

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 – MV CAPE WARRIOR

On 7 May 2014 (after market hours), Cape Ore, an indirect wholly-owned subsidiary of the Company, entered into the MOA with Providence in relation to the disposal of a vessel, MV Cape Warrior, for a total cash consideration of US\$8,698,996.80 (equivalent to approximately HK\$67,852,175.04).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Providence and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

Cape Ore, 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.

THE MOA

Date: 7 May 2014 (after market hours)

Parties:

- (1) Vendor: Cape Ore Marine Corp.
- (2) Purchaser: Providence Shipping Corporation

* for identification purposes only

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Providence and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and 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, Providence has agreed to acquire and Cape Ore has agreed to sell MV Cape Warrior which is a Capesize vessel with carrying capacity of approximately 151,688 dwt and beneficially owned by Cape Ore.

Consideration:

The total cash consideration for the Disposal is US\$8,698,996.80 (equivalent to approximately HK\$67,852,175.04) and shall be payable by Providence to Cape Ore in the following manner:

- (1) a deposit of twenty per cent (20%) of the Consideration shall be lodged in the bank account nominated by Cape Ore within three (3) Banking Days after signing of the MOA; and
- (2) the balance of eighty per cent (80%) of the Consideration less address commission shall be paid into the bank account nominated by Cape Ore within three (3) Banking Days after the notice of readiness has been tendered by Cape Ore, the exchange of documents has been completed and MV Cape Warrior has been deemed ready for delivery in accordance with the terms of the MOA.

The Consideration was arrived at after arm's length negotiations between Providence and Cape Ore 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

MV Cape Warrior is to be delivered on or before 15 May 2014 and Providence has an option to cancel the MOA if delivery of MV Cape Warrior shall not take place by 15 May 2014.

Completion takes place upon receipt of the balance of the Consideration by Cape Ore, whereupon Cape Ore shall procure physical delivery of MV Cape Warrior and documents relating to the Disposal to Providence. The Directors currently expect that the Completion and delivery of MV Cape Warrior will take place on or before 15 May 2014.

Upon Completion, the Group will not hold any interests in MV Cape Warrior.

INFORMATION ON PROVIDENCE

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

INFORMATION ON MV CAPE WARRIOR

MV Cape Warrior is a Capesize vessel with carrying capacity of approximately 151,688 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 2012 at purchase cost of approximately US\$6,650,000.00 (equivalent to approximately HK\$51,870,000.00). MV Cape Warrior is free from all encumbrances, mortgages, taxes, maritime liens and debts whatsoever.

According to the unaudited management accounts of Cape Ore, the unaudited net asset value of MV Cape Warrior as at 31 March 2014 was approximately US\$6,900,000.00 (equivalent to approximately HK\$53,820,000.00).

According to the audited accounts of the Group for the years ended 31 December 2012 and 31 December 2013, the net profit (both before and after taxation and extraordinary items) attributable to MV Cape Warrior was approximately US\$2,000,000.00 (equivalent to approximately HK\$15,600,000.00) and approximately US\$6,100,000.00 (equivalent to approximately HK\$47,580,000.00) respectively.

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\$8,698,996.80 (equivalent to approximately HK\$67,852,175.04). The net proceeds of the Disposal of approximately US\$8,400,000.00 (equivalent to approximately HK\$65,520,000.00), after deducting the related expenses paid by the Company in a sum of approximately US\$300,000.00 (equivalent to approximately HK\$2,340,000.00), 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 gain on the Disposal of approximately US\$1,500,000.00 (equivalent to approximately HK\$11,700,000.00) for the year ending 31 December 2014, which will be reflected in the consolidated profit and loss account of the Group for the year ending 31 December 2014. The gain on the Disposal is calculated by the net proceeds of approximately US\$8,400,000.00 (equivalent to approximately HK\$65,520,000.00) arising from the Disposal less the book value of MV Cape Warrior of approximately US\$6,900,000.00 as at 31 March 2014 (equivalent to approximately HK\$53,820,000.00).

Apart from the gain on the Disposal to be reflected in the consolidated profit and loss account of the Group for the year ending 31 December 2014, it is estimated that the Disposal would not have a material impact on the Group's financial position or performance.

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:

“Banking Days”	a day on which commercial banks are open for business in New York, London or Belgium;
“Cape Ore”	Cape Ore 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;
“Capesize”	dry bulk vessels size range as 100,000 dwt or larger;

“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 the Singapore Exchange Securities Trading Limited;
“Completion”	completion of the sale and purchase of MV Cape Warrior in accordance with the MOA;
“Consideration”	a total cash consideration of US\$8,698,996.80 (equivalent to approximately HK\$67,852,175.04) payable by Providence to Cape Ore;
“Directors”	the directors of the Company;
“Disposal”	the disposal by Cape Ore of MV Cape Warrior 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;
“MOA”	a memorandum of agreement dated 7 May 2014 entered into between Providence as purchaser and Cape Ore as vendor;
“MV Cape Warrior”	MV Cape Warrior, a Capesize vessel with carrying capacity of approximately 151,688 dwt and beneficially owned by Cape Ore;
“Providence”	Providence Shipping Corporation, a company incorporated in the Republic of Panama with limited liability and the purchaser 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; and

“%” per cent.

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

Hong Kong, 8 May 2014

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 executive Director is Mr. Wu Jian, the non-executive Director is Mr. Tsoi Wai Kwong and the independent non-executive Directors are Mr. Chu Wen Yuan, Mr. Foo Meng Kee and Mr. Ngiam Zee Moey.