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COURAGE MARINE GROUP LIMITED
勇利航業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Company Registration No. 36692)

(Hong Kong Stock Code: 1145)

(Singapore Stock Code: E91.SI)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO

- (1) THE PROPOSED CONSOLIDATION OF EVERY TEN (10) ORDINARY SHARES OF PAR VALUE US\$0.018 EACH IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE OF PAR VALUE US\$0.18 EACH IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;**
- (2) THE PROPOSED CHANGE IN BOARD LOT SIZE FOR SHARES TRADED ON THE STOCK EXCHANGE OF HONG KONG LIMITED; AND**
- (3) NOTICE OF SPECIAL GENERAL MEETING**

The notice convening the Special General Meeting (“SGM”) of the Company to be held at Suntec Singapore International Convention & Exhibition Centre, Meeting Room 308, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 29 April 2015 at 11:00 a.m. (or immediately after the conclusion of the Annual General Meeting to be held on 29 April 2015 at 10:00 a.m.) is set out on pages 22 to 24 of this Circular. Shareholders who are unable to attend the SGM and wish to appoint a proxy or proxies to attend and vote on their behalf are requested to complete and return the relevant proxy form accompanying the Circular in accordance with the instructions printed thereon to the Company’s share transfer agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Shareholders registered in the principal Register of Shareholders in Bermuda), or to the Company’s share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong (for Shareholders registered in the branch register of shareholders in Hong Kong), or as soon as possible and in any event not less than forty-eight (48) hours before the time of the SGM or any adjournment thereof. Completion and return of the form of proxy does not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Singapore and Hong Kong, 8 April 2015

* for identification purpose only

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EXPECTED TIMETABLE

The expected timetable relating to the Proposed Share Consolidation, the Proposed Change in Board Lot Size and the associated trading arrangements are as follows:

2015

(Singapore and Hong Kong time)

Event

Despatch of the circular regarding, among other matters, the Proposed Share Consolidation and notice of SGM 8 April

Latest date and time for the removal of Shares between the Bermuda register of members, Singapore branch register of members and the Hong Kong branch register of members of the Company for SGM 4:30 p.m. on 15 April

Latest date and time for the removal of Shares between the Bermuda register of members, Singapore branch register of members and the Hong Kong branch register of members of the Company for the Proposed Share Consolidation 4:30 p.m. on 21 April

Latest time for lodging the form of proxy for the SGM 11:00 a.m. on Monday, 27 April

SGM 11:00 a.m. on Wednesday, 29 April

Publication of poll results of the SGM Wednesday, 29 April

THE FOLLOWING EVENTS ARE CONDITIONAL ON THE FULFILLMENT OF THE CONDITIONS FOR THE IMPLEMENTATION OF THE PROPOSED SHARE CONSOLIDATION. PLEASE NOTE THAT THE EVENTS THAT ARE BOLDED SHALL BE RELEVANT FOR SHARES TRADED ON THE SGX-ST ONLY.

Last day of trading of Shares on the SGX-ST on a pre-consolidation basis Thursday, 30 April

Trading of Shares on the SGX-ST on a post-consolidation basis Monday, 4 May

Commencement of temporary trading of odd lot counter for Shares traded on the SGX-ST Monday, 4 May

SGX-ST Books closure Date (being the books closure date for Shares traded on the SGX-ST) 5.00 p.m. on Wednesday, 6 May

Effective Date (being the effective date of the Proposed Share Consolidation for Shares traded on the SGX-ST and the SEHK) . . 9:00 a.m. on Thursday, 7 May

Dealing in the Consolidated Shares on the SEHK commences 9:00 a.m. on Thursday, 7 May

EXPECTED TIMETABLE

Original counter for trading in Existing Shares on the SEHK in board lots of 4,000 Existing Shares (in the form of Existing Share Certificates) temporarily closes 9:00 a.m. on Thursday, 7 May

Temporary counter for trading in board lots of 400 Consolidated Shares on the SEHK (in form of Existing Share Certificates) opens 9:00 a.m. on Thursday, 7 May

Free exchange of Existing Share Certificates for the New Share Certificates for the Consolidated Shares traded on the SEHK commences Thursday, 7 May

Original counter for trading in Consolidated Shares in new board lots of 1,000 Consolidated Shares on the SEHK (in the form of New Share Certificates) re-opens 9:00 a.m. on Thursday, 21 May

Parallel trading in Consolidated Shares on the SEHK (in form of Existing Share Certificates and New Shares Certificates) commences 9:00 a.m. on Thursday, 21 May

Designated broker starts to stand in the market for providing the matching services for the odd lots of the Consolidated Shares traded on the SEHK 9:00 a.m. on Thursday, 21 May

Temporary counter for trading in board lots of 400 Consolidated Shares on the SEHK (in form of Existing Share Certificates) closes 4:00 p.m. on Thursday, 11 June

Parallel trading in Consolidated Shares on the SEHK (in form of Existing Share Certificates and New Share Certificates) ends 4:00 p.m. on Thursday, 11 June

Designated broker ceases to stand in the market for providing the matching services for the odd lots of the Consolidated Shares traded on the SEHK 4:00 p.m. on Thursday, 11 June

Last day for free exchange of Existing Share Certificates for the Shares for New Share Certificates for the Consolidated Shares traded on the SEHK Tuesday, 16 June

**End of temporary trading of odd lot counter
for Shares traded on the SGX-ST 5:06 p.m. on Friday, 3 July**

Shareholders are to note that the above expected timetable is indicative only and may be subject to changes. Further announcement will be made by the Company for changes, if any, in the expected timetable for implementation of the Proposed Share Consolidation, the Proposed Change in Board Lot Size and the associated trading arrangements as mentioned in this Circular.

DEFINITIONS

In this Circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Suntec Singapore International Convention & Exhibition Centre, Meeting Room 308, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 29 April 2015 at 10:00 a.m.
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended, supplemented or modified from time to time
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“CDP”	The Central Depository (Pte) Limited or its nominee(s), as the case may be
“Company”	Courage Marine Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the SGX-ST and the Main Board of the SEHK
“Consolidated Shares”	Issued and unissued Shares in the capital of the Company with a par value of US\$0.18 each after completion of the Proposed Share Consolidation and “Consolidated Share” shall be construed accordingly
“Depositors”	shall have the meaning ascribed to it by Section 130A of Singapore Companies Act
“Depository Register”	shall have the meaning ascribed to it by Section 130A of Singapore Companies Act
“Director(s)”	the director(s) of the Company
“Effective Date”	9.00 a.m. on 7 May 2015, or such other dates as may be determined by the Directors, being the effective date of the Proposed Share Consolidation
“EPS”	Earnings per Share

DEFINITIONS

“Existing Shares”	Issued and unissued Shares in the capital of the Company with a par value of US\$0.018 each prior to the Proposed Share Consolidation (including treasury shares)
“Existing Share Certificate(s)”	existing form of certificate(s) of the Existing Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the SEHK
“Latest Practicable Date”	27 March 2015, being the latest practicable date prior to the printing of this Circular for ascertaining certain information in this Circular
“Listing Committee”	the listing committee of the SEHK
“Market Day”	A day on which the SGX-ST and the SEHK is open for the trading in securities
“Memorandum”	the memorandum of association of the Company as amended, modified or supplemented from time to time
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Hong Kong Listing Rules
“New Share Certificate(s)”	form of certificate(s) of the Consolidated Shares
“NTA”	Net tangible assets
“Proposed Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the SEHK from 4,000 Existing Shares to 1,000 Consolidated Shares
“Proposed Share Consolidation”	The proposed consolidation of every ten (10) Existing Shares in the capital of the Company held by Shareholders into one (1) Consolidated Share, fractional entitlements to be disregarded
“Register of Members”	the principal register of members maintained in Bermuda
“SEHK”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Securities Accounts”	The securities accounts maintained with CDP, but does not include a securities sub-account
“SFA”	the Securities and Futures Act, Chapter 289 of the Laws of Singapore
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be held at Suntec Singapore International Convention & Exhibition Centre, Meeting Room 308, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 29 April 2015 at 11:00 a.m. (or immediately after the conclusion of the AGM)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“SGX-ST Books Closure Date”	5.00 p.m. on 6 May 2015, or such other dates as may be determined by the Directors, being the date at and on which the Singapore share transfer books of the Company will be closed to determine entitlements of Shareholders to the Consolidated Shares traded on the SGX-ST under the Proposed Share Consolidation
“SGX-ST Listing Manual”	the listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Singapore Companies Act”	The Companies Act (Chapter 50) of Singapore as amended, modified and supplemented from time to time
“S\$”	Singapore dollars, the lawful currency of Singapore
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and the neuter genders and vice versa. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

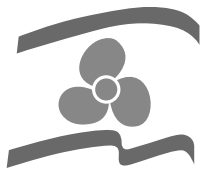
DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Hong Kong Companies Ordinance, the Bermuda Companies Act, the Singapore Companies Act, the SGX-ST Listing Manual or the Hong Kong Listing Rules or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Hong Kong Companies Ordinance, the Bermuda Companies Act, the Singapore Companies Act, the SGX-ST Listing Manual or the Hong Kong Listing Rules or any modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time and Hong Kong time unless otherwise stated.

This document has both English and Chinese versions. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

LETTER FROM THE BOARD



COURAGE MARINE GROUP LIMITED **勇利航業集團有限公司***

(Incorporated in Bermuda with limited liability)

(Company Registration No. 36692)

(Hong Kong Stock Code: 1145)

(Singapore Stock Code: E91.SI)

Executive Directors:

Mr. Wu Chao-Huan (*Managing Director*)

Mr. Wu Jian

Non-executive Directors:

Mr. Hsu Chih-Chien (*Chairman*)

Mr. Tsoi Wai Kwong

Independent non-executive Directors:

Mr. Chu Wen Yuan

Mr. Foo Meng Kee

Mr. Ngiam Zee Moey

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business in Hong Kong:

Suite 1801

West Tower, Shun Tak Centre

200 Connaught Road Central

Hong Kong

8 April 2015

To the Shareholders

Dear Sir or Madam,

- (1) THE PROPOSED CONSOLIDATION OF EVERY TEN (10) ORDINARY SHARES OF PAR VALUE US\$0.018 EACH IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE OF PAR VALUE US\$0.18 EACH IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED;**
- (2) THE PROPOSED CHANGE IN BOARD LOT SIZE FOR SHARES TRADED ON THE STOCK EXCHANGE OF HONG KONG LIMITED; AND**
- (3) NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

- 1.1 References are made to the announcements of the Company for Hong Kong and Singapore both dated 9 March 2015 in respect of, among other things, the Proposed Share Consolidation and the announcement of the Company for Singapore dated 23 March 2015 in respect of the grant of approval in-principle by the SGX-ST and the SGX-ST Books Closure Date.

* *for identification purpose only*

LETTER FROM THE BOARD

- 1.2 The Directors are convening a SGM to be held on 29 April 2015 to seek Shareholders' approval for the Proposed Share Consolidation.
- 1.3 The purposes of this Circular is to provide Shareholders with relevant information in relation to (i) the Proposed Share Consolidation for which the approval of the Shareholders will be sought at the SGM; (ii) the Proposed Change in Board Lot Size; and (iii) a notice convening the SGM.
- 1.4 On 23 March 2015, the Board announced that the Company had obtained in-principle approval from the SGX-ST for the listing and quotation of the Consolidated Shares on the Mainboard of the SGX-ST. The in-principle approval of the SGX-ST is subject to the conditions set out in Section 2.4 of this Circular.
- 1.5 The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. Shareholders should note that the in-principle approval of the SGX-ST for the listing and quotation of the Consolidated Shares on the Official List of the SGX-ST is not to be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation, the Company and/or its subsidiaries.

2. THE PROPOSED SHARE CONSOLIDATION

2.1 Introduction

Pursuant to Bye-law 4 of the Bye-laws and as announced by the Company on 9 March 2015, the Company is proposing to seek Shareholders' approval to undertake the Proposed Share Consolidation pursuant to which the Company proposes to consolidate ten (10) issued and unissued Shares of par value US\$0.018 each in the authorised share capital and issued share capital of the Company into one (1) Consolidated Share of US\$0.18 each.

As at the Latest Practicable Date, the Company had an issued share capital of US\$19,058,927.54 divided into 1,058,829,308 ordinary shares of par value US\$0.018 each. Subject to Shareholders' approval being obtained for the Proposed Share Consolidation, the issued share capital of the Company will become US\$19,058,927.40 divided into 105,882,930 ordinary shares of par value of US\$0.18 each after the Proposed Share Consolidation.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation, the current authorised share capital of the Company of US\$180,000,000 divided into 10,000,000,000 Existing Shares shall be restructured to US\$180,000,000 divided into 1,000,000,000 Consolidated Shares following the Proposed Share Consolidation.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder or Depositor of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

LETTER FROM THE BOARD

2.2 Rationale

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders and Depositors.

For the past six (6) months prior to the Company making the announcement of the Proposed Share Consolidation on 9 March 2015, the absolute price of the Shares traded on the SGX-ST had been in a range between 4 Singapore cents and 10 Singapore cents. The volume weighted average price of the Shares traded on the SGX-ST for the 6 months (“**6-month VWAP**”) prior to the announcement of the Proposed Share Consolidation on 9 March 2015 was 6 Singapore cents. The theoretical adjusted 6-month VWAP based on the Consolidated Shares would be 60 Singapore cents. The highest and lowest market prices for each such month and the transacted volume of the Shares traded on the SGX-ST for each such month, up to the Latest Practicable Date, are as follows:

	Lowest (Singapore cents)	Highest (Singapore cents)	Volume of traded Shares (’000)
October 2014	0.06	0.06	3,339
November 2014	0.06	0.1	3,419
December 2014	0.06	0.08	1,010
January 2015	0.05	0.06	2,323
February 2015	0.04	0.05	1,038
March 2015 up to the Latest Practicable Date	0.04	0.06	3,565

For the past six (6) months prior to the Company making the announcement of the Proposed Share Consolidation on 9 March 2015, the stock price of the Shares traded on SEHK had been in a range between HK\$0.2600 and HK\$0.5600.

The Board is of the view that the Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of issued Shares and the trading price per Consolidated Share should theoretically be higher than the trading price per Share prior to the Proposed Share Consolidation. If the price per Consolidated Share is indeed higher than the trading price per Share prior to the Proposed Share Consolidation, the Proposed Share Consolidation may also increase the profile of the Company amongst investors and the coverage of the Company by research houses. This may, in turn, increase market interest and activity in the Consolidated Shares, and generally make the Consolidated Shares more attractive to investors.

The Proposed Share Consolidation may also serve to reduce the transaction costs for investors in their dealings in the Consolidated Shares. Furthermore, the Proposed Share Consolidation would facilitate the Company’s ability to satisfy the prospective continuing listing requirement to be imposed by the SGX-ST for issuers listed on the SGX Mainboard to have a minimum trading price per share of S\$0.20.

LETTER FROM THE BOARD

Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3 Proposed Share Consolidation in relation to Shares traded on the SGX-ST

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the SGM, Shareholders' holding of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the SGX-ST Books Closure Date.

The Company had announced on 23 March 2015 that the SGX-ST Books Closure Date will be on 6 May 2015 and that the Singapore share transfer register of members of the Company will be closed at 5.00 p.m. on such date in order to determine the entitlements of Shareholders for purposes of the Proposed Share Consolidation in relation to Shares traded on the SGX-ST.

Accordingly, under the Proposed Share Consolidation and subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the SGM, every ten (10) Shares of par value US\$0.018 each registered in the name, or standing to the credit of the Securities Account, of each Shareholder or Depositor (as the case may be) as at the SGX-ST Books Closure Date will be consolidated into one (1) Consolidated Share, and fractional entitlements will be aggregated, disregarded or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Each Consolidated Share will rank pari passu in all respects with each other.

With effect from 9.00 a.m. on the Effective Date, trading in the Shares will be in board lots of 100 Consolidated Shares on the SGX-ST. Please refer to Section 2.5.4 of this Circular for information on the arrangements made by the Company in relation to the trading of the consolidated Shares and odd lots.

Shareholders and Depositors should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the existing Shares as at the SGX-ST Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated, disregarded or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

2.4 Conditions

Pursuant to Bye-law 4 of the Bye-laws, the implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at the SGM.

The implementation of the Proposed Share Consolidation is conditional upon:-

- (a) Shareholders' approval by way of an ordinary resolution at the SGM;
- (b) compliance with the SGX-ST's listing requirements;

LETTER FROM THE BOARD

- (c) the Listing Committee of the SEHK granting the listing of, and permission to deal in, the Consolidated Shares; and
- (d) compliance with the relevant procedures and requirements under the Hong Kong Listing Rules to effect the Proposed Share Consolidation.

On 23 March 2015, the Company had obtained in-principle approval from the SGX-ST for the listing and quotation for all the Consolidated Shares on the Mainboard of the SGX-ST subject to, *inter alia*, Shareholders' approval at a SGM to be convened.

The approval by the SGX-ST shall not be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation and the Proposed Change in Board Lot Size, the Company, its subsidiaries and their securities.

However, Shareholders should note that whilst the Board is seeking Shareholders' approval for the Proposed Share Consolidation, the Directors may decide not to proceed with the Proposed Share Consolidation and the Proposed Change in Board Lot Size if the Directors are of the view that, after taking into account all relevant factors, it is not beneficial to the Company and its Shareholders to do so. In such a case, an announcement will be made by the Company to notify Shareholders of the reasons why the Directors have decided not to proceed with the Proposed Share Consolidation and the Proposed Change in Board Lot Size.

2.5 Procedures and Trading Arrangements for Shareholders whose Shares are Quoted on the SGX-ST:

2.5.1 Updating of Register of Members and Depository Register

After Shareholders' approval has been obtained for the Proposed Share Consolidation at the SGM to be convened, the Shareholders' and Depositors' entitlements of the Consolidated Shares will be determined on the SGX-ST Books Closure Date, whereupon the Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders and Depositors based on their shareholdings in the Company as at the SGX-ST Books Closure Date and the Shares will begin trading in board lots of 100 Consolidated Shares on the SGX-ST on the Effective Date.

2.5.2 Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates for the existing Shares of par value US\$0.018 each ("**Old Share Certificates**") in their own names and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the SGX-ST Books Closure Date.

LETTER FROM THE BOARD

After the SGX-ST Books Closure Date, CDP will only accept deposit share certificates for Consolidated Shares (“**New Share Certificates**”). Shareholders who wish to deposit their Old Share Certificates with CDP after the SGX-ST Books Closure Date must first deliver their Old Share Certificates to the share transfer agent of the Company in the Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (“**Share Transfer Agent**”) for cancellation and issue of New Share Certificates in replacement thereof as described below.

2.5.3 Issue of New Share Certificate

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the SGX-ST Books Closure Date need not take any action. The Company will arrange with CDP to facilitate the exchange of New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Transfer Agent, as soon as possible for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Transfer Agent for the receipt of the physical Old Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the SGX-ST Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Share Transfer Agent or CDP in accordance with the provisions set out above.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been tendered to the Share Transfer Agent for cancellation.

Please notify the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, if you have lost any of your existing Old Share Certificates or if there is any change in your address from that reflected in the Register of Members.

Shareholders who hold physical share certificates are reminded that their Old Share Certificates are no longer good for settlement of trading in the Shares on the SGX-ST (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Transfer Agent. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be prima facie evidence of legal title.

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2.5.4 Trading Arrangements for the Consolidated Shares

Subject to the approval of the Shareholders for the Proposed Share Consolidation at the SGM, with effect from 9.00 a.m. on the Effective Date, trading in the Shares will be in board lots of 100 Consolidated Shares on the SGX-ST. Accordingly, ten (10) existing Shares of par value US\$0.018 each as at 5.00 p.m. on the Market Day immediately preceding the Effective Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Date. Trading in the existing Shares of par value US\$0.18 each will cease two (2) Market Days immediately preceding the SGX-ST Books Closure Date.

All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be aggregated, disregarded or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Shares are currently traded in board lots of 100 Shares in the ready market on the SGX-ST following the change of board lot size from one board lot of 1000 Shares to 100 Shares in January 2015. Accordingly, there will be no odd lots expected to be created by the Proposed Share Consolidation for a Depositor who used to hold one board lot of 1000 Shares prior to the change of board lot size to 100 Shares and continues to hold all of such Shares as at the SGX-ST Books Closure Date, but Depositors who may hold less than 10 board lots of 100 Shares each (or multiples thereof) as at the SGX-ST Books Closure Date may have their Securities Accounts credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid and at a discount. Depositors who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the SGX-ST's unit share market which, following the Proposed Share Consolidation, would allow trading in odd lots with a minimum size of one (1) Consolidated Share.

The Company will be making an application to the SGX-ST to set up a temporary counter to allow Shareholders to trade in board lots of one (1) Consolidated Share. This temporary counter will be maintained for a period of two (2) calendar months commencing from the Effective Date (the “**Concessionary Period**”). Thereafter, Shareholders can trade in odd lots of Consolidated Shares on the SGX-ST unit share market.

The set-up of the temporary odd lot counter is strictly of a provisional nature. Entitled Shareholders who continue to hold odd lots of less than 100 Consolidated Shares after the Concessionary Period may find difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Consolidated Shares.

LETTER FROM THE BOARD

2.6 Procedures and Trading Arrangements for Shareholders whose Shares are Quoted on the SEHK:

2.6.1 Application for Listing of the Consolidated Shares

An application will be made by the Company to the Listing Division of the SEHK for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Proposed Share Consolidation becoming effective.

2.6.2 Dealings of the Consolidated Shares

The Consolidated Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on SEHK, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the SEHK or such other date as determined by HKSCC. Settlement of transactions between participants of the SEHK on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in on which listing or permission to deal in is being or is proposed to be sought on any other stock exchanges other than the SEHK and SGX-ST.

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Proposed Share Consolidation, the implementation will not alter the underlying assets, business operations, management or financial position of the Group or the shareholdings, rights and interests of the Shareholders.

2.6.3 Exchange of Share Certificates

Subject to the Proposed Share Consolidation becoming effective, which is expected to be on Thursday, 7 May 2015, Shareholders may, during a period between Thursday, 7 May 2015 and Tuesday, 16 June 2015, submit the Existing Share Certificates, which are blue in color, to the registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for the New Share Certificates, which will be yellow in color.

Thereafter, the Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be from time to time be specified by the SEHK) for each New Share Certificate to be issued or each Existing Share Certificate cancelled, whichever the number of certificates issued or cancelled is higher.

LETTER FROM THE BOARD

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Thursday, 11 June 2015 and thereafter will not be accepted for delivery, trading and settlement purposes.

Nevertheless, the Existing Share Certificates will continue to be good evidence of legal title and may be exchanged for the New Share Certificates at any time but will not be accepted for trading, settlement and registration upon completion of the Proposed Share Consolidation.

2.6.4 Fractional entitlement to Consolidated Shares

Fractional entitlement will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company or purchased by the Company, at the discretion of the Board.

2.6.5 Arrangement of odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Proposed Share Consolidation and the Proposed Change in Board Lot Size (with details as set out in Paragraph 3 below), the Company will appoint Partners Capital Securities Limited to provide matching services for sale and purchase of odd lots of Consolidated Shares at the relevant market price per Consolidated Share for Shareholders, on a best effort basis, during the period from 9:00 a.m. on Thursday, 21 May 2015 to 4:00 p.m. on Thursday, 11 June 2015 (both days inclusive). Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares may contact Mr. Wong Chin Hung of Partners Capital Securities Limited at Room B01, 10/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong (telephone number: (852)21575462) during office hours in the aforesaid period.

Shareholders should note that matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed. Any Shareholder who is in doubt about the odd lot trading arrangement is recommended to consult his/her/its own professional advisers. Shareholders may refer to the section headed "EXPECTED TIMETABLE" on pages (ii) to (iii) of this Circular for the period during which the Company will provide matching service for the sale and purchase of the odd lots of the Consolidated Shares.

3. PROPOSED CHANGE IN BOARD LOT SIZE FOR SHARES TRADED ON THE SEHK

The Company is also proposing to change the board lot size for Shares quoted and traded on the SEHK from 4,000 Existing Shares to 1,000 Consolidated Shares upon the Proposed Share Consolidation becoming effective. For the avoidance of doubt, should the Shareholders vote down the Proposed Share Consolidation, the Company will not proceed with the Proposed Change in Board Lot Size.

LETTER FROM THE BOARD

Based on the closing price of HK\$0.295 per Existing Share (equivalent to HK\$2.95 per Consolidated Share) as at the Latest Practicable date and the existing board lot size of 4,000 Shares, the prevailing board lot value is HK\$1,180. Based on the aforesaid closing price and assuming the Proposed Share Consolidation and the Proposed Change in Board Lot Size have become effective, the new board lot value would be HK\$2,950.

The Board is of the view that the Proposed Change in Board Lot Size will result in the Consolidated Shares being trading in a more reasonable board lot size and value, thus improve the trading liquidity of the Company's securities, while maintaining the board lot value greater than HK\$2,000 in accordance with the guidelines of the SEHK.

Shareholders whose Shares are quoted on the SGX-ST should note that there will be no change in the board lot size of the Shares quoted on the SGX-ST, which will remain at 100 Shares per board lot, following the change of board lot size from 1000 Shares to 100 Shares in January 2015 for Shares quoted on the SGX-ST, both before and after the Proposed Share Consolidation.

4. FINANCIAL EFFECTS

For illustrative purposes only and based on the latest audited consolidated financial statements of the Group as at 31 December 2014, the financial position of the Company and the Group are set out below:

4.1 Share Capital

The effects of the Proposed Share Consolidation on the issued and paid-up share capital of the Company as at the Latest Practicable Date are follows:

	Before the Proposed Share Consolidation		After the Proposed Share Consolidation	
	<i>No. of Shares</i>	<i>US\$</i>	<i>No. of Shares</i>	<i>US\$</i>
Issued and paid-up share	1,058,829,308	19,058,927.54	105,882,930	19,058,927.40

LETTER FROM THE BOARD

4.2 Net Tangible Assets per Share

The effects of the Proposed Share Consolidation on the NTA per Share of the Group based on the audited consolidated balance sheet of the Group as at 31 December 2014, computed based on the assumption that the Proposed Share Consolidation was completed on 31 December 2014, is as follows:

	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
NTA (US\$'000)	58,322	58,322
Number of Shares	1,058,829,308	105,882,930
NTA per Share (US cents)	0.92	9.2

4.3 Earnings Per Share

The effects of the Proposed Share Consolidation on the EPS of the Group based on the audited consolidated profit and loss statement of the Group, computed based on the assumption that the Proposed Share Consolidation was completed on 1 January 2014, is as follows:

	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Net profit/(loss) after tax (US\$'000)	(1,775)	(1,775)
Weighted average number of Shares	1,058,829,308	105,882,930
Loss per Share (US cents)	(0.17)	(1.7)

4.4 Gearing

The Proposed Share Consolidation and the Proposed Change in Board Lot Size will not have any effect on the gearing of the Group.

The proforma analysis above has been prepared solely for illustrative purposes only and does not purport to be indicative or a projection or an estimate of the financial results and financial positions of the Company and the Group immediately after the completion of the Proposed Share Consolidation and the Proposed Change in Board Lot Size.

5. SPECIAL GENERAL MEETING

The notice of the SGM is set out on pages 22 to 24 of this Circular.

Pursuant to the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

LETTER FROM THE BOARD

6. PROXY ARRANGEMENT

Singapore

If a Shareholder is unable to attend the SGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Shareholder proxy form (“**Shareholder Proxy Form**”) in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 11:00 a.m. on 27 April 2015, not less than forty-eight (48) hours before the time fixed for the SGM. The completion and return of the Shareholder Proxy Form by a Shareholder will not prevent him from attending and voting at the SGM in person if he so wishes, and in such event the Shareholder Proxy Form submitted bearing his name shall be deemed to be revoked. Please note that this paragraph is only applicable to Shareholders who do not hold Shares through an account with CDP (i.e. who hold Shares in scrip).

Under the Bermuda Companies Act, only a person who agrees to become a shareholder of a Bermuda Company and whose name is entered in the register of members of such a Bermuda company is considered a member with rights to attend and vote at general meetings of such company.

Accordingly, under Bermuda laws, a Depositor holding Shares through the CDP would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the SGM, the Depositor would have to do so through CDP appointing him as a proxy, pursuant to the Bye-laws and the Bermuda Companies Act.

Pursuant to Bye-law 77 of the Bye-laws, unless the CDP specifies otherwise in a written notice to the Company, the CDP shall be deemed to have appointed the Depositors who are individuals and whose names are shown in the records of the CDP as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the CDP to the Company as the CDP’s proxies to vote on behalf of the CDP at a general meeting of the Company. Notwithstanding any other provisions in the Bye-laws, the appointment of proxies by virtue of Bye-law 77 shall not require an instrument of proxy or the lodgement of any instrument of proxy.

Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at forty-eight (48) hours before the time of the SGM may attend and vote as CDP’s proxies at the SGM without having to complete or return any form of proxy. A Depositor which is a corporation and who wishes to attend and vote at the SGM must complete and return the attached Depositor proxy form (“**Depositor Proxy Form**”), for the nomination of person(s) to attend and vote at the SGM on its behalf as CDP’s proxy, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 11:00 a.m. on 27 April 2015, not less than forty-eight (48) hours before the time fixed for the SGM.

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If an individual Depositor is unable to attend the SGM personally and wishes to appoint nominee(s) to attend the meeting and vote on his behalf, he must complete, sign and return the attached Depositor Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 11:00 a.m. on 27 April 2015, not less than forty-eight (48) hours before the time fixed for the SGM.

The completion and return of the Depositor Proxy Form by a Depositor (who is an individual) will not prevent him from attending and voting in person at the SGM as a proxy of CDP if he subsequently wishes to do so, and in which event the Depositor Proxy Form submitted bearing his name shall be deemed to be revoked.

Hong Kong

Shareholders (whether or not able to attend the SGM) are requested to complete and return the enclosed Hong Kong proxy form ("**HK Proxy Form**") in accordance with the instructions printed thereon and deposit with the Hong Kong Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than forty-eight (48) hours before the time appointed for the holding of the SGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) should they elect to do so. Please note that this paragraph is only applicable to Shareholders whose Shares are registered in the branch register of shareholders in Hong Kong.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

(a) Interests and short positions of the Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in shares, underlying shares and debentures of the Company, a related corporation of the Company (within the meaning of Part I of the SFA) or its associated

LETTER FROM THE BOARD

corporations (within the meaning of Part XV of the SFO), as recorded in the register to be kept under Section 352 of the SFO, or as otherwise notified to the Company, the SGX-ST and the SEHK pursuant to the Model Code are as follows:–

	As at the Latest Practicable Date			
	Direct	Deemed	Total Interest	%
	Interest	Interest	No. of Shares	
<i>No. of Shares</i>	<i>No. of Shares</i>	<i>No. of Shares</i>		
Hsu Chih Chien	–	142,081,611/ 148,818,611 ⁽¹⁾	142,081,611/ 148,818,611	13.419%/ 14.06%
Wu Chao-Huan ⁽²⁾	–	142,081,611/ 148,818,611	142,081,611/ 148,818,611	13.419%/ 14.06%
Chu Wen Yuan	40,000	–	40,000	0.004%
Wu Jian	–	–	–	–
Foo Meng Kee	–	–	–	–
Ngiam Zee Moey	–	–	–	–
Tsoi Wai Kwong	–	–	–	–

Notes:

- (1) 142,081,611 Shares are registered in the name of Sea-Sea Marine Company Limited (“**Sea-Sea Marine**”), the entire issued share capital is wholly-owned by Besco Holding Limited (“**Besco**”), which in turn is wholly-owned by Summit Trustees (Cayman) Limited (“**Summit Trustees**”) in its capacity as trustee of The Lowndes Foundation with Mr. Hsu Chih-Chien as settlor of the trust. Summit Trustees is a wholly-owned subsidiary of Summit Trust International SA (“**Summit Trust International**”) and Summit Trust International is deemed to have an interest in the Shares of the Company which Summit Trustees has an interest in. Besco, Summit Trustees in its capacity as trustee of a discretionary trust with Mr. Hsu Chih-Chien as settlor, Summit Trust International and Mr. Hsu Chih-Chien are all deemed to be interested in the Shares held by Sea-Sea Marine under the SFO and the SFA. Sea-Sea Marine is deemed to be interested in the 6,737,000 Shares held by Pilot Assets Group Limited only under the SFA.
- (2) 142,081,611 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 and SFA. China Lion is deemed to be interested in the 6,737,000 Shares held by Pilot Assets Group Limited only under the SFA.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares and debentures of the Company, a related corporation of the Company (within the meaning of Part I of the SFA) or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company, the SGX-ST and the SEHK pursuant to Subdivision 1 of Part VII of the SFA and 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.

LETTER FROM THE BOARD

(b) Interests and short positions of the substantial shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company, the SGX-ST and SEHK under the provisions of Subdivision 2 of Part VII of the SFA and Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity	Number of Issued shares	Approximate percentage of issued shares (%)
Sea-Sea Marine	Beneficial owner	142,081,611/ 148,818,611 ⁽¹⁾	13.419%/14.06%
Besco ⁽¹⁾	Interest in controlled corporation	142,081,611/ 148,818,611 ⁽¹⁾	13.419%/14.06%
Summit Trust International SA ⁽²⁾	Interest in controlled corporation	142,081,611/ 148,818,611	13.419%/14.06%
Summit Trustees (Cayman) Limited ⁽²⁾	Trustee	142,081,611/ 148,818,611	13.419%/14.06%
Yeh Wan-Yao ⁽³⁾	Interest of spouse	142,081,611	13.419%
China Lion	Beneficial owner	142,081,611/ 148,818,611 ⁽¹⁾	13.419%/14.06%
Wang Ho ⁽⁴⁾	Interest of spouse	142,081,611 ⁽²⁾	13.419%
Zhou Xunlan	Beneficial owner	85,952,000	8.12%

Notes:

- Sea-Sea Marine is wholly-owned by Besco. Please also refer to Note 1 relating to Mr. Hsu Chih-Chien under the table showing the interests and short positions of the Directors and chief executives of the Company.
- Besco is wholly-owned by Summit Trustees in its capacity as trustee of The Lowndes Foundation with Mr. Hsu Chih-Chien as settlor of the trust. Summit Trustees is a wholly-owned subsidiary of Summit Trust International and Summit Trust International is deemed to have an interest in the Shares of the Company which Summit Trustees has an interest in. Please also refer to Note 1 relating to Mr. Hsu Chih-Chien under the table showing the interests and short positions of the Directors and chief executives of the Company.
- Ms. Yeh Wen-Yao is the spouse of Mr. Hsu Chih-Chien. Ms. Yeh Wen-Yao is deemed to be interested in the Shares held by Sea-Sea Marine under the SFO. Please also refer to Note 1 relating to Mr. Hsu Chih-Chien under the table showing the interests and short positions of the Directors and chief executives of the Company.

LETTER FROM THE BOARD

4. Ms. Wang Ho is the spouse of Mr. Wu Chao-Huan. Mr. Wu Chao-Huan and Ms. Wang Ho are deemed to be interested in the Shares held by China Lion or in which China Lion has an interest under the SFO and the SFA. Please also refer to Note 2 relating to Mr. Wu Chao-Huan under the table showing the interests and short positions of the Directors and chief executives of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company, the SGX-ST and SEHK under the provisions of Subdivision 2 of Part VII of the SFA and Divisions 2 and 3 of Part XV of SFO, or was directly or indirectly interested in 5% of more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

8. DIRECTORS' RECOMMENDATIONS

The Directors consider that the Proposed Share Consolidation and the Proposed Change in Board Lot Size are in the best interests of the Company and the Shareholders.

Accordingly, the Directors recommend the Shareholders to vote IN FAVOUR of the relevant resolutions to be proposed at the SGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with paragraph 2, Part B of Appendix 1 to the Hong Kong Listing Rules

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

In compliance with the SGX-ST Listing Manual

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Share Consolidation and the Proposed Change in Board Lot Size, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

LETTER FROM THE BOARD

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Memorandum and Bye-laws and the annual report of the Company for the financial year ended 31 December 2014 may be inspected at the Company's principal place of business in Hong Kong at Suite 1801, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong and at the office of the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, during normal business hours from the date hereof up to and including the date of the SGM.

Yours faithfully
For and on behalf of the Board
Courage Marine Group Limited
Hsu Chih-Chien
Chairman

NOTICE OF SPECIAL GENERAL MEETING



COURAGE MARINE GROUP LIMITED **勇利航業集團有限公司***

(Incorporated in Bermuda with limited liability)

(Company Registration No. 36692)

(Hong Kong Stock Code: 1145)

(Singapore Stock Code: E91.SI)

NOTICE IS HEREBY GIVEN that the special general meeting (“**Special General Meeting**”) of the Company will be held at Suntec Singapore International Convention & Exhibition Centre, Meeting Room 308, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 29 April 2015 at 11:00 a.m. (or immediately after the conclusion of the annual general meeting to be held on 29 April 2015 at 10:00 a.m.) for the purpose of considering and, if thought fit, passing, with or without amendment(s), the following resolutions as ordinary resolutions.

Unless herein defined, all terms defined in this Notice of Special General Meeting shall have the same meanings as those defined or construed in the Circular dated 8 April 2015 issued by the Company to Shareholders.

That:

Subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and the permission to deal in, the Consolidated Shares (as defined below):

- (a) with effect from the Effective Date (as determined by the Directors), every ten (10) existing issued and unissued shares of US\$0.018 each in the authorised and issued share capital of the Company be consolidated into one (1) share of par value US\$0.18 in the capital of the Company (the “**Consolidated Share**”), and the authorised share capital of the Company be and is, thereby restructured from US\$180,000,000 divided into 10,000,000,000 Existing Shares of US\$0.018 each to US\$180,000,000 divided into 1,000,000,000 Consolidated Shares;
- (b) following the consolidation in paragraph (a) above, the Directors be and are hereby authorised to do all such acts and things as they consider necessary or expedient in connection with the consolidation including but not limited to disregarding fractional entitlements, issuing new share certificates in respect of the Consolidated Shares in issue and making arrangements for the settlement and disposal of fractional entitlements, if any, arising from or in connection therewith and in particular (but without prejudice to the generality of the foregoing), by aggregating any fractional entitlements arising as a result thereof and selling the same for the

* for identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

benefit of the Company in such manner and on such terms as the Directors may think fit and/or repurchasing any fractional entitlements in such manner and on such terms as the Directors may think fit for the benefit of the Company; and

- (c) the Directors be and are hereby authorised to complete and do all such acts and things including, without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents as he or they may consider necessary, desirable or expedient to give full effect to this resolution.

Singapore and Hong Kong, 8 April 2015

By Order of the Board
Lee Pih Peng
Company Secretary
Singapore

Notes:

1. A Shareholder Proxy Form (for Singapore Shareholders), a HK Proxy Form (for Hong Kong Shareholders) or a Depositor Proxy Form (for Depositors) is enclosed herewith.
2. A Shareholder entitled to attend and vote at the Special General Meeting is entitled to appoint no more than two proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder.
3. A Shareholder in Singapore who wishes to appoint a proxy should complete the attached Shareholder Proxy Form. Thereafter, the Shareholder Proxy Form must be lodged at the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the Special General Meeting.
4. A Shareholder in Hong Kong who wishes to appoint a proxy should complete the attached HK Proxy Form. Thereafter, the HK Proxy Form must be lodged at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the Special General Meeting.
5. Subject to paragraph 6 below, to allow persons whose names are listed on the Depository Register (as defined in Section 130A of the Singapore Companies Act) (individually a "**Depositor**" and collectively the "**Depositors**") maintained by The Central Depository (Pte) Limited ("**CDP**") as at 27 April 2015 ("**Cut-Off Date**") to attend the Special General Meeting, arrangements will be made for CDP to automatically issue a proxy form appointing each of the Depositors and, in relation to each of the Depositors, in respect of such number of shares of the Company set out opposite their respective names in the Depository Register maintained by CDP as at the Cut-Off Date, as its proxy/proxies to attend and vote at the Special General Meeting. Accordingly, a Depositor who wishes to attend and vote in person at the Special General Meeting can do so without having to submit the Depositor Proxy Form, provided that a Depositor who is a corporation and who wishes to attend the Special General Meeting must submit the Depositor Proxy Form for the appointment of person(s) to attend and vote at the Special General Meeting on its behalf.
6. A Depositor whose name appears in the Depository Register and who is unable to attend personally but wishes to appoint a nominee to attend and vote on his behalf, or if such Depositor is a corporation, should complete the attached Depositor Proxy Form and lodge the same at the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 48 hours before the time appointed for the Special General Meeting.

NOTICE OF SPECIAL GENERAL MEETING

7. Where a Shareholder appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified.
8. The instrument appointing a proxy shall be in writing under the hand of the appointor or by his/her attorney duly authorised in writing. If a Shareholder or Depositor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
9. Completion and return of the Shareholder Proxy Form, the HK Proxy Form or the Depositor Proxy Form will not preclude members from attending and voting in person at the meeting or at any adjournment thereof (as the case may be) should they so wish, and in such event, such proxy form shall be deemed to be revoked.
10. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.