

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)

OVERSEAS REGULATORY ANNOUNCEMENT
2013 FIRST QUARTERLY RESULTS

This overseas regulatory announcement is made by Courage Marine Group Limited (“Company”) pursuant to the disclosure obligations under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and is originally prepared in English. In case of any inconsistency between the English version and the Chinese version, the English version shall prevail.

The attached announcement relating to the financial statements of the Company and its subsidiaries for the first quarter ended 31 March 2013 issued on 9 May 2013 is prepared in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited. The financial information set out in the announcement has been prepared in accordance with the International Financial Reporting Standards and has not been audited. Shareholders of the Company and public investors should exercise caution when trading in the shares of the Company.

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

Hong Kong, 9 May 2013

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.



COURAGE MARINE GROUP LIMITED

勇利航業集團有限公司

(Incorporated in Bermuda on 5 April 2005)

(Company Registration no: 36692)

Unaudited results for the First Quarter Ended 31 March 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, 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 2013

	Group		
	US\$'000		%
	Q1 2013	Q1 2012	Change
Turnover	5,006	5,682	(12)
Cost of sales	(4,818)	(6,322)	(24)
Gross profit (loss)	188	(640)	NM
Other income	183	38	382
Other gains and losses	(7)	247	NM
Administrative expenses	(671)	(648)	4
Finance cost	(315)	(143)	120
(Loss) before income tax	(622)	(1,146)	(46)
Income tax	-	(13)	NM
(Loss) for the period	(622)	(1,159)	(46)
Other comprehensive income -			
Gain on revaluation of leasehold and building	-	-	NM
Total comprehensive (expense) - attributable to owners of the Company	(622)	(1,159)	(46)

1(a)(ii) Additional Information

	Group		
	US\$'000		%
	Q1 2013	Q1 2012	Change
Profit before tax is arrived after (charging) / crediting:			
Other incomes including interest income	183	38	382
Interest on borrowings	(315)	(143)	120
Depreciation and amortisation	(400)	(785)	(49)
Gain on disposal of property, plant and equipment	-	60	NM
(Loss) Gain on held-for-trading investment	(4)	171	NM
Foreign exchange (loss) gain (net)	(3)	7	NM

NOTES

NM denotes not meaningful.

1(b)(i) A statement of financial position (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
	31/03/2013	31/12/2012	31/03/2013	31/12/2012
ASSETS				
Current assets				
Trade receivables	496	891	-	-
Other receivables and prepayments	5,418	3,652	70	43
Amount due from a jointly controlled entity	413	412	-	-
Tax recoverable	58	58	-	-
Held-for-trading investment	387	391	-	-
Pledged bank deposits	4,306	4,298	-	-
Structured deposit	962	962	-	-
Cash and cash equivalents	15,594	21,872	124	112
Total current assets	27,634	32,536	194	155
Non-current assets				
Property, plant and equipment	69,135	62,029	-	-
Investment property	2,355	2,355	-	-
Investment in subsidiaries	-	-	17,961	17,961
Amount due from a jointly controlled entity	32	32	-	-
Amount due from subsidiaries	-	-	54,327	55,304
Long-term receivables	7,679	7,679	-	-
Total non-current assets	79,201	72,095	72,288	73,265
Total assets	106,835	104,631	72,482	73,420
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Other payables and accruals	1,254	1,775	155	978
Bank borrowings - due within one year	5,598	5,098	-	-
Total current liabilities	6,852	6,873	155	978
Non-current liabilities				
Deferred tax liabilities	214	214	-	-
Bank borrowings - due after one year	32,718	29,871	-	-
Total non-current liabilities	32,932	30,085	-	-
Capital and reserves				
Share capital	19,059	19,059	19,059	19,059
Share premium	28,027	28,027	28,027	28,027
Revaluation reserve	1,117	1,117	-	-
Retained profits	18,848	19,470	25,241	25,356
Total	67,051	67,673	72,327	72,442
Total liabilities and equity	106,835	104,631	72,482	73,420
Net current assets / (liabilities)	20,782	25,663	39	(823)
Total assets less current liabilities	99,983	97,758	72,327	72,442

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 31/03/2013		As at 31/03/2012	
Secured	Unsecured	Secured	Unsecured
US\$5,598,000	-	US\$3,693,000	-

Amount repayable after one year

As at 31/03/2013		As at 31/03/2012	
Secured	Unsecured	Secured	Unsecured
US\$32,718,000	-	US\$31,889,000	-

Details of any collateral

Secured borrowings are generally secured by:

- 1 Corporate guarantee from Courage Marine Group Limited on the outstanding loan balance
- 2 First preferred mortgage over the vessels held by Cape Ore Marine Corp., Heroic Marine S.A., and Zorina Navigation Corp., named "MV Cape Warrior", "MV Heroic" and "MV Zorina", respectively, and
- 3 Assignment of insurance in respect of MV Cape Warrior, MV Heroic and MV Zorina

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	US\$'000	
	Q1 2013	Q1 2012
Operating activities		
Loss before income tax	(622)	(1,146)
Adjustments for		
Interest income	(29)	(27)
Interest expense	301	143
Gain on disposal of plant and equipment	-	(60)
Change in fair value of held-for-trading investment	4	(171)
Depreciation of property, plant and equipment	400	785
Operating cash flows before movements in working capital	54	(476)
Decrease (increase) in trade receivables	395	(663)
(Increase) in other receivable and prepayments	(1,766)	(98)
(Decrease) in other payable and accruals	(521)	(16,856)
Cash (used in) operations	(1,838)	(18,093)
Income tax paid	-	(14)
Interest received	29	27
Interest expense paid	(301)	(143)
Net cash (used in) operating activities	(2,110)	(18,223)
Investing activities		
Purchase of plant and equipment	(7,506)	(21,281)
Proceeds on disposal of plant and equipment	-	3,013
Additions of pledged bank deposits	(8)	(7)
Advance to a jointly controlled entity	(1)	-
Capital contribution to a jointly controlled entity	-	(32)
Net cash (used in) investing activities	(7,515)	(18,307)
Financing activities		
New loans raised	4,000	34,580
Repayment of loans	(674)	-
Increase in bank overdraft	21	6
Net cash generated from financing activities	3,347	34,586
Net (decrease) in cash and cash equivalents	(6,278)	(1,944)
Cash and cash equivalents at beginning of the period	21,872	16,671
Cash and cash equivalents at end of the period	15,594	14,727

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	Property Revaluation Reserve	Retained profits attributable to the shareholders	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>The Group</u>					
Balance at 1 January 2012 (as restated)	19,059	28,027	802	30,147	78,035
Loss for the period	-	-	-	(1,159)	(1,159)
Balance at 31 March 2012	19,059	28,027	802	28,988	76,876
Balance at 1 January 2013	19,059	28,027	1,117	19,470	67,673
Loss for the period	-	-	-	(622)	(622)
Balance at 31 March 2013	19,059	28,027	1,117	18,848	67,050

	Share Capital	Share Premium	Property Revaluation Reserve	Retained profits attributable to the shareholders	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>The Company</u>					
Balance at 1 January 2012	19,059	28,027	-	24,859	71,945
Loss for the period	-	-	-	(84)	(84)
Balance at 31 March 2012	19,059	28,027	-	24,775	71,861
Balance at 1 January 2013	19,059	28,027	-	25,356	72,442
Loss for the period	-	-	-	(115)	(115)
Balance at 31 March 2013	19,059	28,027	-	25,241	72,327

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 for 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.

The Company does not have any outstanding convertibles as at 31 March 2013.

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 31/03/2013	As at 31/12/2012
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

There were no shares being held as treasury shares by the Company.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

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 a 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 2012.

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 financial 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 on issue; and (b) on a fully diluted basis (detailing any adjustments made to the earnings)

	Group	
	Q1 2013	Q1 2012
	US Cents	US Cents
a Based on the weighted average number of ordinary shares on issue	(0.06)	(0.11)
b On a fully diluted basis	(0.06)	(0.11)

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 the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year

	Group		Company	
	31/03/2013	31/12/2012	31/03/2013	31/12/2012
	US Cents	US Cents	US Cents	US Cents
Net asset value per ordinary share	6.33	6.39	6.83	6.84

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) 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; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Turnover

1Q2013

The Group's turnover decreased 12% from US\$5.7 million in 1Q12 to approximately US\$5 million in 1Q13, reflecting the poor dry bulk rates. The BDI was below the 1,000 level throughout 1Q13 and is currently at the 800 level.

Profitability

1Q2013

Despite the decrease in turnover by 12%, the Group's cost of sales decreased 24% from US\$6.3 million in 1Q12 to approximately US\$4.8 million in 1Q13. It was mainly due to lower fixed costs, including insurance, crew fees and depreciation arising from the disposal of aged vessels in FY2012. The Group recorded a gross profit of approximately US\$0.2 million compared to a gross loss of US\$0.6 million in 1Q12.

Other income consisted of interest income from bank and certificates of deposit, sundry income, and other one-off income. The Group recorded other income of approximately US\$0.2 million in 1Q13, which was an increase of 382% compared to 1Q12 mainly due to a one-off insurance claim.

Other gains and losses consisted of changes in the fair value of investment property, changes in fair value of held-for-trading investments, gains and losses on the disposal of fixed assets and exchange gains and losses. The Group recorded losses of approximately US\$7,000 in 1Q13 compared to gains of approximately US\$0.2 million in 1Q12. It was due mainly to no other income being recorded from changes in fair value of held-for-trading investment and no gains on disposal in 1Q13.

Administrative expenses increased 4% from approximately US\$0.65 million in 1Q12 to approximately US\$0.67 million in 1Q13 as the Group maintained a relatively stable administrative cost.

The Group recorded finance costs of approximately US\$0.3 million in 1Q13 compared to US\$0.1 million in 1Q12 mainly due to new bank borrowings.

The Group's subsidiaries recorded an income tax expense of US\$13,000 during 1Q12 compared to none in 1Q13.

Overall, the Group recorded a lower net loss of approximately US\$0.6 million in 1Q13 due to lower fixed costs, including insurance crew fees and depreciation arising from the disposal of aged vessels during FY2012.

Cashflow

There was a net decrease in cash and cash equivalents of approximately US\$6.3 million in 1Q13 arising from the payment for a newly acquired vessel and the repayment of part of bank borrowings. The Group had cash and bank balances of approximately US\$15.6 million as at 31 March 2013.

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 dry bulk market remains weak and the BDI, which has a close correlation to freight rates, is low at the 800 level. Low demand for commodities in the Greater China Region, and the over-supply of vessels has led to pressure on the freight rates in the dry bulk market. The Group remains cautious for 2013.

The Group acquired and took delivery of another second-hand Capesize vessel for a cash consideration of US\$7.5 million in February. The updated tonnage of the Group's fleet is approximately 410,000 dwt. The Group also obtained a bank term loan for the aggregate principal amount of US\$4 million for working capital purposes. With the replacement of the vessels, the Group is well placed to operate at a higher efficiency in the event the dry bulk market recovers in full.

The Group expects the financial performance for 2013 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?

Not applicable

(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/recommended, a statement to that effect

No dividend was declared or recommended for the current financial period reported on.

13. Interested Person Transactions

The group has not obtained a general mandate for interested person transactions. During the period under review, the following interested person transactions were entered into by the Group:

Interested Person	Aggregate value of all interested person transactions conducted for 1Q13 (excluding transactions less than \$100,000)
Ms. Chou (Spouse of Mr Chang Shun-Chi)	Rental expenses for lease of Shanghai office - US\$7,000

By Order of the Board

WU CHAO-HUAN
Managing Director
9 May 2013



Courage Marine Group Limited

勇利航業集團有限公司

Suite 1801, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong

Phone: (852) 3184-0755 · Fax: (852) 3184-0750

Website: couragemarine.com · E-mail: courage@couragemarine.com

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 2013 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 2013 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 Ninth day of May 2013