

COURAGE MARINE GROUP LIMITED

(勇利航業集團有限公司)
(Incorporated in Bermuda)
(Company Registration No. 36692)

INTERESTED PERSON TRANSACTIONS - RENEWAL OF BROKERAGE AGREEMENT

The Board of Directors of Courage Marine Group Limited (the “**Company**”) wishes to announce that Courage Marine (holdings) Co., Limited (the “**Subsidiary**”), a wholly owned subsidiary of the Company, and Maxmart Shipping & Trading Corp (the “**Broker**”) has entered a new brokerage agreement dated 19 September 2012 (the “**New Brokerage Agreement**”), and is on substantially the same terms as the brokerage agreement dated 16 April 2012 entered into between the Subsidiary and the Broker (the “**Old Agreement**”). The New Brokerage Agreement shall be for a further term of 12 months commencing on the date of the New Brokerage Agreement (“**Effective Period**”).

Pursuant to the Old Agreement, the Broker acts as broker of the Group for the sale of the vessels owned by the Group on a non-exclusive basis and the agreed commission payable by the Group to the Broker for each vessel sold through the Broker’s services is 0.5% of the purchase price for each vessel sold. The commissions are payable to the Broker after the completion of the sale of the relevant vessel and the payment of commission is conditional upon the completion of the sale. The commission rate and payments terms applicable to the Broker follow standard market rates and practice. The Old Agreement has expired on 31 July 2012.

INTERESTED PERSON TRANSACTIONS WITH THE BROKER

The New Brokerage Agreement

| | |
|----------------------------|---|
| Date: | 19 September 2012 |
| Effective period: | 12 months commencing from the date of the New Brokerage Agreement |
| Parties: | Broker as (service provider); and Subsidiary (as customer) |
| Nature of transactions: | Broker will provide brokerage services to the Group on a non-exclusive basis for the sale of the Group’s vessels by providing to the Group market information on the prices of vessels and by assisting the Group in sourcing potential buyers of the Group’s vessels which the Group intends to sell |
| Condition of transactions: | Each engagement of the Broker for its services is separate, distinct and conditional upon compliance with the procedures and provisions contained in the Group’s “Conflict of Interest and Transaction with Interested Persons Policy” |
| Commission: | The commission payable by the Group to the Broker is 0.5% of the price for each vessel sold through the Broker’s service. The commission is to be paid against invoice after the completion of the sale of the relevant vessel and the payment is conditional upon the completion of sale |
| Annual cap: | US\$310,000.00 |
| Basis of the annual cap: | In determining the proposed annual cap of the continuing connected transactions contemplated under the New Brokerage Agreement, the Board has taken into account with reference of the factors, |

namely (i) the historical amounts of commission payable to the Broker, (ii) the possibility of the Group disposing its vessels in accordance with its fleet renewal strategy or when suitable opportunity arises and (iii) the aggregate value of all the vessels currently owned by the Group as of the date of this Announcement

Purpose of the transactions: The vessel brokerage services are essential in assisting the Group in obtaining market information on the price of vessels and sourcing potential buyers for the vessels of the Group which the Group intends to sell. The Broker has the capabilities and experience to serve the Group.

REVISION OF ANNUAL CAP UNDER THE OLD AGREEMENT

During the period from 1 August 2011 to 31 July 2012, the annual cap for the transactions contemplated under the Old Agreement was HK\$1,500,000.00.

The Directors expect that the annual cap under the Old Agreement will not be sufficient for the Group's future requirements. The Directors therefore propose that the annual cap in respect of the amount of commission payable to the Broker under the New Brokerage Agreement be revised to US\$310,000.00 (equivalent to approximately HK\$2,418,000.00) with substantially the same terms as the Old Agreement.

Historical transaction figures and the annual cap under the Old Agreement

A breakdown of the approximate historical transaction figures and the annual cap in respect of the amount of commission payable to the Broker under the Old Agreement is as follows:-

Period from 1 August 2011 to 31 July 2012

| Disposal of vessel | Date of sale | Commission Paid |
|--------------------|------------------|---|
| M/V Heroic | 16 August 2011 | US\$20,113.68 |
| M/V Zorina | 3 October 2011 | US\$26,237.20 |
| M/V Bravery | 17 November 2011 | US\$16,668.38 |
| M/V Sea Pioneer | 21 December 2011 | US\$25,824.34 |
| M/V Raffles | 18 January 2012 | US\$15,454.12 |
| M/V Valour | 5 April 2012 | US\$25,355.65 |
| M/V Cape Warrior | 3 May 2012 | US\$43,966.69 |
| M/V Courage | 13 June 2012 | US\$21,699.40 |
| | Total: | US\$195,319.46 (equivalent to approximately H HK\$1,523,491.79) Annual cap: HK\$1,500,000.00 |

As far as the Directors are aware, the annual cap under the Old Agreement has been exceeded as at 13 June 2012 at the time of the disposal of M/V Courage and the same has been disclosed in an announcement dated 13 June 2012 of the Company. Hence, the Directors are of the view that the annual cap under the Old Agreement would be insufficient for the New Brokerage Agreement.

Furthermore, as the Group may dispose its vessels in accordance with its fleet renewal strategy or when suitable opportunity arises, the Directors are of the view that the annual cap under the New Brokerage Agreement shall be revised to US\$310,000.00 (equivalent to approximately HK\$2,418,000.00). The annual cap under the New Brokerage Agreement is based on the amount of commission payable to the Broker if the Group were to dispose all of the 4 existing vessels currently owned by the Group as of the date of this Announcement within the Effective Period (i.e. 0.5% of the aggregate value of US\$62 million of the 4 vessels, namely M/V Heroic, M/V Zorina, M/V Panamax Leader and M/V Cape Warrior).

DIRECTORS' VIEWS

The Directors including the independent non-executive directors of the Company (except for Mr. Chang Shun-Chi who abstains from voting in respect of the approval of the New Brokerage Agreement) consider that:-

- (1) the New Brokerage Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group and are on normal commercial terms; and
- (2) the terms and conditions of the New Brokerage Agreement and the annual cap contained therein are fair and reasonable and the entering of the New Brokerage Agreement is in the interest of the Group and the Shareholders as a whole.

SINGAPORE LISTING RULES IMPLICATIONS

Mr. Chang Shun-Chi is a Director. The Broker, being an associate of Mr. Chang Shun-Chi, is therefore an interested person as defined under Chapter 9 of the SGX-ST Listing Manual. The Subsidiary is an indirect wholly-owned subsidiary of the Company. Thus, the transactions in respect of engaging the Broker for its services as a broker under the New Brokerage Agreement constitute interested person transactions of the Company under the SGX-ST Listing Manual.

While there is an Annual Cap of US\$310,000.00 in respect of the sales commission payable to the Broker under the New Brokerage Agreement, there is no obligation to engage the brokerage services of the Broker for the sales of vessels by the Group, and each engagement of the Broker for such services is separate, distinct and conditional upon compliance with the procedures and provisions contained in the Group's "Conflict of Interest and Transaction with Interested Persons Policy".

Accordingly, it is not possible to ascertain at this juncture the actual aggregate value of such transactions, and assuming the amount of commission payable to the Broker under such transactions reaches the Annual Cap of US\$310,000.00 as provided under the New Brokerage Agreement, such amount is less than 3% of the Group's latest net tangible assets as at the date of the New Brokerage Agreement. This Announcement is made under the general disclosure obligations of the Company under the SGX-ST Listing Manual.

DIRECTORS' INTEREST

Except for Mr. Chang Shun-Chi, none of the Directors are interested in these transactions and hence (except for Mr. Chang Shun-Chi) no Director is required to abstain from voting on the relevant resolutions of the Board approving the New Brokerage Agreement.

HK LISTING RULES IMPLICATION

Please refer to the Company's announcement dated 20 September 2012 titled "*Renewal of Continuing Connected Transactions and Revision of Annual Cap*" released on the SEHK for further details of the HK Listing Rules implications of the transactions contemplated under the New Brokerage Agreement.

BY ORDER OF THE BOARD

Lee Pih Peng
Company Secretary
20 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.