



## **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)

### **DISPOSAL OF VESSEL – M/V VALOUR**

On 5 April 2012, Sea Valour, a wholly-owned subsidiary of the Company, entered into the MOA with Regal Pacific in relation to the disposal of a vessel, MV Valour, for a total cash consideration of US\$5,071,130.40.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Regal Pacific and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company, and save and except for Mr. Chang Shun-Chi, a non-executive Director, who acts as a broker for the Group and will receive commission from the Group in the Disposal, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal. Mr. Chang Shun-Chi has abstained from voting on the board resolutions relating to the Acquisition.

Sea Valour, a 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.

As the Disposal is a disposal of a vessel in connection with the ordinary course of business of the Group being vessel chartering, the Disposal is not a transaction that falls under the scope of Chapter 10 of the Listing Manual of the Singapore Exchange Securities and Trading Limited ("SGX-ST"), and this announcement is made, *inter alia*, in compliance with HK Listing Rules requirements as further set out below and under the general disclosure obligations of the Company under the SGX-ST Listing Rules.

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

#### **MOA**

**Date:** 5 April 2012

**Parties:** (1) Vendor : Sea Valour Marine Corp.

(2) Purchaser : Regal Pacific Industries Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Regal Pacific and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company, and save and except for Mr. Chang Shun-Chi, a non-executive Director, who acts as a broker for the Group and will receive commission from the Group in the Disposal, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal. Mr. Chang Shun-Chi has abstained from voting on the board resolutions relating to the Acquisition.

**Asset to be disposed:**

Pursuant to the MOA, Regal Pacific has agreed to acquire and Sea Valour has agreed to sell MV Valour which is a Panamax vessel with carrying capacity of approximately 67,000 dwt and beneficially owned by Sea Valour.

**Consideration:**

The total cash consideration for the Disposal is US\$5,071,130.40 and shall be payable by Regal Pacific to Sea Valour in the following manner:

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

The Consideration was arrived at after arm's length negotiations between Regal Pacific and Sea Valour 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 Valour is to be delivered between 5 April 2012 and 15 April 2012 and Regal Pacific has an option to cancel the MOA if delivery of MV Valour does not take place by 20 May 2012.

Completion will take place within 24 hours after receipt of the balance of the Consideration by Sea Valour, whereupon Sea Valour shall procure the physical delivery of MV Valour and documents relating to the Disposal to Regal Pacific. The Directors expect that the Completion and delivery of MV Valour will take place on or about 10 April 2012.

Upon Completion, the Group will not hold any interest in MV Valour.

**INFORMATION ON REGAL PACIFIC**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Regal Pacific is a company incorporated in the British Virgin Islands with limited

liability and is principally engaged in the business of scrapyards.

## **INFORMATION ON MV VALOUR**

MV Valour is a Panamax vessel with carrying capacity of approximately 67,000 dwt. Its flag State is Panama and was inspected and classified by China Corporation Register of Shipping for purpose of safety classification society. It was acquired by the Group in 2005 at a purchase cost of US\$11,900,000. MV Valour is free from all encumbrances, mortgages, taxes, maritime liens and debts whatsoever.

According to the unaudited management accounts of Sea Valour, the unaudited net asset value of MV Valour as at 29 February 2012 was approximately US\$6,000,000.

According to the audited accounts of the Group for the year ended 31 December 2011, the net loss (both before and after taxation and extraordinary items) attributable to MV Valour was approximately US\$1,678,000.

According to the audited accounts of the Group for the year ended 31 December 2010, the net profit (both before and after taxation and extraordinary items) attributable to MV Valour was approximately US\$1,432,000.

## **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 the provision of marine transportation services, property holding, investment holding and provision of administration services.

## **REASONS FOR THE DISPOSAL**

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 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\$5,071,130.40. The net proceeds of the Disposal of approximately US\$4,944,000, after deducting the related expenses paid by the Company in a sum of approximately US\$127,130.40, 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\$1,056,000 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\$4,944,000 arising from the Disposal less the book value of MV Valour of approximately US\$6,000,000 as at 29 February 2012.

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.

## **SINGAPORE LISTING RULES IMPLICATION**

As the Disposal is a disposal of a vessel of vessel in connection with the ordinary course of business of the Group being vessel chartering, the Disposal is not a transaction that falls under the scope of Chapter 10 of the Listing Manual of the Singapore Exchange Securities and Trading Limited (“SGX-ST”), and this announcement is made, *inter alia*, in compliance with HK Listing Rules requirements as further set out below and under the general disclosure obligations of the Company under the SGX-ST Listing Rules.

## **LISTING RULES IMPLICATION**

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

## **DEFINITIONS**

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

<b>“Company”</b>	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 SEHK and on Singapore Exchange Securities Trading Limited
<b>“Completion”</b>	completion of the sale and purchase of MV Valour in accordance with the MOA
<b>“Consideration”</b>	a total cash consideration of US\$5,071,130.40 payable by Regal Pacific to Sea Valour
<b>“Directors”</b>	the directors of the Company
<b>“Disposal”</b>	the disposal by Sea Valour of MV Valour subject to and upon the terms and conditions of the MOA
<b>“dwt”</b>	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
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People's Republic of China

“ <b>HK Listing Rules</b> ”	the Rules Governing the Listing of Securities on the SEHK
“ <b>MOA</b> ”	a memorandum of agreement dated 5 April 2012 entered into between Regal Pacific as buyer and Sea Valour as seller
“ <b>MV Valour</b> ”	M/V Valour, a Panamax vessel with carrying capacity of approximately 67,000 dwt and beneficially owned by Sea Valour
“ <b>Panamax</b> ”	dry bulk vessels with size ranging from approximately 60,000 to 99,999 dwt
“ <b>Regal Pacific</b> ”	Regal Pacific Industries Limited, a company incorporated in the British Virgin Islands with limited liability and the buyer under the MOA
“ <b>Sea Valour</b> ”	Sea Valour Marine Corp., a company incorporated in Panama with limited liability, a wholly-owned subsidiary of the Company and the vendor under the MOA
“ <b>SEHK</b> ”	The Stock Exchange of Hong Kong Limited
“ <b>US\$</b> ”	United States dollars, the lawful currency of the United States of America
“ <b>%</b> ”	per cent

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

Singapore, 5 April 2012

*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.*