

COURAGE MARINE GROUP LIMITED

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

CLARIFICATIONS IN RELATION TO ANNUAL REPORT 2011

The Board of Directors of Courage Marine Group Limited (the "**Company**") refers to the Company's annual report for the financial year ended 31 December 2011 ("**Annual Report**") which was despatched to shareholders of the Company on 23 March 2012 and wish to make the following clarifications:-

1. On page 21 of the Annual Report, it was stated that the Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**SEHK**") which are applicable to its Directors and key employees.

The Model Code prohibits the dealing of an issuer's securities during the period commencing thirty (30) days before the announcement of quarterly results and sixty (60) days before the announcement of the issuer's full year financial statements.

Rule 1207(19) of the Listing Manual of the SGX-ST ("**SGX-ST Listing Manual**") prohibits the dealing of an issuer's securities during the period commencing two weeks before the announcement of quarterly results and one month before the announcement of the issuer's full year financial statements.

As the Model Code prescribes a longer restriction period for dealings in an issuer's securities prior to the issuer's release of quarterly results and full year financial statements respectively, the Company has adopted the provisions of the Model Code with regards to the dealings in its securities. This is in line with what was stated in the listing document ("**HK Listing Document**") issued in connection with the listing of the Company on the Main Board of the SEHK on 6 June 2011 (the "**HK Listing**"), namely, that where there is a conflict or inconsistency between the requirements of the listing rules of the two stock exchanges, the Company shall comply with the relevant listing rules with the more onerous requirements.

The Company confirms that the requirements under Rule 1207(19) of the Listing Manual have been complied with by virtue of the adoption of the Model Code by the Company.

2. On page 60 of the Annual Report, it was stated that "On 22 March 2011, the Group entered into an extension agreement with Jason Chang such that the completion date of the transfer of property interest has been extended to 31 March 2012 and on the same time, Mr. Wu Chao-Huan and Mr. Hsu Chih-Chien, the directors and shareholders of the Company, signed a deed of indemnity pursuant to which they will jointly and severally indemnify the Group against all losses, costs and expenses whatsoever which the Group may suffer or incur as a result of default on the part of Jason Chang to perform his obligations under the Settlement Agreement to the extent of the outstanding balance due from Jason Chang. At 31 December 2011, the process of transferring the equitable interest of the property to the Group was still in progress."

The Company had on 3 December 2010 and 10 December 2010 announced its agreement dated 14 October 2010 ("**Settlement Agreement**") with Jason Chang to accept the transfer of Jason's interest in a Shanghai property to a joint venture company to be jointly owned by the Group and Jason in settlement of the outstanding deferred consideration due and payable by Jason pursuant to the Group's exercise of the put option for the sale and disposal of the Group's investment in an associated company, Sunrise Airlines Co., Ltd, to Jason. An extension agreement was entered into on 22 March 2011 with Jason Chang ("**Extension Agreement**") to extend the completion date for the transfer of such property interest to 31 March 2012.

The deed of indemnity (“**Indemnity**”) obtained on 22 March 2011 from Mr. Wu Chao-Huan and Mr. Hsu Chih-Chien, pursuant to which Mr Wu Chao-Huan and Mr. Hsu Chih-Chien agreed to jointly and severally indemnify the Group against all losses, costs and expenses whatsoever which the Group may suffer or incur as a result of default on the part of Jason Chang to perform his obligations under the Settlement Agreement to the extent of the outstanding balance due from Jason Chang, was an additional security and protection measure obtained by the Group in conjunction with the HK Listing, mainly to allay any concerns that the SEHK may have with regard to the recovery of Mr Jason Chang’s outstanding debt to the Group.

Although the existence and terms of both the Extension Agreement and the Indemnity were duly disclosed on page 42 of Appendix I of the HK Listing Document, which was uploaded to SGXNET on 21 June 2011, the Company did not make separate announcements of the same as they were obtained mainly for the purposes of, and in conjunction with the HK Listing as mentioned above and in any event provided for matters which were a follow-up on, and supplemental to the Settlement Agreement (which was earlier announced).

As at the current date, the process of transferring the interest of the Shanghai property to the joint venture company is still in progress and the Company shall make the necessary announcements if and when there are further developments on the same.

BY ORDER OF THE BOARD

LEE PIH PENG
COMPANY SECRETARY
5 April 2012