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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board (the "**Board**") of directors (the "**Directors**") of Courage Marine Group Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2013 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	2013 US$'000	2012 US$'000
Revenue	5	**24,963**	18,758
Cost of sales		**(22,313)**	(18,499)
Gross profit		**2,650**	259
Other income	6	**609**	354
Other gains and losses	7	**80**	(3,816)
Administrative expenses		**(3,644)**	(3,685)
Other expenses	8	**(167)**	(1,057)
Impairment loss on property, plant and equipment		**–**	(1,664)
Finance costs	9	**(1,300)**	(1,062)
Loss before tax		**(1,772)**	(10,671)
Income tax expense	10	**(3)**	(6)
Loss for the year	11	**(1,775)**	(10,677)
Other comprehensive (expense) income, net of income tax:			
Item that will not be reclassified subsequently to profit or loss:			
(Deficit) surplus on revaluation of leasehold land and building		**(68)**	528
Deferred tax asset (liability) arising on revaluation of leasehold land and building		**24**	(213)
		(44)	315
Total comprehensive expense for the year – attributable to owners of the Company		**(1,819)**	(10,362)
Loss per share (US cents)	12		
– basic		**(0.17)**	(1.01)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2013

	NOTES	2013 US$'000	2012 US$'000
Non-current assets			
Property, plant and equipment		**70,120**	62,029
Investment property		**914**	2,355
Interests in subsidiaries		**–**	–
Interest in a joint venture		**5,330**	32
Amounts due from subsidiaries		**–**	–
Long-term receivables and deposits		**5,015**	7,679
Deposit paid for acquisition of a vessel		**860**	–
Available-for-sale investment		**79**	–
Total non-current assets		**82,318**	72,095
Current assets			
Trade receivables	*14*	**1,329**	891
Other receivables and prepayments		**3,775**	3,652
Amount due from a joint venture		**412**	412
Tax recoverable		**–**	58
Held-for-trading investments		**450**	391
Pledged bank deposits		**4,330**	4,298
Structured deposit		**–**	962
Cash and cash equivalents		**13,152**	21,872
Total current assets		**23,448**	32,536
Total assets		**105,766**	104,631

	NOTES	**2013**	2012
		US$'000	*US$'000*
Current liabilities			
Other payables and accruals		**2,205**	1,775
Borrowings – due within one year		**5,646**	5,098
Total current liabilities		**7,851**	6,873
Capital and reserves			
Share capital		**19,059**	19,059
Share premium		**28,027**	28,027
Revaluation reserve		**1,073**	1,117
Other reserve		**1,531**	–
Retained profits		**17,695**	19,470
Total equity		**67,385**	67,673
Non-current liabilities			
Deferred taxation		**190**	214
Borrowings – due more than one year		**30,340**	29,871
Total non-current liabilities		**30,530**	30,085
Total liabilities and equity		**105,766**	104,631
Net current assets		**15,597**	25,663
Total assets less current liabilities		**97,915**	97,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. GENERAL

The Company (Registration No. 36692) was incorporated in Bermuda on 5 April 2005 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is at Suite 1801, West Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The Company is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Main Board of The Stock Exchange of Hong Kong Limited ("**HKSE**"). The consolidated financial statements are presented in United States dollars ("**US$**"), which is the functional currency of the Company, and all values in the tables are rounded to the nearest thousand (US$'000) as indicated.

The Company acts as an investment holding company.

There are no significant changes to the principal activities of the Company and the Group during the year ended 31 December 2013.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has applied for the first time in the current year the following new and revised International Financial Reporting Standards ("**IFRSs**").

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 13	Fair Value Measurement
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IFRSs	Annual Improvements to IFRSs 2009 – 2011 Cycle
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Except for as described below, the application of the above new or revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 (as revised in 2011) "Separate Financial Statements" and IAS 28 (as revised in 2011) "Investments in Associates and Joint Ventures", together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding transitional guidance.

IAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of IFRS 10

IFRS 10 replaces the parts of IAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and (SIC) – 12 "Consolidation – Special Purpose Entities". IFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee. Some guidance included in IFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

Impact of the application of IFRS 11

IFRS 11 replaces IAS 31 "Interests in Joint Ventures", and the guidance contained in a related interpretation, SIC – 13 "jointly controlled entities – Non-Monetary Contributions by Venturers", has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a joint controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

As a result of the adoption of IFRS 11, the Group re-evaluated its involvement in its joint arrangement. The Group has reclassified the investment from jointly controlled entity to joint venture. The investment continues to be accounted for using equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

IFRS 13 "Fair Value Measurement"

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based Payment", leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard.

In accordance with these transitional provisions, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income"

The Group has applied the amendments to IAS 1 "Presentation of Items of Other Comprehensive Income". The amendments introduce new terminology for the statement of profit or loss and other comprehensive income and income statement. Under the amendments to IAS 1, the "statement of profit or loss and other comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Except as described above, the application of the other new or revised IFRSs in the current year has had no material effect on the amounts reported and/or disclosures set out in these consolidated financial statements.

The Group and the Company have not early applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[2]
IFRS 9	Financial Instruments[3]
IFRS 14	Regulatory Deferral Accounts[5]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[1]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
IFRIC 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Available for application – the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
5 Effective for first annual IFRS financial statements beginning on or after 1 January 2016

The directors of the Company anticipate that the application of the new and revised IFRSs will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the HKSE and the disclosure requirements by the Hong Kong Companies Ordinance (Cap. 32).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, leasehold land and building and investment property that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

4. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on provision of marine transportation service. The executive director monitors the revenue of marine transportation service based on the voyage charter and time charter service income of dry bulk carriers of different sizes and their utilisation rates for the purpose of making decisions about resource allocation and performance assessment. However, other than revenue analysis, no operating results and other discrete financial information is available for the resource allocation and performance assessment. The results of ship management service activities are insignificant to the Group and were not regularly reviewed by the chief operating decision maker (the executive director).

The Board of Directors reviews the loss for the year of the Group prepared in accordance with accounting policies set out in Note 3 as a whole for performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the Board of Directors.

The revenue of the dry bulk carriers of different sizes is analysed as follows:

For the year ended 31 December 2013

	Voyage charter *US$'000*	**Time charter** *US$'000*	**Total** *US$'000*
Dry bulk carriers			
– Capesize	**12,530**	**–**	**12,530**
– Handysize	**–**	**–**	**–**
– Supermax	**12,373**	**–**	**12,373**
	24,903	**–**	**24,903**

For the year ended 31 December 2012

	Voyage charter *US$'000*	Time charter *US$'000*	Total *US$'000*
Dry bulk carriers			
– Capesize	4,882	–	4,882
– Handysize	203	–	203
– Supermax	11,897	255	12,152
– Panamax	1,431	–	1,431
	18,413	255	18,668

Due to the nature of the provision of vessel chartering services, which are carried out internationally, the Directors consider that it is not meaningful to provide geographical financial information concerning revenue and location of non-current assets of the Group. Accordingly, financial information about geographical areas is not presented.

5. REVENUE

	2013	2012
	US$'000	*US$'000*
Marine transportation services income:		
– Vessel voyage charter	**24,903**	18,413
– Time charter	**–**	255
	24,903	18,668
Ship management service income	**60**	90
	24,963	18,758

6. OTHER INCOME

	2013	2012
	US$'000	*US$'000*
Dividend income from listed investments	**20**	22
Rental income	**37**	43
Interest income from banks	**85**	114
Interest income from certificate of deposit	**–**	16
Insurance compensation	**240**	50
Imputed interest income on long-term receivable	**225**	96
Sundry income	**2**	13
	609	354

7. OTHER GAINS AND LOSSES

	2013	2012
	US$'000	*US$'000*
Loss on disposal of property, plant and equipment	**–**	(4,172)
Change in fair value of held-for-trading investments	**59**	39
Change in fair value of investment property	**(41)**	296
Change in fair value of structured deposit	**38**	(38)
Net foreign exchange gains	**24**	59
	80	(3,816)

8. OTHER EXPENSES

	2013	2012
	US$'000	*US$'000*
Impairment loss on deposits paid	**167**	–
Discount effect on long-term loan advanced to Santarli Corp	**–**	557
Other	**–**	500
	167	1,057

9. FINANCE COSTS

	2013	2012
	US$'000	*US$'000*
Interest expenses from borrowings wholly repayable within five years:		
– Bank overdraft	**63**	56
Interest expenses from borrowings not wholly repayable within five years:		
– Other borrowings	**1,153**	978
Bank charges	**84**	28
	1,300	1,062

10. INCOME TAX EXPENSE

	2013	2012
	US$'000	*US$'000*
Current tax:		
Enterprise income tax of the People's Republic of China ("PRC")	**3**	6

Enterprise income tax of the PRC is calculated at 25% of the assessable profit of a representative office in Shanghai, PRC for both years.

In the opinion of the Directors of the Company, there is no taxation arising in other jurisdictions.

11. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2013	2012
	US$'000	*US$'000*
Auditor's remuneration:		
– paid to auditors of the Company	**311**	263
Non audit assurance services fees:		
– paid to other auditors	**13**	1
Employee benefits expense (including Directors' emoluments):		
– Contributions to retirement benefits scheme	**35**	35
– Salaries and other benefits	**1,553**	1,529
Total employee benefits expense	**1,588**	1,564
Marine crew expenses	**2,505**	2,945
Fuel expenses	**13,364**	8,744
Depreciation for property, plant and equipment	**1,692**	2,248

12. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2013	2012
	US$'000	*US$'000*
Loss		
Loss for the year attributable to owners of the Company, for the purpose of calculation of basic loss per share	**(1,775)**	(10,677)

	2013	2012
	'000	*'000*
Number of shares		
Number of ordinary shares in issue during the year, for the purpose of calculation of basic loss per share	**1,058,829**	1,058,829

No diluted loss per share were presented for both years as there were no potential ordinary shares outstanding during both years and at the end of each reporting period.

13. DIVIDEND

No dividends were paid, declared or proposed during the year ended 31 December 2013, nor has any dividend been proposed since the end of the reporting period (2012: nil).

14. TRADE RECEIVABLES

The credit period granted by the Group to certain customers of voyage charter is within 2 weeks (31 December 2012: 2 weeks) after the receipt of invoices while other customers are requested to prepay the charter-hire income in full before discharging for voyage charter. Customers of time charter are requested to prepay the charter-hire income for time charter. An aged analysis of the Group's trade receivables based on invoice date at the end of the reporting period is as follows:

	2013	2012
	US$'000	*US$'000*
0 to 30 days	1,329	891

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of US$1,329,000 (2012: US$891,000) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss.

Aging of trade receivables which are past due but not impaired:

	2013	2012
	US$'000	*US$'000*
0 to 30 days	1,329	891

The Group has not provided for the trade receivables which are past due but not impaired because the management of the Group considers that those receivables are recoverable based on the good settlement track record of the customers. No interest is charged on the outstanding trade receivables. The Group does not hold any collateral over these balances.

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of US$nil (2012: US$133,000) which are overdue over one year. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected proceeds. The Group does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period and considers to make impairment losses for irrecoverable amount, if necessary.

The Group's trade receivables are mainly denominated in the United States dollars which are also the functional currency of the respective entities in the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

(I) Business Review

Revenue

The Group's turnover increased by 33% from approximately US$18.8 million in FY2012 to approximately US$25 million in FY2013. The dry bulk market improved during the second half of 2013 in which the Baltic Dry Index (the "BDI") gradually increased from the 1000 level in July 2013 to the 2000 level at the end of 2013.

Profitability

Due to the increase in turnover by 33%, the Group's cost of sales increased by 21% from approximately US$18.5 million in FY2012 to approximately US$22.3 million in FY2013. It was mainly due to lower fixed costs, including insurance, crew fees and depreciation. The Group recorded a gross profit of approximately US$2.7 million in FY2013 compared to approximately US$0.3 million in FY2012.

Other income

Other income consists of interest income from banks and certificate of deposit, sundry income, and other one-off income. The Group recorded other income of US$0.6 million in FY2013, an increase of 72% compared to FY2012. This was largely due to a one-off insurance claim received in FY2013.

Other gains and losses

Other gains and losses consists of changes in the fair value of investment property, changes in the fair value of held-for-trading investments, gains and losses on the disposal of fixed assets and exchange gains and losses. The Group recorded other gains of approximately US$80,000 in FY2013 compared to other losses of approximately US$3.8 million in FY2012 due to the disposal losses of aged vessels, namely MV Raffles, MV Valour, MV Cape Warrior, MV Courage and MV Panamax Leader.

Administrative expenses

Administrative expenses decreased by 1% as the Group maintained a relatively stable administrative cost.

Other expenses

The Group had recorded other expenses of approximately US$167,000 in FY2013 compared to US$1.1 million in FY2012 as the Group recorded an impairment loss on deposits paid in FY2013.

Impairment loss on property, plant and equipment

The Group conducted a review of the Group's vessels and determined that a number of those assets were impaired, due to the decrease in utilisation rate and corresponding fall in revenue. Accordingly, the Group had recorded an impairment loss of approximately US$1.7 million in FY2012 and did not record such expense in FY2013. The recoverable amount of the vessels has been determined on the basis of their fair value less cost to sell.

Finance costs

The Group recorded finance costs of approximately US$1.3 million in FY2013 compared to US$1.1 million in FY2012 mainly due to bank borrowings.

Income tax expenses

The Group's subsidiaries recorded an income tax expense of US$3,000 during FY2013 compared to approximately US$6,000 in FY2012.

Net loss

Overall, the Group recorded a net loss of approximately US$1.8 million in FY2013 compared to a net loss of approximately US$10.7 million in FY2012 due to higher turnover and higher utilisation during the year, and no impairment loss of the Group's vessels.

Other comprehensive income

The Group recorded other comprehensive expenses of approximately US$44,000 in FY2013 due to the deficit on revaluation of the Group's leasehold and building. The Group recorded other comprehensive income for approximately US$315,000 in FY2012.

(II) Financial Review

Gearing ratios

The Group's gearing ratios (being calculated as the Group's total liabilities divided by the Group's total equity) for the year of 2012 and 2013 were approximately 54.6% and 57% respectively. The increase of the Group's gearing ratio was mainly due to the Group's new bank borrowing obtained for the amount of US$4 million for the working capital during such period.

	As at Dec 31, 2013 *US$'000* **(Unaudited)**	As at Dec 31, 2012 *US$'000* (Restated)
Other payables and accruals	**2,205**	1,775
Borrowings – due within one year	**5,646**	5,098
Borrowings – due after one year	**30,340**	29,871
Deferred taxation	**190**	214
Total liabilities	**38,381**	36,958
Total equity	**67,385**	67,673
Gearing ratio	**57.0%**	54.6%

Bank borrowings

	2013 *US$'000*	2012 *US$'000*
Secured bank overdraft	**2,475**	2,407
Secured other loans	**33,511**	32,562
	35,986	34,969
Carrying amount repayable:		
Within one year	**5,646**	5,098
More than one year, but not exceeding two years	**3,171**	2,691
More than two years, but not exceeding five years	**10,752**	8,073
More than five years	**16,417**	19,107
	35,986	34,969

(III) Prospects

The dry bulk market improved during the second half of 2013 but fell during the beginning of 2014. The BDI, which has a close correlation to freight rates, was low at the 1000 level. The low demand for commodities in the Greater China Region, especially during the Chinese New Year period, and over-supply of vessels led to the pressure on the freight rate of the dry bulk market. The Group remains cautious on the outlook for 2014.

Subsequent to the 2013 year end, the Group took delivery of a Panamax-size vessel for a cash consideration of US$8.6 million. The updated tonnage of the Group's fleet is approximately 487,000 dwt. With the replacement of the vessels, the Group is well-placed to have higher efficiency in the event the dry bulk market recovers in full.

The Group expects the financial performance for 2014 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.

(IV) Dividend

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2013. (2012: NIL)

(V) Supplementary Information

1. Contingent Liabilities

As at 31 December 2013, the Group has no material contingent liabilities (2012: Nil).

2. Material Litigation and Arbitration

As at 31 December 2013, the Group was not involved in any litigation or arbitration.

3. Audit Committee

The audit committee of the Company (the "**Audit Committee**") has reviewed the accounting principles and standards adopted by the Group, has discussed and reviewed the internal control and reporting matters. The final results for the year ended 31 December 2013 has been reviewed by the Audit Committee.

4. *Compliance with the Code on Corporate Governance Practices*

The Company devotes the best practice on corporate governance, and has complied with the code provisions of the Code on Corporate Governance Practices (the "**Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities on HKSE (the "**Listing Rules**") for the year ended 31 December 2013, except for the following deviation:

Under the code Provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. However, all independent non-executive Directors are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company's bye-laws. The Company considers that sufficient means have been taken to ensure the Company's corporate governance practices.

5. *Compliance with the Model Code for Securities Transactions by Directors of Listed Issuer*

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") as set out in Appendix 10 of Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by the Directors. The Board confirms that, having made specific enquiries with all Directors, during the year ended 31 December 2013, all Directors have complied with the required standards of the Model Code.

6. *Purchase, Sales or Redemption of the Company's Listed Securities*

For the year ended 31 December 2013, neither the Company nor its subsidiaries has purchased, sold, or redeemed any of the listed securities of the Company.

7. *Employees and Remuneration Policy*

As at 31 December 2013, there were 24 (2012: 24) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses of eligible staff based on their performance and contributions to the Group.

8. Publication of Result Announcement and Annual report

The result announcement shall be published on the website of the HKSE (www.hkex.com.hk), SGX-ST (www.sgx.com) and the Company (www.couragemarine.com). The annual report for the year ended 31 December 2013 of the Company containing all information required by the Listing Rules will be despatched to shareholders and available on the same websites in due course.

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

Hong Kong, 25 February 2014

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.