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)

INTERIM REPORT 2013

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Corporate Information

BOARD OF DIRECTORS

HSU Chih-Chien
Chairman and Non-Executive Director

WU Chao-Huan
Managing Director

SUN Hsien-Long
Non-Executive Director

CHANG Shun-Chi
Non-Executive Director

CHU Wen Yuan
Independent Non-Executive Director

LUI Chun Kin, Gary
Independent Non-Executive Director

SIN Boon Ann
Independent Non-Executive Director

AUDIT COMMITTEE

LUI Chun Kin, Gary *(Chairman)*
CHU Wen Yuan
SIN Boon Ann

REMUNERATION COMMITTEE

CHU Wen Yuan *(Chairman)*
HSU Chih-Chien
SIN Boon Ann

NOMINATING COMMITTEE

SIN Boon Ann *(Chairman)*
HSU Chih-Chien
LUI Chun Kin, Gary

PRINCIPAL PLACE OF BUSINESS

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

JOINT COMPANY SECRETARY

LEE Pih Peng
HON Kwok Ping Lawrence

ASSISTANT COMPANY SECRETARY

Codan Services Limited

BERMUDA REGISTRAR

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

SHARE REGISTRARS

Unit Trust / Share Registration
Boardroom Corporate & Advisory Services Pte. Ltd.
(a member of Boardroom Limited)
50 Raffles Place #32-01
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Tricor Investor Services Limited
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Hopewell Centre
183 Queen's Road East
Hong Kong

Corporate Information

LEGAL ADVISERS

Conyers Dill & Pearman Pte. Ltd.
Lee & Lee
Li, Wong, Lam & W.I. Cheung

AUDITORS

Deloitte Touche Tohmatsu
35/F., One Pacific Place,
88 Queensway,
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Industrial & Commercial Bank of China (Asia) Ltd.
Bank of Communications

STOCK EXCHANGE LISTED

Singapore Exchange Securities Trading Limited
Stock Code: E91.SI

The Stock Exchange of Hong Kong Limited
Stock Code: 1145

WEBSITE

www.couragemarine.com

Statement of Directors

In the opinion of the directors of the Company (the "Directors"), the condensed consolidated financial statements of Courage Marine Group Limited (the "Company") and its subsidiaries (collectively referred to the "Group") as set out on pages 6 to 25 are drawn up to the best of our knowledge and nothing has come to the attention of the Board of Directors of the Company which may render the condensed consolidated statement of financial position as at 30 June 2013, and of the results, changes in equity and cash flows of the Group for the six months period then ended to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Hsu Chih-Chien
Director

Wu Chao-Huan
Director

14 August 2013

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF COURAGE MAIRE GROUP LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Courage Marine Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 6 to 25, which comprises the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited requires the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). The directors of the Company (the "Directors") are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
14 August 2013

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2013

	Notes	Six months ended 30 June 2013 (Unaudited) US$'000	30 June 2012 (Unaudited) US$'000
Revenue	6	**10,256**	9,956
Cost of sales		**(10,018)**	(11,320)
Gross profit (loss)		**238**	(1,364)
Other income		**350**	146
Other gains and losses	7	**(62)**	(3,260)
Administrative expenses		**(1,517)**	(1,472)
Impairment loss on property, plant and equipment	12	**–**	(3,464)
Finance costs		**(625)**	(448)
Loss before tax		**(1,616)**	(9,862)
Income tax credit (expense)	8	**56**	(20)
Loss for the period	9	**(1,560)**	(9,882)
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of owner-occupied property		**2**	190
Deferred tax credit arising on revaluation of leasehold land and building		**6**	–
		8	190
Total comprehensive expense for the period attributable to owners of the Company		**(1,552)**	(9,692)
Loss per share (US cents)	11		
– basic		**(0.15)**	(0.93)

Condensed Consolidated Statement of Financial Position

As at 30 June 2013

	Notes	**30 June 2013 (Unaudited) *US$'000***	31 December 2012 (Audited) *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment	*12*	**69,062**	62,029
Investment property	*12*	**2,332**	2,355
Interest in a joint venture		**5,330**	32
Long-term receivables and deposits	*13*	**4,601**	7,679
Total non-current assets		**81,325**	72,095
Current assets			
Trade receivables	*14*	**139**	891
Other receivables and prepayments	*13*	**4,907**	3,652
Amount due from a joint venture		**412**	412
Tax recoverable		**58**	58
Held-for-trading investments		**314**	391
Pledged bank deposits		**4,317**	4,298
Structured deposit		**–**	962
Cash and cash equivalents		**16,560**	21,872
Total current assets		**26,707**	32,536
Total assets		**108,032**	104,631
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Other payables and accruals		**2,688**	1,775
Borrowings	*15*	**5,614**	5,098
Total current liabilities		**8,302**	6,873
Capital and reserves			
Share capital	*16*	**19,059**	19,059
Share premium		**28,027**	28,027
Revaluation reserve		**1,125**	1,117
Other reserve		**1,531**	–
Retained profits		**17,910**	19,470
Total equity		**67,652**	67,673
Non-current liabilities			
Borrowings	*15*	**31,926**	29,871
Deferred tax liabilities		**152**	214
Total non-current liabilities		**32,078**	30,085
Total liabilities and equity		**108,032**	104,631
Net current assets		**18,405**	25,663
Total assets less current liabilities		**99,730**	97,758

Condensed Consolidated Statement of Changes in Equity

Six months period ended 30 June 2013

	Share capital US$'000	Share premium US$'000	Property revaluation reserve US$'000	Other reserve US$'000	Retained profits US$'000	Total US$'000
Balance at 1 January 2012 (Restated)	19,059	28,027	802	–	30,147	78,035
Loss for the period	–	–	–	–	(9,882)	(9,882)
Gain on revaluation of owner-occupied property	–	–	190	–	–	190
Total comprehensive income (expense) for the period	–	–	190	–	(9,882)	(9,692)
Balance at 30 June 2012 (Unaudited)	19,059	28,027	992	–	20,265	68,343
Balance at 1 January 2013 (Audited)	**19,059**	**28,027**	**1,117**	**–**	**19,470**	**67,673**
Loss for the period	**–**	**–**	**–**	**–**	**(1,560)**	**(1,560)**
Gain on revaluation of owner-occupied property	**–**	**–**	**2**	**–**	**–**	**2**
Deferred tax credit arising on revaluation of leasehold of leasehold land and building	**–**	**–**	**6**	**–**	**–**	**6**
Total comprehensive income (expense) for the period	**–**	**–**	**8**	**–**	**(1,560)**	**(1,552)**
Reserve arising from the settlement of deferred consideration by way of transfer of property interest to a joint venture *(Note 13(i))*	**–**	**–**	**–**	**1,531**	**–**	**1,531**
Balance at 30 June 2013 (Unaudited)	**19,059**	**28,027**	**1,125**	**1,531**	**17,910**	**67,652**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	Six months ended 30 June 2013 (Unaudited) US$'000	30 June 2012 (Unaudited) US$'000
Operating activities		
Loss before tax	**(1,616)**	(9,862)
Adjustments for:		
Dividends from held-for-trading investments	**(20)**	–
Depreciation of property, plant and equipment	**814**	1,438
Change in fair value of investment property	**23**	(106)
Change in fair value of held-for-trading investments	**77**	(40)
Change in fair value of structured deposit	**(38)**	–
Loss on disposal of property, plant and equipment	**–**	3,409
Interest income	**(50)**	(77)
Finance costs	**625**	448
Impairment loss in respect of property, plant and equipment	**–**	3,464
Imputed interest income on long-term receivable	**(112)**	–
Operating cash flows before movements in working capital	**(297)**	(1,326)
Decrease (increase) in trade receivables	**752**	(175)
Increase in other receivables and prepayments	**(1,255)**	(3,204)
Increase (decrease) in other payables and accruals	**913**	(958)
Increase in amount due to a joint venture	**–**	30
Cash generated from (used in) operating activities	**113**	(5,633)
Interest expense paid	**(625)**	(448)
Interest income received	**50**	62
Income tax paid	**–**	(20)
Dividend received from held-for-trading investment	**20**	–
Net cash used in operating activities	**(442)**	(6,039)
Investing activities		
Deposits for acquisition of property, plant and equipment and investment properties	**(577)**	–
Purchase of property, plant and equipment	**(7,845)**	(37,425)
Proceeds on disposal of property, plant and equipment	**–**	20,782
Acquisition of investment in a joint venture	**–**	(32)
Placement of pledged bank deposits	**(19)**	–
Withdrawal of structured deposit	**1,000**	–
Net cash used in investing activities	**(7,441)**	(16,675)
Financing activities		
Repayment of loans	**(1,465)**	(673)
New loans raised	**4,000**	34,580
Increase in bank overdraft	**36**	1,668
Net cash from financing activities	**2,571**	35,575
Net (decrease) increase in cash and cash equivalents	**(5,312)**	12,861
Cash and cash equivalents at the beginning of the period	**21,872**	16,671
Cash and cash equivalents at the end of the period, represented by		
Bank balances and cash	**16,560**	29,532

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 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 Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx"). The condensed 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 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.

There are no significant changes to the principal activities of the Company and the Group for the six months ended 30 June 2013.

2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the HKEx and SGX-ST Listing Manual.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, leasehold land and building and investment property, which are measured at revalued amounts or fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

In the current interim period, the Group has applied, for the first time, the following new or revised International Financial Reporting Standards ("IFRSs") that are effective for the Group's accounting periods beginning on 1 January 2013:

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 period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NEW AND REVISED STANDARDS ON CONSOLIDATION, JOINT ARRANGEMENTS, ASSOCIATES AND DISCLOSURES

In the current interim period, the Group has applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as revised in 2011) together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding the transitional guidance. IAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements 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.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

NEW AND REVISED STANDARDS ON CONSOLIDATION, JOINT ARRANGEMENTS, ASSOCIATES AND DISCLOSURES *(Continued)*

IMPACT OF THE APPLICATION OF IFRS 10 (Continued)

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 had 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 classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are 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 join 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 "Disclosure of Interests in Other Entities" is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

NEW AND REVISED STANDARDS ON CONSOLIDATION, JOINT ARRANGEMENTS, ASSOCIATES AND DISCLOSURES *(Continued)*

IMPACT OF THE APPLICATION OF IFRS 12 (Continued)

Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in this interim financial report as a result of the adoption of IFRS 12.

IFRS 13 FAIR VALUE MEASUREMENT

The Group has applied IFRS 13 for the first time in the current interim period. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various IFRSs. Consequential amendments have been made to IAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of IFRS 13 is broad, and applies 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, subject to a few exceptions. IFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer 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.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 21.

AMENDMENTS TO IAS 1 PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME

The amendments to IAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to IAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a 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 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 existing 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.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

NEW AND REVISED STANDARDS ON CONSOLIDATION, JOINT ARRANGEMENTS, ASSOCIATES AND DISCLOSURES *(Continued)*

AMENDMENTS TO IAS 1 PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME (Continued)

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the preparation of the Group's annual financial statements for the year ended 31 December 2012.

4 PROFITABILITY

For the six months ended 30 June 2013, revenue rose by 3%, while the Group's cost of sales decreased by 12% due to the reduction of high fixed overhead costs (i.e. depreciation) as a result of the disposal of certain old vessels by the Group during the preceding period. As such, the Group recorded a gross profit of approximately US$238,000.

5 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 executive Director reviews the loss for the period of the Group prepared in accordance with accounting policies set out in Note 2 as a whole for performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the executive Director.

5 SEGMENT INFORMATION *(Continued)*

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

VESSEL VOYAGE CHARTER

	Six months ended	
	30 June 2013 (Unaudited) *US$'000*	30 June 2012 (Unaudited) *US$'000*
Dry bulk carriers		
– Capesize	**4,215**	2,644
– Handysize	**–**	230
– Panamax	**–**	1,430
– Supermax	**5,996**	5,607
	10,211	9,911

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.

6 REVENUE

	Six months ended	
	30 June 2013 (Unaudited) *US$'000*	30 June 2012 (Unaudited) *US$'000*
Marine transportation services income		
– Vessel voyage charter	**10,211**	9,911
Ship management income	**45**	45
	10,256	9,956

7 OTHER GAINS AND LOSSES

	Six months ended	
	30 June 2013 (Unaudited) *US$'000*	30 June 2012 (Unaudited) *US$'000*
Loss on disposal of property, plant and equipment	**–**	(3,409)
Change in fair value of structured deposit	**38**	–
Change in fair value of held-for-trading investments	**(77)**	40
Change in fair value of investment property	**(23)**	106
Net foreign exchange gains	**–**	3
	(62)	(3,260)

8 INCOME TAX (CREDIT) EXPENSE

	Six months ended	
	30 June 2013 (Unaudited) *US$'000*	30 June 2012 (Unaudited) *US$'000*
Current tax:		
Enterprise income tax of the People's Republic of China ("PRC")	**–**	8
Republic of China income tax	**–**	12
		20
Deferred tax:		
Current year	**(56)**	–
	(56)	20

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

Income tax in Republic of China is calculated at 25% of the assessable profit of a subsidiary for both periods.

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

9 LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Six months ended	
	30 June 2013	30 June 2012
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Interest income	**(50)**	(77)
Imputed interest income on long-term receivable	**(112)**	–
Directors' remuneration (including Directors' fee)	**60**	114
Employee benefits expense (including Directors' remuneration):		
– Contributions to retirement benefits scheme	**18**	3
– Salaries and other benefits	**505**	372
Total employee benefits expense	**523**	375
Marine crew expenses	**1,209**	1,931
Depreciation of property, plant and equipment	**814**	1,438

10 DIVIDEND

No dividends were paid, declared or proposed during the interim period. The Directors have determined that no dividend will be paid in respect of the interim period.

11 LOSS PER SHARE

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

	Six months ended	
	30 June	30 June
	2013	2012
	(Unaudited)	(Unaudited)
	US$'000	*US$'000*
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(1,560)**	(9,882)

	Six months ended	
	30 June	30 June
	2013	2012
	(Unaudited)	(Unaudited)
	'000	*'000*
Number of ordinary shares in issue during the period, 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 periods as there were no potential ordinary shares outstanding during both periods and at the end of each reporting period.

12 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the current interim period, the Group paid US$7,845,000 (six months ended 30 June 2012: US$37,425,000) on additions to vessels, furniture, fixtures and equipment.

No impairment loss is recognised during the six months ended 30 June 2013 (six months ended 30 June 2012: US$3,464,000) because the recoverable amount of the vessels, which were determined on the basis of their value-in-use, were higher than their carrying amount at the end of the reporting period.

The Group's leasehold land and building classified as property, plant and equipment was revalued by RHL Appraisal Limited ("RHL"), who has appropriate qualifications and recent experience in the valuation of similar properties in the relevant location. The valuation report on these properties is signed by a director of RHL who is a member of The Hong Kong Institute of Surveyors, and was arrived at by adopting the direct comparison approach making reference to the recent transactions of similar properties in similar location and condition under the prevailing market conditions as at the end of the current interim period. The resulting revaluation gain of US$2,000 (six months ended 30 June 2012: US$190,000) has been recognised in the property revaluation reserve during the six months ended 30 June 2013.

12 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY *(Continued)*

The fair value of the Group's investment property at 30 June 2013 was determined by RHL. The resulting decrease in fair value of investment property of US$23,000 (six months ended 30 June 2012: increase in fair value of US$106,000) has been recognised in other gains and losses in profit or loss for the six months ended 30 June 2013.

13 OTHER RECEIVABLES AND PREPAYMENTS/LONG-TERM RECEIVABLES AND DEPOSITS

Details of other receivables and prepayments/long-term receivables and deposits are as follows:

	30 June 2013 (Unaudited) *US$'000*	31 December 2012 (Audited) *US$'000*
Deferred consideration for disposal of investment in associate *(note i)*	**–**	3,767
Interest-free loan to Santarli Corporation Pte Ltd ("Santarli Corp") and deposit for acquisition of investment *(note ii)*	**4,024**	3,912
Deposits for acquisition of property, plant and equipment and investment properties	**577**	–
Other receivables	**234**	173
Prepayments	**2,283**	1,089
Deposits *(note iii)*	**2,390**	2,390
Less: Non-current portion	**(4,601)**	(7,679)
Amounts due within one year shown under current assets	**4,907**	3,652

13 OTHER RECEIVABLES AND PREPAYMENTS/LONG-TERM RECEIVABLES AND DEPOSITS *(Continued)*

Notes:

(i) The amount of deferred consideration for disposal of investment in an associate of US$3,767,000 was due from Jason Chang, an independent third party. Background of this deferred consideration was detailed in Note 23 to the consolidated financial statements for the year ended 31 December 2012.

On 18 May 2012, 上海悦勇投資管理有限公司 ("上海悦勇") was established in the People's Republic of China (the "PRC") which was owned as to 41.7% by the Group and 58.3% by 上海悦嘉金屬工業有限公司 ("上海悦嘉") (formerly known as 悦軒(上海)金屬工業有限公司), a foreign enterprise established in the PRC which was wholly owned by Pure Casual Inc., a company controlled by Jason Chang. The Group's investment in 上海悦勇 was accounted for as a joint venture of the Group because decisions about the relevant activities of 上海悦勇 require the unanimous consent of the parties sharing control.

On the same day, a supplemental settlement agreement and property transfer agreement were entered into between the Group and the relevant parties, under which the receivables due from Jason Chang were agreed to be settled by way of transferring a property interest in an industrial building, which is held by 上海悦嘉 and situated in Shanghai, to 上海悦勇. After completion of the property transfer, the Group would, through 上海悦勇, hold effectively 41.7% interest in the industrial building.

As agreed among all parties, the completion date of the property transfer should not be later than 31 December 2012.

In addition, on 18 May 2012, Mr. Wu Chao-Huan and Mr. Hsu Chih-Chien, two of the Directors and shareholders of the Company, signed a second deed of indemnity ("Second Indemnity") pursuant to which they will jointly and severally indemnify the Group against all the losses, costs and expenses the Group may suffer from the default of Jason Chang, provided that the total liability thereunder shall not exceed US$3,803,000.

On 31 January 2013, a third supplemental settlement agreement and second supplemental property transfer agreement were entered into between the Group and the relevant parties, under which the completion date of the property transfer is further extended from 31 December 2012 to 31 March 2013.

Furthermore, on 31 January 2013, Mr. Wu Chao-Huan and Mr. Hsu Chih-Chien signed a third deed of indemnity to confirm with the Group that the indemnity and covenants provided by them under the Second Indemnity shall remain in full force and effect.

In March 2013, the real estate ownership certificate of the industrial building has been granted to 上海悦勇, the joint venture, by the Housing Security and Administration Bureau of Qingpu District. Accordingly, the transfer of the property interest in the industrial building to 上海悦勇 for the settlement of the receivables due from Jason Chang has been completed. The deferred consideration for disposal of investment in associate amounting to US$3,767,000 was derecognised and the carrying amount of the interest in a joint venture increased by US$5,298,000, which represented the fair value of the property interest attributable to the Group, which is arrived at on the basis of a valuation carried out on the date of transfer of the property interest by RHL. The fair value of the property interest in the industrial building attributable to the Group over the carrying amount of the deferred consideration amounting to US$1,531,000 is recognised in other reserve.

13 OTHER RECEIVABLES AND PREPAYMENTS/LONG-TERM RECEIVABLES AND DEPOSITS *(Continued)*

Notes: (Continued)

(ii) On 14 September 2012, Courage Marine Overseas Ltd., ("CM Overseas"), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Santarli Corp, an independent third party, to purchase from Santarli Corp 100,000 shares in Santarli Realty Pte Ltd., (which constitutes 10% of the issued share capital of Santarli Realty Pte Ltd.) at a cash consideration of S$100,000 and shareholder's loans of not exceeding the principal amount of S$5,400,000 (collectively referred to as the "Consideration"). Santarli Realty Pte Ltd. is a subsidiary of Santarli Corp and is engaged in property development business in Singapore. At 30 June 2013, CM Overseas has advanced an interest-free loan amounting to S$5,500,000 (equivalent to US$4,373,000) (31 December 2012 S$5,500,000 (equivalent to US$4,373,000)) to Santarli Corp and this interest-free loan will be used to offset the Consideration. On 14 September 2012, Santarli Holdings Pte Ltd., the holding company of Santarli Corp has executed a guarantee in favour of CM Overseas of all the liabilities due by Santarli Corp to CM Overseas.

The acquisition was approved by the independent shareholders of the Company at the special general meeting held on 16 July 2013 and was completed on that day accordingly.

As the interest-free loan will be accounted for as the shareholders' loan to Santarli Realty Pte Ltd., for its property development which is expected by the Group to be repaid over 1 year from the end of the reporting period, the balance is classified as non-current receivable and is carried at an effective interest rate of 5.73% per annum. Imputed interest income on the long-term receivable of US$112,000 is recognised in profit or loss for the period ended 30 June 2013.

(iii) Deposits included US$2,353,000 (31 December 2012: US$2,353,000) paid to a third party, representing 80% (31 December 2012: 80%) of consideration for the purchase of coal.

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:

	30 June 2013 (Unaudited)	31 December 2012 (Audited)
	US$'000	*US$'000*
0 – 30 days	**139**	891

15 BORROWINGS

During the current interim period, the Group obtained new loans and bank overdrafts amounting to US$4,000,000 (31 December 2012: US$34,580,000) and US$36,000 (31 December 2012: US$1,668,000) respectively and repaid loans of US$1,465,000 (31 December 2012: US$673,000). The bank loans carry interest at London Interbank Offered Bank ("LIBOR") plus certain basis points and are repayable over a period ranging from 7-10 years.

The borrowings at the end of the reporting period are secured by the followings:–

(i) Corporate guarantee from the Company on the outstanding loan balance;

(ii) First preferred mortgage over the vessels held by Zorina Navigation Corp., Heroic Marine Corp. and Cape Ore Marine Corp., named "ZORINA", "HEROIC" and "CAPE WARRIOR", respectively; and

(iii) Assignment of insurance proceeds in respect of ZORINA, HEROIC and CAPE WARRIOR.

The proceeds arising from the loans were used to finance the acquisition of vessels included in property, plant and equipment while bank overdrafts were for daily operating use.

16 SHARE CAPITAL

	Number of ordinary shares of US$0.018 each	***US$'000***
Authorised:		
At 1 January 2012, 31 December 2012 and 30 June 2013	10,000,000,000	180,000
Issued and fully paid:		
At 1 January 2012, 31 December 2012 and 30 June 2013	1,058,829,308	19,059

Fully paid ordinary shares, which have a par value of US$0.018 each, carry one vote per share and carry a right to dividends as and when declared by the Company.

17 PLEDGE OF ASSETS

At the end of the reporting period, the Group pledged the following assets to banks, a ship leasing company and a financial institution to secure against the loan facilities granted to the Group:

	30 June 2013 (Unaudited) *US$'000*	31 December 2012 (Audited) *US$'000*
Property, plant and equipment	**57,569**	55,275
Investment property	**2,332**	2,355
Pledged bank deposits	**4,317**	4,298
Structured deposit	**–**	962
	64,218	62,890

18 RELATED PARTY TRANSACTIONS

a) TRADING TRANSACTIONS

The Group has the following transactions with related parties who are not members of the Group:

Nature of transaction	**Six months ended 30 June 2013 (Unaudited) *US$'000***	30 June 2012 (Unaudited) *US$'000*
Rental expense paid *(i)*	**14**	14
Commission on disposal of vessels paid *(ii)*	**–**	94

(i) Ms. Chou Hsiu-Ma is the spouse of Mr. Chang Shun-Chi, a non-executive Director. In the opinion of the Directors, the monthly rental was renegotiated between Ms. Chou Hsiu-Ma and the Group by reference to the market rent.

At the end of the reporting period, the Group had commitments of US$14,000 (31 December 2012: US$20,000) for future minimum lease payments under non-cancellable operating leases which fall due within one year (31 December 2012: one year).

(ii) Mr. Chang Shun-Chi, a non-executive Director, is a sole director and a controlling shareholder of Maxmart Shipping & Trading Co., Ltd. ("Maxmart"). The related party transactions were conducted in accordance with the terms of an agreement entered into between the Group and Maxmart.

18 RELATED PARTY TRANSACTIONS *(Continued)*

b) REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the Directors, who are the key management personnel of the Group, is disclosed in Note 9.

c) GUARANTEES

Details of the guarantees provided by the Company for security of the borrowings granted to the Group are disclosed in Note 15.

The Company also provided corporate guarantee in favour of a bank in relation to general banking facilities granted to the Group.

19 CAPITAL COMMITMENTS

	30 June 2013 (Unaudited) *US$'000*	31 December 2012 (Audited) *US$'000*
Capital expenditure in respect of contracted commitments		
for acquisition of investment properties	**1,206**	–
for acquisition of property, plant and equipment	**1,251**	–

20 CONTINGENT LIABILITIES

As at the end of the current interim period, the Group has contingent liabilities in respect of joint and several back-to-back guarantee with other shareholders of Santarli Realty Pte Ltd. in proportion to their respective equity holdings in favour of bank covering the loan granted to Santarli Realty Pte Ltd..

The Group's portion of this guarantee amounted to S$12,250,000 (equivalent to US$9,678,000) (31 December 2012: US$9,678,000).

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at 30 June 2013	Fair value as at 31 December 2012	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Held-for-trading investments	**Listed equity securities in Republic of China: – Shipping industry – US$314,000**	Listed equity securities in Republic of China: – Shipping industry – US$391,000	Level 1	Quoted bid prices in an active market	N/A	N/A

Note: The structured deposit was matured during the current interim period.

22 AUTHORISATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR ISSUE

The unaudited condensed consolidated financial statements for the six months ended 30 June 2013 were authorised for issue in accordance with the resolution of the Directors dated 14 August 2013.

Management Discussion and Analysis

(I) BUSINESS REVIEW

REVENUE

The Group's turnover increased by 3% from approximately US$10 million in 1H12 to approximately US$10.3 million in 1H13. The dry bulk market remains under intense pressure although the BDI has gradually increased from 700 level in January 2013 to 1000 level currently.

PROFITABILITY

Although there was an increase in turnover of 3%, the Group's cost of sales decreased by 12% from approximately US$11.3 million in 1H12 to approximately US$10 million in 1H13. This was mainly due to lower fixed costs, including insurance, crew fees and depreciation arising from the disposal of aged vessels during FY2012. The Group recorded a gross profit for approximately US$238,000 in 1H13 compared to a gross loss of approximately US$1.4 million in 1H12.

OTHER INCOME

Other income consists of interest income from banks, sundry income, and other one-off income. The Group recorded other income of US$350,000 in 1H13, an increase of 140% compared to 1H12. This was largely due to an one-off insurance claim received in 1H13.

OTHER GAINS AND LOSSES

Other gains and losses consist of changes in 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 other losses of approximately US$62,000 in 1H13 compared to approximately US$3.3 million in 1H12 which was due to the disposal losses of aged vessels, namely MV Raffles, MV Valour, MV Cape Warrior and MV Courage.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by about 3% as the Group maintained a relatively stable administrative cost.

IMPAIRMENT LOSS

The Group recorded impairment loss of approximately US$3.5 million in 1H12 and did not record such expense in 1H13.

(I) BUSINESS REVIEW *(Continued)*

FINANCE COSTS

The Group recorded finance costs of approximately US$625,000 in 1H13 compared to US$448,000 in 1H12 mainly due to bank borrowings.

INCOME TAX EXPENSES

The Company's subsidiaries recorded an income tax credit of US$56,000 during 1H13 compared to income tax expense of approximately US$20,000 in 1H12. It was mainly due to the over provision of the deferred tax liability in the previous year.

NET LOSS

Overall, the Group recorded a lower net loss of approximately US$1.6 million in 1H13 compared to US$9.9 million in 1H12 due to lower fixed costs, including insurance crew fees and depreciation arising from the disposal of aged vessels during FY2012.

OTHER COMPREHENSIVE INCOME

The Group recorded a gain on revaluation of the leasehold land and building for approximately US$2,000 in 1H13 compared to a gain of US$190,000 in 1H12.

The Group recorded a deferred tax credit on revaluation of leasehold land and building for approximately US$6,000 in 1H13. The Group did not record such tax credit in 1H12.

(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 first half of 2013 and 2012 were approximately 59.7% and 54.6% respectively. The increase of the Group's gearing ratio was mainly due to the Group's new bank borrowing for the amount of US$4 million obtained for working capital purposes during such period.

	As at June 30, 2013 (Unaudited) *US$'000*	As at December 31, 2012 (Unaudited) *US$'000*
Other payables and accruals	**2,688**	1,775
Borrowings – due within one year	**5,614**	5,098
Borrowings – due after one year	**31,926**	29,871
Deferred tax liabilities	**152**	214
Total liabilities	**40,380**	36,958
Total equity	**67,652**	67,673
Gearing ratio	**59.7%**	54.6%

BANK BORROWINGS

	June 30, 2013 *US$'000*	December 31, 2012 *US$'000*
Secured bank overdraft	**2,443**	2,407
Secured other loans	**35,097**	32,562
	37,540	34,969
Carrying amount repayable:		
Within one year	**5,614**	5,098
More than one year, but not exceeding two years	**3,171**	2,691
More than two years, but not exceeding five years	**9,512**	8,073
More than five years	**19,243**	19,107
	37,540	34,969

(III) PROSPECTS

The dry bulk market remains weak and the BDI, which has a close correlation to freight rates, is low at around the 1000 level. Low demand of 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 on the outlook for 2013.

The Group acquired and took delivery of another vessel in February and the updated tonnage of the Group's fleet is approximately 410,000 dwt. Following the replacement of the older vessels, the Group is well placed to operate more efficiently in the event the dry bulk market recovers in full.

On July 2013, for the Group's investment in a 10% equity interest in Santarli Realty Pte. Ltd. and the Group's diversification into the property investment business were approved by shareholders of the Company at the special general meeting held on 16 July 2013. In light of the weak dry bulk market, the Groups needs and shall continue to adopt a diversification approach in its long-term growth strategy, in order to diversify its income base and reduce its dependence on freight income, with a view to sustaining and enhancing shareholders' value and return.

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 and in the meantime continue to identify any other investment opportunities under its diversification approach.

(IV) SUPPLEMENTARY INFORMATION

1. CONTINGENT LIABILITIES

As at the end of the current interim period, the Group has contingent liabilities in respect of joint and several back-to-back guarantee with other shareholders of Santarli Realty Pte Ltd. in proportion to their respective equity holdings in favour of bank covering the loan granted to Santarli Realty Pte Ltd.

The Group's portion of this guarantee amounted to S$12,250,000 (equivalent to US$9,678,000) (31 December 2012: US$9,678,000).

2. MATERIAL LITIGATION AND ARBITRATION

As at 30 June 2013, the Group was not involved in any material 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 interim results for the six months ended 30 June 2013 have been reviewed by the Audit Committee.

(IV) SUPPLEMENTARY INFORMATION *(Continued)*

4. COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company devotes to 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 six months ended 30 June 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 the 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 measures have been taken to ensure that 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 transaction by the Directors. The Board confirms that, having made specific enquiries with all Directors, during the six months ended 30 June 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 six months ended 30 June 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 30 June 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 to eligible staff based on their performance and contributions to the Group.

8. DIRECTORS' INTEREST IN SHARES AND UNDERLYING SHARES

At 30 June 2013, the interests and short positions of the Directors and chief executive of the Company in shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKEx pursuant to the Model Code were as follows:

(IV) SUPPLEMENTARY INFORMATION *(Continued)*

8. DIRECTORS' INTEREST IN SHARES AND UNDERLYING SHARES *(Continued)*

LONG POSITION IN ORDINARY SHARES (THE "SHARES") OF US$0.018 EACH OF THE COMPANY

Name of Director	Capacity	Number of issued Shares	Approximate percentage of issued Shares *(%)*
Hsu Chih-Chien	Founder of a discretionary trust	142,081,611 *(Note 1)*	13.419%
Wu Chao-Huan	Interest in a controlled corporation	142,081,611 *(Note 2)*	13.419%
Sun Hsien-Long	Beneficial owner	6,334,936	0.598%
Chu Wen Yuan	Beneficial owner	40,000	0.004%

Notes:

1. These Shares are registered in the name of Sea-Sea Marine Company Limited ("Sea-Sea Marine"), the entire issued share capital of which is owned by Besco Holdings Limited ("Besco"), which in turn is wholly-owned by HSBC International Trustee Limited ("HSBC Trustee") in its capacity as trustee of a discretionary trust with Hsu Chih-Chien as settlor. Hsu Chih-Chien is deemed to be interested in the Shares held by Sea-Sea Marine under the SFO.

2. These Shares are registered in the name of China Lion International Limited ("China Lion"), the entire issued share capital of which is owned by Wu Chao-Huan as to 60% and by Wang Ho as to 40%. Wu Chao-Huan is deemed to be interested in the Shares held by China Lion under the SFO.

Save as disclosed above, as at 30 June 2013, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO) or the Model Code or which were required to be entered in the register required to be kept under Section 352 of the SFO.

9. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SECURITIES

Save as disclosed below, the Directors are not aware of any other person (other than a Director or chief executive of the Company or his/her respective associate(s)) who, at 30 June 2013, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Section 336 of the SFO:

(IV) SUPPLEMENTARY INFORMATION *(Continued)*

9. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SECURITIES *(Continued)*

Name	Capacity	Number of issued Shares	Approximate percentage of issued Shares *(%)*
Sea-Sea Marine	Beneficial owner	142,081,611	13.419%
Besco *(Note 1)*	Interest in a controlled corporation	142,081,611	13.419%
HSBC Trustee *(Note 1)*	Trustee	142,081,611	13.419%
Yeh Wen-Yao *(Note 1)*	Interest of spouse	142,081,611	13.419%
China Lion *(Note 2)*	Beneficial owner	142,081,611	13.419%
Wang Ho *(Note 2)*	Interest of spouse	142,081,611	13.419%
China Harvest Enterprise Limited ("China Harvest")	Beneficial owner	142,081,611	13.419%
Chen Shin-Yung *(Note 3)*	Interest in controlled corporation	142,081,611	13.419%
Pronto Star Limited ("Pronto")	Beneficial owner	135,431,611	12.791%
Chiu Chi-Shun *(Note 4)*	Interest in a controlled corporation	135,431,611	12.791%
Kuo Mei-Yuan *(Note 4)*	Interest of spouse	135,431,611	12.791%
Unit Century Enterprises Limited ("Unit Century")	Beneficial owner	94,676,874	8.942%
Wu Chao-Ping *(Note 5)*	Interest in a controlled corporation	94,676,874	8.942%
Hsuen A-Chou *(Note 5)*	Interest of spouse	94,676,874	8.942%

Notes:

1. Sea-Sea Marine is wholly-owned by Besco which in turn is wholly-owned by HSBC Trustee in its capacity as trustee of The Lowndes Foundation with Hsu Chih-Chien as settlor of the trust. Yeh Wen-Yao is the spouse of Hsu Chih-Chien. Besco, HSBC Trustee in its capacity as trustee of a discretionary trust with Hsu Chih-Chien as settlor of the trust and Yeh Wen-Yao are all deemed to be interested in the Shares held by Sea-Sea Marine under the SFO.

2. These Shares are registered in the name of China Lion, the entire issued share capital of which is owned by Wu Chao-Huan as to 60% and by Wang Ho as to 40%. Wang Ho is the spouse of Wu Chao-Huan. Wang Ho is deemed to be interested in the Shares held by China Lion under the SFO.

3. China Harvest is wholly-owned by Chen Shin-Yung. Chen Shin-Yung is deemed to be interested in the Shares held by China Harvest under the SFO.

4. Pronto is wholly-owned by Chiu Chi-Shun. Kuo Mei-Yuan is the spouse of Chiu Chi-Shun. Chiu Chi-Shun and Kuo Mei-Yuan are deemed to be interested in the Shares held by Pronto under the SFO.

5. Unit Century is owned as to 52% by Wu Chao-Ping. Hsuen A-Chou is the spouse of Wu Chao-Ping. Wu Chao-Ping and Hsuen A-Chou are deemed to be interested in the Shares held by Unit Century under the SFO.

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

Hong Kong, 14 August 2013