122
Profit for the period	12	2,948	(100)	9,024	75	11,900
Other comprehensive income (Reversal of) exchange differences on translation of foreign operations	-	-	NM	-	(49)	NM
Surplus on revaluation of leasehold land and building	152	-	NM	152	-	NM
Total comprehensive income for the year attributable to shareholders of the Company	164	2,948	(94)	9,176	26	34,923

1(a)(ii) Additional Information

	US\$'000		% Change	US\$'000		% Change
	Q4 2010	Q4 2009		FY 2010	FY 2009	
Profit before tax is arrived after (charging) / crediting:						
Other income including						
Other income including interest income	111	1,785	(94)	1,372	4,258	(68)
Interest on borrowings	(23)	(43)	(47)	(119)	(257)	(54)
Depreciation and amortisation	(2,130)	(2,503)	(15)	(9,138)	(10,591)	(14)
Gain on disposal of equipment	-	-	NM	805	283	184
Gain on held-for-trading investment	21	-	NM	154	274	(44)
Share of loss of associate	-	-	NM	-	(223)	NM
Foreign exchange gain (loss), (net)	71	(45)	NM	65	54	20

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
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
ASSETS				
Non-current asset				
Long-term receivables	3,767	2,855	-	-
Investment in subsidiaries	-	-	14,217	14,217
Certificate of deposit	1,074	-	-	-
Structured deposit	1,000	-	-	-
Deposit	2,000	-	-	-
Investment property	1,671	-	-	-
Plant and equipment	70,070	54,876	-	-
	79,582	57,731	14,217	14,217
Current assets				
Trade receivables	1,257	2,228	-	-
Other receivables and prepayments	3,382	11,690	28	28
Tax recoverable	58	-	-	-
Amounts due from subsidiaries	-	-	61,492	71,682
Held-for-trading investment	742	-	-	-
Pledged bank deposits	5,674	5,000	-	-
Bank balances and cash	29,929	43,159	350	838
	41,042	62,077	61,870	72,548
TOTAL ASSETS	120,624	119,808	76,087	86,765
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
Property revaluation reserve	152	-	-	-
Reserve	67,179	63,153	28,173	29,274
	114,417	110,239	75,259	76,360
Non-current liability				
Borrowing - due after one year	-	3,600	-	-
Current liabilities				
Other payables and accruals	2,607	2,769	828	508
Amounts due to subsidiaries	-	-	-	9,897
Borrowings - due within one year	3,600	3,200	-	-
	6,207	5,969	828	10,405
TOTAL EQUITY AND LIABILITIES	120,624	119,808	76,087	86,765

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

Amount repayable in one year or less, or on demand

As at 31/12/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
US\$3,600,000	-	US\$3,200,000	-

Amount repayable after one year

As at 31/12/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
-	-	US\$3,600,000	-

Details of any collateral

Secured borrowings are generally secured by:

1. Mortgages over a vessel of the Group with net book values totaling US\$10,301,000 (2009: US\$13,151,000)
2. Assignment of insurance of vessel
3. Corporate guarantee from Courage Marine Group Limited

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	
	Q4 2010	Q4 2009
Operating activities		
Profit for the period before income tax	58	2,955
Adjustments for		
Change in fair value of on held-for-trading investment	(21)	-
Change in fair value of investment property	(82)	-
Allowance for doubtful receivables	133	-
Interest income	(32)	(26)
Interest expense	23	43
Depreciation	2,130	2,503
Operating cash flows before movements in working capital	2,209	5,475
(Increase) in trade receivables	(82)	(1,324)
Decrease in other receivable and prepayments	2,119	2,189
Increase (decrease) in other payable and accruals	723	(2,261)
Cash generated from operations	4,969	4,079
Income tax paid	(104)	(7)
Interest income received	18	26
Interest expense paid	(23)	(43)
Net cash generated from operating activities	4,860	4,055
Investing activities		
Purchases of plant and equipment	(4)	(849)
Additions of structured deposit	(1,000)	-
Addition of certificate of deposit	(1,060)	-
Deposit paid	(2,000)	-
Pledged deposits	-	2,280
Proceeds on disposal of plant and equipment	3,750	-
Net cash (used in) generated from investing activities	(314)	1,431
Financing activities		
Pledged deposits	(674)	-
Repayment of borrowings	(800)	(800)
Net cash (used in) financing activities	(1,474)	(800)
Net increase in cash and cash equivalents	3,072	4,686
Cash and cash equivalents at beginning of the period	26,857	38,473
Cash and cash equivalents at end of the period	29,929	43,159

	Group	
	US\$'000	
	FY 2010	FY 2009
Operating activities		
Profit for the year before income tax	9,095	107
Adjustments for		
Share of loss of associate	-	223
Change in fair value of on held-for-trading investment	(154)	(274)
Change in fair value of investment property	(82)	-
Allowance for doubtful receivables	133	-
Interest income	(87)	(162)
Interest expense	119	257
Depreciation	9,138	10,591
Gain on disposal of plant and equipment	(805)	(283)
Gain on disposal of associate	-	(1,252)
Operating cash flows before movements in working capital	17,357	9,207
Decrease in trade receivables	838	450
Decrease (Increase) in other receivable and prepayments	3,646	(1,127)
(Decrease) increase in other payable and accruals	(162)	(2,157)
Cash generated from operations	21,679	6,373
Income tax paid	(129)	(32)
Interest income received	73	162
Interest expense paid	(119)	(257)
Net cash generated from operating activities	21,504	6,246
Investing activities		
Purchases of plant and equipment	(33,962)	(3,278)
Acquisition of investment property	(1,589)	-
Additions of structured deposit	(1,000)	-
Addition of certificate of deposit	(1,060)	-
Deposit paid	(2,000)	-
Proceeds on disposal of plant and equipment	14,337	-
Proceeds on disposal of assets held for sale	-	2,750
Proceeds on disposal of held-for-trading investment	(588)	800
Net cash (used in) generated from investing activities	(25,862)	272
Financing activities		
Dividend paid	(4,998)	(7,995)
Pledged deposits	(674)	2,280
Repayment of borrowings	(3,200)	(3,200)
Net cash (used in) financing activities	(8,872)	(8,915)
Net (decrease) in cash and cash equivalents	(13,230)	(2,397)
Cash and cash equivalents at beginning of the period	43,159	45,556
Cash and cash equivalents at end of the period	29,929	43,159

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	Property Revaluation Reserve	Exchange Reserve	Retained profits attributable to the shareholders	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group						
Balance at 1 January 2009	19,059	28,027	-	49	71,073	118,208
Profit for the financial year	-	-	-	-	75	75
Final dividend of 2008	-	-	-	-	(7,995)	(7,995)
Total comprehensive income for the year	-	-	-	(49)	-	(49)
Balance at 31 December 2009	19,059	28,027	-	-	63,153	110,239
Profit for the financial year	-	-	-	-	9,024	9,024
Final dividend of 2009	-	-	-	-	(4,998)	(4,998)
Surplus on revaluation of leasehold land and building	-	-	152	-	-	152
Balance at 31 December 2010	19,059	28,027	152	-	67,179	114,417

	Share Capital	Share Premium	Property Revaluation Reserve	Exchange Reserve	Retained profits attributable to the shareholders	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Company						
Balance at 1 January 2009	19,059	28,027	-	-	29,716	76,802
Profit for the financial year	-	-	-	-	7,553	7,553
Final dividend for 2008	-	-	-	-	(7,995)	(7,995)
Balance at 31 December 2009	19,059	28,027	-	-	29,274	76,360
Profit for the financial year	-	-	-	-	3,897	3,897
Final dividend for 2009	-	-	-	-	(4,998)	(4,998)
Balance at 31 December 2010	19,059	28,027	-	-	28,173	75,259

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.

The Company does not have any outstanding convertible as at the end of 31 December 2010 and as at 31 December 2009.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

As at 31/12/2010	As at 31/12/2009
1,058,829,308	1,058,829,308

1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

There were no shares being held as treasury shares by the Company.

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 2009.

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			
	Q4 2010	Q4 2009	FY 2010	FY 2009
	US Cents	US Cents	US Cents	US Cents
a Based on the weighted average number of ordinary shares in issue	0.00	0.27	0.85	0.00
b On a fully diluted basis	0.00	0.27	0.85	0.00

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	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	US Cents	US Cents	US Cents	US Cents
Net asset value per ordinary share	10.81	10.41	7.11	7.21

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

4Q2010

The Group turnover was down by 22% in 4Q10 to approximately US\$8.9 million from US\$11.4 million in 4Q09, reflecting the lower freight rate of the dry bulk market. The Baltic Dry Index ("BDI") averaged about 1,500 in 4Q10, and averaged about 3,000 in 4Q09. The BDI is relatively low and is currently hovering around the 1,200 level.

FY2010

For the financial year ended 31 December 2010, the Group turnover increased by 67% to approximately US\$46.5 million from US\$27.9 million in FY2009 due to the higher utilisation and higher fleet capacity during the year, particularly in the first half of the year.

Profitability

4Q2010

Despite the decrease in turnover by 22%, the cost of sales decreased by only 18%. As such, the Group recorded a gross profit of approximately US\$1.4 million compared to US\$2.2 million in 4Q09. Correspondingly, the Group achieved a gross profit margin of approximately 15.3% in 4Q10, compared to 19.1% in 4Q09.

The Group's other operating income consists of interest income from bank balances, gains on foreign exchange and other one-off income. The Group recorded other operating income of approximately US\$111,000 in 4Q10, a decrease of 94% compared to 4Q09. It is due mainly to the insurance claim receivable in 4Q09.

Administrative expenses increased by 45% to approximately US\$1.4 million in 4Q10 due mainly to the increase in year-end bonus for staff and executive directors, accrual for directors' fees, and accrual for the legal and professional costs in relation to the proposed dual-listing process.

As the outstanding balance of bank borrowings was reduced, the Group recorded a lower finance cost of US\$23,000 in 4Q10 compared to US\$43,000 in 4Q09.

The Group's subsidiaries recorded an income tax expense of approximately US\$46,000 in 4Q10.

The Group recorded a surplus on revaluation of the property of approximately US\$152,000 in 4Q10.

Overall, the Group recorded a net profit of US\$12,000 for 4Q10 due to lower freight rate and lower fleet utilisation.

FY2010

Despite the increase in turnover by 67%, the Group's cost of sales increased by only 21% to approximately US\$35.2 million from US\$29.0 million in FY2009. As such, the Group recorded a gross profit of approximately US\$11.3 million compared to gross loss of US\$1.1 million in FY2009. Correspondingly, the Group achieved a gross profit margin of approximately 24.4% for FY2010.

The Group's other operating income consists of interest income from bank balances, gain on foreign exchange and other one-off income. The Group recorded other operating income of approximately US\$1.4 million in FY2010, a decrease of 68% compared to FY2009. This was mainly attributed to an one-off insurance claim received, and gain on disposal of associate in FY2009.

In addition, the Group disposed a Capesize vessel and a Handysize vessel, MV Cape Ore and MV Jeannie III in May and August 2010 respectively, and recorded a gain on disposal of approximately US\$0.8 million in total. The Group disposed a Panamax size vessel, MV Panamax Mars, in January 2009 and recorded a gain on disposal of US\$283,000.

Administrative expenses increased by 34% to approximately US\$3.5 million in FY2010 due mainly to the increase of year-end bonus for staff and executive directors, accrual for directors' fees and accrual for the legal and professional costs in relation to the proposed dual-listing process.

The Group's interest in associate recorded a share of loss of approximately US\$0.2 million in FY2009

The Group recorded a finance cost of approximately US\$119,000 in FY2010 compared to US\$257,000 in FY2009 due mainly to the reduced balance of outstanding bank borrowings.

The Group's subsidiaries recorded an income tax expense of approximately US\$71,000 during FY2010 as compared to US\$32,000 in FY2009.

The Group recorded a surplus on revaluation of the property for approximately US\$152,000 in FY2010.

Overall, the Group recorded a net profit of approximately US\$9.0 million in FY2010 which was largely attributed to higher capacity and higher utilisation, particularly in the first half of the year.

Cashflow

Although there was a cash inflow of approximately US\$14.3 million from the disposal of a Capesize vessel and a Handysize vessel, there was still a net cash outflow of US\$13.2 million for FY2010. The net cash outflow was attributable to the acquisition of three vessels (two Capesize vessels and one Panamax size vessel), the purchase of office premises in Hong Kong, the repayment of bank borrowings amounting to US\$3.2 million and dividend payout of approximately US\$5.0 million for the year. Overall, the Group remain in a net cash position with cash and bank balances of approximately US\$29.9 million as at 31 December 2010.

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.

The dry bulk market has not fully recovered and was unstable in the past few months. The BDI, which has a close correlation to freight rates, dropped sharply to about 1,000 in January 2011. The Group remains cautious on the outlook for this year.

As the Group took delivery of a Capesize vessel, MV Cape Warrior, and a Panamax size vessel, MV Panamax Leader during the first half of last year, and disposed the oldest vessel of the Group's fleet, MV Jeannie III, the updated tonnage of the fleet is about 580,000 dwt. With the increase in capacity, the Group expects to have higher turnover once the dry bulk market recovery in full.

The Group expects that the financial performance for 2011 to be adversely affected by the current challenging economic conditions and uncertain outlook. However, the Group will maintain its cost-effective structure and focus on keeping its fleet well-deployed and running efficiently.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Directors recommend a final dividend of US (cents) 0.71 per ordinary share on the total 1,058,829,308 issued ordinary shares, amounting to approximately US\$7.5 million to be paid in respect of the financial year ended 31 December 2010, subject to shareholders' approval be obtained at the forthcoming annual general meeting of the Company. The proposed final dividend is not tax applicable and has not been accrued as a liability for the financial statements ended 31 December 2010 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. Refer to item 16.

(c) Date payable

To be determined and announced to shareholders in due course.

(d) Books closure date

To be determined and announced to shareholders in due course.

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

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

No business segmental information of the Group is presented as the Group's revenues, expenses, assets, liabilities and capital expenditure are primarily attributable to the provision of ship chartering services.

Due to the nature of the provision of ship chartering services, which is carried out internationally, we consider that it is not meaningful to provide the financial information by geographical segment. Accordingly, geographical segment results for the provision of ship chartering services are not presented.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable

15. A breakdown of sales

	2010	2009
	US\$'000	US\$'000
Turnover for the first half of	29,130	11,050
Profit after tax for the first half of	8,201	(1,411)
Turnover for the second half of	17,391	16,889
Profit after tax for the second half of	823	1,486

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Year	Previous Year
Ordinary	NIL	US\$5.0 million
Preference	-	-
Total:	NIL	US\$5.0 million

* Excludes the US\$7.5 million proposed final dividend (not tax applicable) as disclosed in item 11 as it is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

By Order of the Board

WU CHAO HUAN
Managing Director
18 February 2011



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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 full year / fourth quarter ended 31 December 2010 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 fourth quarter of 2010 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 Eighteenth day of February 2011.