

## COURAGE MARINE GROUP LIMITED

(Incorporated in Bermuda)  
(Company Registration No. 36692)

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### PROPOSED DUAL PRIMARY LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED ("SEHK")

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#### I. INTRODUCTION

The Board of Directors of Courage Marine Group Limited (the "**Company**") would like to refer to the announcement on 17 January 2011 in relation to the proposed dual primary listing of all of its ordinary shares ("**Shares**") on the Main Board of the SEHK ("**SEHK Listing**").

#### II. SPONSOR

The Company has appointed Haitong International Capital Ltd as the Sponsor for the SEHK Listing.

#### III. SUBMISSION OF APPLICATION DOCUMENTS TO THE SEHK

The Company wishes to announce that it had on 28 February 2011 made an application to the SEHK for the listing of, and permission to deal in on the Main Board of the SEHK, all the Shares, up to 184,120,000 new Shares ("**Offer Shares**") and up to 27,618,000 additional new Shares (the "**Additional Shares**", together with the Offer Shares, the "**New Shares**") which may be issued upon the grant and exercise of an over-allotment option ("**Over-allotment Option**") in full (the "**Share Offer**"). The SEHK has acknowledged receipt of the relevant application.

#### IV. CLEARANCE OF CIRCULAR TO SHAREHOLDERS

The Company had submitted an additional listing application to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and permission to deal in, all the New Shares on the Main Board of the SGX-ST, and a draft circular ("**Circular**") to be issued to shareholders of the Company ("**Shareholders**") to seek their approval for (i) the SEHK Listing involving the proposed Share Offer; (ii) the proposed issue and allotment of New Shares at an offer price of no more than a 10 per cent. discount to the SGX-ST Market Price; (iii) the proposed adoption of new Bye-laws (iv) the proposed termination of the Courage Marine Employee Share Option Scheme; (v) the proposed share buy back mandate; and (vi) the proposed adoption of the Chinese name "勇利航業集團有限公司" as the Company's secondary name ("**Proposed Transactions**").

The SGX-ST Market Price refers to either (i) the weighted average price for trades of the Shares done on the SGX-ST for five full market days immediately before (but exclusive of) the date on which the final offer price for the New Shares ("**Offer Price**") is determined; or (ii) the average closing price for trades of the Shares done on the SGXST for five full market days immediately before (but exclusive of) the date on which the final Offer Price is determined, as may be determined jointly by the underwriters and the Company.

The Board is pleased to announce that the SGX-ST had on 28 February 2011 given its clearance for the Circular and in-principle approval for the listing of and permission to deal in, all the New Shares on the Main Board of the SGX-ST pursuant to the Share Offer subject to the following conditions:-

- (a) Compliance with the Exchange's listing requirements;
- (b) Announcement of the Offer Price via SGXNet as soon as practicable after the Offer Price is determined;
- (c) Shareholders' approval being obtained for the SEHK Listing, the proposed issue of the New Shares, and the proposed issue of the New Shares at an offer price of no more than 10% discount to the SGX-ST Market Price; and

- (d) Submission of:-
- (i) a written undertaking from the Company that it will make periodic announcements on the use of the proceeds from the SEHK Listing and that it will provide status report on the use of the proceeds in the annual report;
  - (ii) a written undertaking from both the Company and the underwriter(s) that it will not allot and issue any of the New Shares so as to transfer a controlling interest in the Company without the prior approval of the Company's shareholders in a general meeting;
  - (iii) a written undertaking from both the Company and the underwriter(s) that it will not issue the New Shares to persons prohibited under Rule 812(1) of the Listing Manual; and
  - (iv) a written undertaking from the Company that the requirements in Rule 723 of the Listing Manual will be complied with.

The approval in-principle granted by SGX-ST to the Company is not to be taken as an indication of the merits of the SEHK Listing, the Share Offer, the New Shares, the Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

## V. INFORMATION ON THE SHARE OFFER

The Company proposes to allot and issue up to 184,120,000 Offer Shares pursuant to a public offer in Hong Kong and to professional, institutional and private investors. In addition, the Company proposes to allot and issue up to 27,618,000 Additional Shares upon the grant and exercise of the Over-allotment Option in full.

The Offer Price at which the New Shares will be issued pursuant to the Share Offer will be determined by the Company and the Underwriters closer to the date of the commencement of the Share Offer. The Company will require certain flexibility in determining the Offer Price in order to successfully complete the Share Offer.

If the Sponsor (on behalf of the underwriters) and the Company are unable to reach an agreement on the Offer Price, the SEHK Listing involving the Share Offer will not proceed. In determining the Offer Price, the Company and the Sponsor (on behalf of the underwriters), will take into consideration, *inter alia*, the demand for the Share Offer and the prevailing market price of the Shares.

## VI. USE OF PROCEEDS

The Company intends to utilise the net proceeds in the following manner:

- approximately 70% of the net proceeds from the Share Offer will be applied towards purchasing a second-hand Capesize or Panamax dry bulk vessel
- approximately 20% of the net proceeds from the Share Offer will be applied towards purchasing loading and unloading equipment including conveyors
- approximately 10% of the net proceeds from the Share Offer will be applied towards funding the working capital and general corporate purposes

In the event that the Over-allotment Option is granted and exercised, the Company intends to allocate the additional net proceeds received upon exercise of the Over-allotment Option to the uses stated above on a *pro rata* basis.

The Company will make periodic announcements on the utilisation of the net proceeds as and when funds are materially disbursed and will provide a status report on the use of such proceeds and any material deviations therefrom in its annual report.

More details concerning utilisation of the proceeds from the proposed offer of the New Shares will be made available on SGXNET when the Company issues the Prospectus in connection with the proposed Share Offer.

**VII. SPECIAL GENERAL MEETING**

The company will be convening a special general meeting (“**SGM**”) in March 2011 to obtain the approval of Shareholders for the Proposed Transactions. The circular containing information on the Proposed Transactions as well as the notice of SGM will be despatched to Shareholders in due course.

**VIII. CAUTION**

**The Board wishes to highlight to Shareholders that as the SEHK Listing is subject to, *inter alia*, the approval of the SEHK and relevant authorities and the approval of Shareholders at the SGM, the SEHK Listing may or may not occur.**

**There is no assurance that the approval of the SEHK and the relevant authorities for the SEHK Listing and the listing of, and permission to deal in, the Shares and the New Shares on the Main Board of the SEHK will be granted and/or the approval of Shareholders will be obtained.**

**The Company will announce any material updates when appropriate.**

**Shareholders and other investors are reminded to exercise caution when dealing in the Shares. In the event that Shareholders and other investors are in doubt when dealing in the Shares, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

BY ORDER OF THE BOARD

LEE PIH PENG  
COMPANY SECRETARY

28 February 2011