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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: E91.SI)

DISCLOSEABLE TRANSACTION DISPOSAL OF VESSEL – M/V PANAMAX LEADER AND CONTINUING CONNECTED TRANSACTIONS

On 24 September 2012, Panamax Leader, an indirect wholly-owned subsidiary of the Company, entered into the MOA with Maritime in relation to the disposal of a vessel, M/V Panamax Leader, for a total cash consideration of US\$3,864,022.75 (equivalent to approximately HK\$30,139,377.45).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Maritime and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and save for Mr. Chang Shun-Chi, of whom the Broker is an associate within the meaning of Rule 14A.11(4) of the Listing Rules, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

Panamax Leader, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the Republic of Panama 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.

Pursuant to the New Brokerage Agreement, the Broker acts as broker of the Company in respect of the Disposal. The Broker is a connected person of the Group under Rule 14A.11 of the Listing Rules.

* For identification purpose only

THE MOA

Date: 24 September 2012

Parties: (1) Vendor: Panamax Leader Marine Corp.
(2) Purchaser: Maritime Delivery Inc.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Maritime and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and save for Mr. Chang Shun-Chi, of whom the Broker is an associate within the meaning of Rule 14A.11(4) of the Listing Rules, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

Asset to be disposed:

Pursuant to the MOA, Maritime has agreed to acquire and Panamax Leader has agreed to sell M/V Panamax Leader which is a Panamax vessel with carrying capacity of approximately 67,000 dwt and beneficially owned by Panamax Leader.

Consideration:

The total cash consideration for the Disposal is US\$3,864,022.75 (equivalent to approximately HK\$30,139,377.45) and shall be payable by Maritime to Panamax Leader in the following manner:

- (1) a deposit of twenty per cent (20%) of the Consideration shall be lodged in the bank account nominated by Panamax Leader within 24 hours after signing of the MOA; and
- (2) the balance of eighty per cent (80%) of the Consideration shall be paid to Panamax Leader within 24 hours after the notice of readiness has been tendered by Panamax Leader.

The Consideration was arrived at after arm's length negotiations between Maritime and Panamax Leader 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 Group and the shareholders of the Company as a whole.

Delivery and Completion

M/V Panamax Leader is to be delivered between 20 September 2012 and 20 October 2012 and Maritime has an option to cancel the MOA if delivery of M/V Panamax Leader shall not take place by 20 October 2012.

Completion takes place within 24 hours after receipt of the balance of Consideration by Panamax Leader, whereupon Panamax Leader shall procure physical delivery of M/V Panamax Leader and documents relating to the Disposal to Maritime. The Directors currently expect that the Completion and delivery of M/V Panamax Leader will take place on or before 25 September 2012.

Upon Completion, the Group will not hold any interests in M/V Panamax Leader.

INFORMATION ON MARITIME

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Maritime is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the business of scrapyards.

INFORMATION ON M/V PANAMAX LEADER

M/V Panamax Leader 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 2010 at purchase cost of approximately US\$12,880,000.00 (equivalent to approximately HK\$100,464,000.00). M/V Panamax Leader is free from all encumbrances, mortgages, taxes, maritime liens and debts whatsoever.

According to the unaudited management accounts of Courage Marine, the unaudited net asset value of M/V Panamax Leader as at 30 June 2012 was approximately US\$6,000,000.00 (equivalent to approximately HK\$46,800,000.00).

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 M/V Panamax Leader was approximately US\$1,300,000.00 (equivalent to approximately HK\$10,140,000.00).

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 M/V Panamax Leader was approximately US\$1,000,000.00 (equivalent to approximately HK\$7,800,000.00).

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

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 for general working capital and for funding any future acquisition of further 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\$3,864,022.75 (equivalent to approximately HK\$30,139,377.45). The net proceeds of the Disposal of approximately US\$3,767,000.00 (equivalent to approximately HK\$29,382,600.00), after deducting the related expenses paid by the Company in a sum of approximately US\$97,022.75 (equivalent to approximately HK\$756,777.45), 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\$2,233,000.00 (equivalent to approximately HK\$17,417,400.00) 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\$3,767,000.00 (equivalent to approximately HK\$29,382,600.00) arising from the Disposal less the book value of M/V Panamax Leader of approximately US\$6,000,000.00 as at 30 June 2012 (equivalent to approximately HK\$46,800,000.00).

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 or performance.

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 20 September 2012 in respect of the Broker, a connected person of the Group under Rule 14A.11 of the Listing Rules, providing brokerage service to the Group pursuant to the New Brokerage Agreement (“**CCT Announcement**”). Under the CCT Announcement, it was stated that the Group may dispose its vessels in accordance with its fleet renewal strategy or when suitable opportunity arises. The Directors consider the Consideration to be attractive in the current market condition.

The aggregate of the commission to be received by the Broker for the Disposal pursuant to the New Brokerage Agreement does not exceed the Annual Cap.

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:

“Annual Cap”	US\$310,000.00, which is the annual cap in respect of the amount of commission payable to the Broker for its services under the New Brokerage Agreement
“Broker”	Maxmart Shipping & Trading Corp., a company formed under the laws of Taiwan
“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 Singapore Exchange Securities Trading Limited
“Completion”	completion of the sale and purchase of M/V Panamax Leader in accordance with the MOA
“Consideration”	a total cash consideration of US\$3,864,022.75 (equivalent to approximately HK\$30,139,377.45) payable by Maritime to Panamax Leader
“Directors”	the directors of the Company

“Disposal”	the disposal by Panamax Leader of M/V Panamax Leader subject to and upon the terms and conditions of the MOA
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Maritime”	Maritime Delivery Inc., a company incorporated in the British Virgin Islands with limited liability and the purchaser under the MOA
“MOA”	a memorandum of agreement dated 24 September 2012 entered into between Maritime as purchaser and Panamax Leader as vendor
“M/V Panamax Leader”	M/V Panamax Leader, a Panamax vessel with carrying capacity of approximately 67,000 dwt and beneficially owned by Panamax Leader
“New Brokerage Agreement”	a renewed brokerage agreement entered into between Courage Marine (Holdings) Co., Limited and the Broker on 19 September 2012
“Panamax”	dry bulk vessels size range as 60,000 to 99,999 dwt
“Panamax Leader”	Panamax Leader Marine Corp., a company incorporated in the Republic of Panama with limited liability, an indirect wholly-owned subsidiary of the Company and the vendor under the MOA

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“US\$”

United States dollars, the lawful currency of the United States of America

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

Hong Kong, 24 September 2012

For the purpose of this announcement, unless otherwise specified, conversion of United States dollars into Hong Kong dollars are based on the approximate exchange rates 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 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.