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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: ATL.SI)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 18 August 2016 (after trading hours), the Company (by itself or its nominee) as purchaser, entered into the MOU with the Vendor in relation to the Proposed Acquisition. Upon signing of the MOU, the Vendor will procure the Target Company to carry out a corporate reorganisation to acquire certain entities which are principally engaged in the business of artist management and artist training centre management in the Republic of Korea (South Korea).

The MOU is not intended to be legally binding (save for the provision on confidentiality). If the Company proceeds with the Proposed Acquisition, it (or its nominee) will enter into legally binding agreement(s) with the Vendor in respect of the Proposed Acquisition.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 18 August 2016 (after trading hours), the Company (by itself or its nominee) as purchaser, entered into the MOU with the Vendor in relation to the Proposed Acquisition.

MEMORANDUM OF UNDERSTANDING

The principal terms of the MOU are set out as follows:

Date: 18 August 2016

Parties: The Company and the Vendor

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

Assets intended to be acquired

Pursuant to the MOU, the Company intends to acquire (by itself or its nominee) and the Vendor intends to sell the entire interests in the Target Company, representing the entire issued share capital of, and shareholders' loan to (if any), the Target Company. The Target Company was incorporated in the British Virgin Islands with limited liability. Upon signing of the MOU, the Vendor will procure the Target Company to carry out a corporate reorganisation to acquire certain entities which are principally engaged in the business of artist management and artist training centre management in the Republic of Korea (South Korea).

Consideration

The Consideration and payment for the Proposed Acquisition will be determined after arm's length negotiations between the Vendor and the Company and will be set out in the Formal Agreement, subject to the results of the due diligence review to be conducted by the Company and the valuation of the Target Company.

The Consideration shall be settled in cash and/or by issuance of Consideration Shares. The amount and method of payment of the Consideration once agreed between the parties to the MOU will be set out in the Formal Agreement.

Should the payment of the Consideration be settled by Consideration Shares, the Vendor and the Company acknowledge that the issue price of the Consideration Shares shall be HK\$5 per Consideration Share, which represents a discount of approximately 2.72% to the closing price of HK\$5.14 per Share as quoted on the Stock Exchange as at the date of this announcement.

Due diligence

Upon signing of the MOU, the Company shall have the right to commence a due diligence review on the financial condition, legal and other affairs of the Target Company and its subsidiaries.

Legal effect

The MOU is not intended to be legally binding (save for the provision on confidentiality) and no legal obligations or liabilities will be incurred by the Vendor and the Company unless and until the Formal Agreement has been executed.

Termination

If the Vendor and the Company (or its nominee) fail to enter into the Formal Agreement by 31 December 2016 or such later date as the Vendor and the Company may agree, the MOU shall be terminated without liability to any party to the MOU.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are provision of marine transportation services, provision of logistic services and merchandise trading, property holding and investment, and investment holding.

As mentioned in the interim results announcement of the Company for the six months ended 30 June 2016, the Group will continue to explore other investment opportunities which can contribute a new source of income to the Group. The Group will also step up its effort in improving the financial performance of the Group's existing business and will continue to look for attractive investment/business opportunities that can broaden the Group's income base and bring substantial value to the Shareholders. By investing in the Target Company, it is expected that the Company can diversify its revenue sources and capture new business opportunities which may create substantial value to the Shareholders.

The Directors consider that the terms of the MOU are fair and reasonable and that the Proposed Acquisition is in the interest of the Company and the Shareholders as a whole.

GENERAL

The MOU is not intended to be legally binding (save for the provision on confidentiality). If the Company proceeds with the Proposed Acquisition, it (or its nominee) will enter into legally binding agreement(s) with the Vendor in respect of the Proposed Acquisition.

The Proposed Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares. The Proposed Acquisition, if materialises, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Should (i) the Company (or its nominee) enter into the Formal Agreement; (ii) decide not to proceed with the transactions contemplated under the MOU or (iii) there be any material development on the Proposed Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	the Board of the Directors
“Company”	Courage Marine Group Limited, a company incorporated in Bermuda, the Shares of which are listed on the Main Board of the Stock Exchange and on the Singapore Exchange Securities Trading Limited
“connected person(s)”	has the meaning as ascribed under the Listing Rules
“Consideration”	the consideration for the Proposed Acquisition
“Consideration Shares”	the new Shares to be allotted and issued by the Company to the Vendor to settle the Consideration, and a “Consideration Share” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Company (or its nominee) and the Vendor in respect of the Proposed Acquisition incorporating, among others, the terms of the MOU
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 18 August 2016 entered into between the Company and the Vendor in relation to the Proposed Acquisition
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)

“Proposed Acquisition”	the proposed acquisition by the Company of the entire interests in the Target Company, representing the entire issued share capital of, and shareholders’ loan to (if any), the Target Company
“Share(s)”	ordinary share(s) of US\$0.18 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	BDG Entertainment Asia Limited, a company incorporated in the British Virgin Islands
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	BDG Entertainment Limited, a company incorporated in the Cayman Islands

By Order of the Board
Courage Marine Group Limited
Sue Ka Lok
Chairman

Hong Kong, 18 August 2016

As at the date of this announcement, the Board comprises Mr. Sue Ka Lok (Chairman), Mr. Lai Ming Wai (Chief Executive Officer), Ms. Chan Yuk Yee and Mr. Zhou Jifeng as Executive Directors; and Mr. Ngiam Zee Moey, Mr. Zhou Qijin and Mr. To Yan Ming, Edmond as Independent Non-executive Directors.

* *For identification purpose only*