



COURAGE MARINE GROUP LIMITED

(Incorporated in Bermuda on 5 April 2005)

(Company Registration no: 36692)

Unaudited results for the First Quarter Ended 31 March 2009

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 First Quarter Ended 31 March 2009

	Group		
	US\$'000		%
	Q1 2009	Q1 2008	Change
Turnover	4,984	21,503	(77)
Cost of sales	(5,626)	(8,829)	(36)
Gross (loss) profit	(642)	12,674	NM
Other operating incomes	518	575	(10)
Administrative expenses	(530)	(569)	(7)
Other operating expenses	(24)	(39)	(38)
Gain on disposal of equipment	283	-	NM
Share of loss of associate	(82)	(83)	(1)
Finance cost	(92)	(4)	2,040
(Loss) Profit before income tax	(569)	12,554	NM
Income tax	(9)	(2)	350
(Loss) Profit for the period	(578)	12,552	NM

1(a)(ii) Additional Information

	Group		
	US\$'000		%
	Q1 2009	Q1 2008	Change
Profit before tax is arrived after (charging) / crediting:			
Other incomes including interest income	518	575	(10)
Interest on borrowings	(92)	(4)	2,040
Depreciation and amortisation	(2,632)	(1,360)	94
Loss on held-for-trading investment	(6)	(21)	(71)
Share of loss of associate	(82)	(83)	(1)
Foreign exchange gain (net)	9	84	(89)

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
	31/03/2009	31/12/2008	31/03/2009	31/12/2008
ASSETS				
Non-current asset				
Subsidiaries	-	-	14,217	14,217
Associate	2,705	2,787	-	-
Plant and equipment	62,007	63,149	-	-
	64,712	65,936	14,217	14,217
Current assets				
Trade receivables	5,758	2,678	-	-
Other receivables and prepayments	11,098	5,401	36	9
Amounts due from subsidiaries	-	-	63,682	63,682
Held-for-trading investment	520	526	-	-
Pledged deposits	5,000	7,280	-	-
Non-current asset classified as held for sale	-	6,717	-	-
Bank balances and cash	43,564	45,556	344	408
	65,940	68,158	64,062	64,099
TOTAL ASSETS	130,652	134,094	78,279	78,316
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
Exchange reserve	49	49	-	-
Reserve	70,495	71,073	29,675	29,716
	117,630	118,208	76,761	76,802
Non-current liability				
Borrowing - due after one year	6,000	6,800	-	-
Current liabilities				
Other payables and accruals	3,822	5,886	242	1,305
Amounts due to subsidiaries	-	-	1,276	209
Borrowings - due within one year	3,200	3,200	-	-
	7,022	9,086	1,518	1,514
TOTAL EQUITY AND LIABILITIES	130,652	134,094	78,279	78,316

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

Amount repayable in one year or less, or on demand

As at 31/3/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
US\$3,200,000	-	US\$3,200,000	-

Amount repayable after one year

As at 31/3/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
US\$6,000,000	-	US\$6,800,000	-

Details of any collateral

Secured borrowings are generally secured by:

1. Mortgage over a vessel of the Group with net book value US\$15,288,000 (2008: US\$16,000,000)
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	
	Q1 2009	Q1 2008
Operating activities		
(Loss) Profit for the period	(578)	12,552
Adjustments for		
Interest income	(56)	(491)
Interest expense	92	4
Gain on disposal of plant and equipment	(283)	-
Loss on held-for-trading investment	6	21
Share of loss of associate	82	83
Depreciation	2,632	1,360
Operating cash flows before movements in working capital	1,896	13,530
(Increase) Decrease in trade receivables	(3,080)	1,236
(Increase) in other receivable and prepayments	(5,698)	(157)
(Decrease) in other payable and accruals	(2,065)	(576)
Cash (used in) generated from operations	(8,947)	14,033
Interest received	56	491
Interest paid	(92)	(4)
Net cash (used in) generated from operating activities	(8,983)	14,520
Investing activities		
Purchase of plant and equipment	(1,489)	(1,105)
Pledged deposits	2,280	-
Proceeds on disposal of plant and equipment	7,000	-
Net cash generated from (used in) investing activities	7,791	(1,105)
Financing activities		
Repayment of borrowings	(800)	(680)
Net cash used in financing activities	(800)	(680)
Net (Decrease) Increase in cash and cash equivalents	(1,992)	12,735
Cash and cash equivalents at beginning of the period	45,556	64,364
Cash and cash equivalents at end of the period	43,564	77,099

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	Exchange Reserve	Retained profits attributable to the shareholders	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Group					
Balance at 1 January 2008	19,059	28,027	45	68,581	115,712
Profit for the period	-	-	-	12,552	12,552
Balance at 31 March 2008	19,059	28,027	45	81,133	128,264
Balance at 1 January 2009	19,059	28,027	49	71,073	118,208
(Loss) for the period	-	-	-	(578)	(578)
Balance at 31 March 2009	19,059	28,027	49	70,495	117,630

	Share Capital	Share Premium	Exchange Reserve	Retained profits attributable to the shareholders	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
The Company					
Balance at 1 January 2008	19,059	28,027	-	26,890	73,976
(Loss) for the period	-	-	-	(55)	(55)
Balance at 31 March 2008	19,059	28,027	-	26,835	73,921
Balance at 1 January 2009	19,059	28,027	-	29,716	76,802
(Loss) for the period	-	-	-	(41)	(41)
Balance at 31 March 2009	19,059	28,027	-	29,675	76,761

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

As at 31 March 2009 and as at 31 December 2008, (i) there were no options granted or outstanding pursuant to the Courage Marine Employee Option Scheme approved by the shareholders of the Company on 24 August 2005, and (ii) there were no shares being held as treasury shares by the Company.

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 31/03/09	As at 31/12/08
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

Not applicable

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 2008.

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	
	Q1 2009	Q1 2008
	US Cents	US Cents
a Based on the weighted average number of ordinary shares in issue	(0.05)	1.19
b On a fully diluted basis	(0.05)	1.19

NOTES:

The earnings (loss) per ordinary share is calculated by dividing the consolidated profit (loss) 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 (loss) per ordinary share is the same as the earnings (loss) 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	
	31/3/2009	31/12/2008	31/3/2009	31/12/2008
	US Cents	US Cents	US Cents	US Cents
Net asset value per ordinary share	11.11	11.16	7.25	7.25

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

1Q2009

The Group turnover fell by 77% in 1Q09 to approximately US\$5 million from US\$21.5 million in 1Q08, reflecting the steep decline in dry bulk rates, as well as the low fleet utilisation at around 70% given the dampened demand from the global economic crisis compared to the fleet utilisation at around 85% in 1Q08. The Baltic Dry Index ("BDI") averaged about 1,200 in 1Q09, 84% lower than 1Q08's average of 7,500. The BDI is currently around the 2,000 level.

Profitability

1Q2009

Although turnover dipped by 77%, the Group's cost of sales declined by only 36% to approximately US\$5.6 million. As such, the Group recorded a loss of approximately US\$0.6 million at the gross level compared to gross profit of US\$12.7 million in 1Q08. Correspondingly, 1Q09 gross profit margin of -12.9% was much lower than the approximately 58.9% achieved in 1Q08.

Other operating incomes consist of interest income from bank balances, gain on foreign exchange and other one-off income. The Group recorded other operating income of US\$518,000 in 1Q09, a decrease of 10% compared to 1Q08.

Administrative expenses decreased by 7% to US\$530,000 in 1Q09.

The Group recorded US\$24,000 in other operating expenses, a decrease of 38% over 1Q08.

The Group disposed a Panamax size vessel, MV Panamax Mars, in January 2009 and recorded a gain on disposal for US\$283,000.

In proportion with the Group's 25% interest in an associate, the Group's associate recorded a net loss of approximately US\$82,000 in 1Q09; 1% decrease compared to 1Q08.

One of the Group's subsidiaries obtained a bank loan of US\$10 million in October 2008, and it recorded a finance cost of US\$92,000 in 1Q09.

The Group's subsidiaries recorded an income tax expense of US\$9,000 during 1Q09.

Overall, the Group recorded net loss of US\$578,000 in 1Q09 due to significantly lower freight rates and low fleet utilisation.

Cashflow

There was a net decrease in cash and cash equivalents of approximately US\$2 million in 1Q09 arising from the net loss and repayment of the bank borrowing for the period. However, the Group remains in a net cash position, with cash and bank balances of approximately US\$43.6 million as at 31 March 2009.

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 global financial crisis has had a significant impact on the shipping industry. Freight rates have fallen sharply in the past few months, with the BDI collapsing to under 1,000 level around the end of December last year. It remains low at around 1,500 to 2,000 during 1Q09.

Despite efforts by the Group to secure deployment of its fleet, fleet utilisation was low in January and February 2009, although it had picked up slightly going into March and April of this year. This low fleet utilisation was due to the fall in demand for maritime transportation services in line with the reduced level of trading and other economic activities as a result of the global economic crisis.

The Group expects that the financial performance for the rest of 2009 will continue 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?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

The Directors do not recommend the payment of an interim dividend on the ordinary shares for the current financial period.

By Order of the Board

WU CHAO HUAN
Managing Director
12 May 2009



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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 first quarter ended 31 March 2009 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 first quarter of 2009 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 Twelfth day of May 2009