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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Courage Marine Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the licensed securities dealer, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED CHANGE OF COMPANY NAME,  
ADOPTION OF THE SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Courage Marine Group Limited to be held at Room 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Wednesday, 28 June 2017 at 10:30 a.m. is set out on pages 28 to 33 of this circular. Any shareholder or depositor or proxy who wishes to take part in the annual general meeting in Singapore may attend via video conference which will be held at Room 307 Henderson, Maxwell Chambers, 32 Maxwell Road, #03-01, Singapore 069115. The shareholder or depositor or proxy attending the said video conference will be able to pose questions to the Company and to comment on the issues to be considered at the annual general meeting as set forth in the notice.

Whether or not you are able to attend the annual general meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for shareholders in Hong Kong) or the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for shareholders in Singapore) as soon as possible but in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjourned meeting (as the case may be) should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	annual general meeting of the Company to be held at Room 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong and via video conference at Room 307 Henderson, Maxwell Chambers, 32 Maxwell Road, #03-01, Singapore 069115 on Wednesday, 28 June 2017 at 10:30 a.m., for the purpose of considering and, if thought fit, approving the resolutions as set out in the AGM Notice
“AGM Notice”	notice for convening the AGM which is set out on pages 28 to 33 of this circular
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Bermuda Companies Act”	Companies Act 1981 of Bermuda, as amended from time to time
“Board”	Board of Directors of the Company
“Business Day”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Bye-laws”	Bye-laws of the Company, as amended, supplemented or modified from time to time
“CDP”	The Central Depository (Pte) Limited or its nominee(s), as the case may be
“close associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Company”	Courage Marine Group Limited 勇利航業集團有限公司, a company incorporated in Bermuda with limited liability, the Shares of which are primarily listed on the Main Board of Hong Kong Stock Exchange and secondarily listed on the Main Board of SGX-ST
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Date of Grant”	in respect of an Option and unless otherwise specified in the letter of grant, the Business Day on which the Board resolves to make an Offer to a Participant, whether or not the Offer is subject to Shareholders' approval on the terms of the Share Option Scheme

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## DEFINITIONS

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“Depositor(s)”	shall have the meaning ascribed to it by Section 81SF of the Singapore Securities and Futures Act
“Depository Register”	shall have the meaning ascribed to it by Section 81SF of the Singapore Securities and Futures Act
“Director(s)”	director(s) of the Company
“Grantee(s)”	any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Takeovers Code”	Codes on Takeovers and Mergers
“Issue Mandate”	proposed general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the resolution for approving such mandate
“Latest Practicable Date”	19 May 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Offer”	offer of the grant of an Option under the Share Option Scheme
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the Share Option Scheme
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than ten years from the Date of Grant

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## DEFINITIONS

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“Participant(s)”	any person belonging to any of the following classes of persons:  (a) Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors);  (b) employees of the Group; and  (c) any advisors, consultants, business partners, agents, customers, suppliers, service providers, contractors of any member of the Group or any company or other entity in which the Group or any member of it has a shareholding interest, who, in the sole discretion of the Board, has contributed or may contribute to the Group or any member of it
“Proposed Change of Company Name”	proposed change of the English name of the Company from “Courage Marine Group Limited” to “Courage Investment Group Limited” and the adoption of the Chinese name “勇利投資集團有限公司” as the secondary name of the Company in place of its existing Chinese secondary name “勇利航業集團有限公司”
“Repurchase Mandate”	proposed general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the total number of Shares in issue as at the date of passing of the resolution for approving such mandate
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Share(s)”	ordinary share(s) with par value of US\$0.18 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Scheme”	share option scheme proposed to be adopted at the AGM, a summary of the principal terms of which are set out in Appendix III
“Singapore”	Republic of Singapore
“Singapore Securities and Futures Act”	Securities and Futures Act (Chapter 289) of Singapore as amended, modified and supplemented from time to time

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## DEFINITIONS

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“Subscription Price”	price per Share at which a Grantee may subscribe for Shares on the exercise of an Option under the Share Option Scheme
“Success United”	Success United Development Limited, a company incorporated in the British Virgin Islands with limited liability and is the controlling Shareholder (as defined under the Hong Kong Listing Rules)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“SGD”	Singapore dollars, the lawful currency of Singapore
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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 Bermuda Companies Act, the SGX-ST Listing Manual, the Hong Kong Listing Rules, the SFO or any modification thereof and used in this circular shall, where applicable, have the meaning assigned to it under the Bermuda Companies Act, the SGX-ST Listing Manual, the Hong Kong Listing Rules, the SFO or any modification thereof, as the case may be.

Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference to a time of a day in this circular shall be a reference to 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.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Sue Ka Lok (*Chairman*)

Ms. Chan Yuk Yee

*Independent Non-executive Directors:*

Mr. Ngiam Zee Moey

Mr. Zhou Qijin

Mr. To Yan Ming, Edmond

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal place of business in Hong Kong:*

Suite 1510, 15th Floor

Great Eagle Centre,

23 Harbour Road, Wanchai

Hong Kong

29 May 2017

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED CHANGE OF COMPANY NAME,  
ADOPTION OF THE SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for:

- (a) the granting of the Issue Mandate to the Directors;
- (b) the granting of the Repurchase Mandate to the Directors;

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## LETTER FROM THE BOARD

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- (c) the extension of the Issue Mandate by adding to it the aggregate number of Shares repurchased under the Repurchase Mandate;
- (d) the re-election of the retiring Directors;
- (e) the Proposed Change of Company Name; and
- (f) the adoption of the Share Option Scheme.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, ordinary resolutions will be proposed to grant to the Directors the Issue Mandate and the Repurchase Mandate. Conditional upon the above resolutions being passed, a separate resolution will be proposed to extend the Issue Mandate by adding to it the aggregate number of Shares repurchased under the Repurchase Mandate. Details of these resolutions are contained in the AGM Notice.

As at the Latest Practicable Date, the Company had 152,458,928 Shares in issue. Assuming that there is no change in the number of the issued Shares during the period between the Latest Practicable Date and the date of the AGM, the maximum number of Shares which may be allotted, issued and dealt with pursuant to the Issue Mandate will be 30,491,785 Shares and the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 15,245,892 Shares.

An explanatory statement containing information relating to the Repurchase Mandate as required by Rule 10.06(1)(b) of the Hong Kong Listing Rules is set out in Appendix I to this circular. This explanatory statement provides the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution in relation to the granting of the Repurchase Mandate.

### RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Bye-law 86 of the Bye-laws, Ms. Chan Yuk Yee and Mr. Ngiam Zee Moey will retire by rotation at the AGM and being eligible, offer themselves for re-election.

Biographical details of the retiring Directors who are proposed to be re-elected at the AGM as required to be disclosed under Rule 13.51(2) of the Hong Kong Listing Rules is set out in Appendix II to this circular.

### PROPOSED CHANGE OF COMPANY NAME

Reference is made to the announcement of the Company dated 19 May 2017 in relation to the Proposed Change of Company Name. The Board proposed to change the English name of the Company from “Courage Marine Group Limited” to “Courage Investment Group Limited” and to adopt the Chinese name “勇利投資集團有限公司” as the secondary name of the Company in place of its existing Chinese secondary name “勇利航業集團有限公司”.



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## **LETTER FROM THE BOARD**

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### **CONDITIONS FOR THE PROPOSED CHANGE OF COMPANY NAME**

The Proposed Change of Company Name is subject to the following conditions having been satisfied:

- (i) the passing of a special resolution by the Shareholders at the AGM to approve the Proposed Change of Company Name; and
- (ii) the Registrar of Companies in Bermuda granting approval for the Proposed Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Proposed Change of Company Name will take effect from the date the Registrar of Companies in Bermuda enters the new English name of the Company in place of its existing English name and enters the new Chinese secondary name of the Company in place of its existing Chinese secondary name on the register maintained by the Registrar of Companies in Bermuda. Thereafter, the Company will carry out the necessary filing procedures with the Registrar of Companies in Hong Kong.

### **REASONS FOR THE PROPOSED CHANGE OF COMPANY NAME**

The principal activities of the Group comprise of marine transportation services, property holding and investment, merchandise trading and investment holding. The Board considers that the Proposed Change of Company Name will better reflect the current status of the diversified business scope of the Group and its direction of future development. The Board believes that the proposed new name of the Company will provide the Shareholders and the investing public a more accurate reflection of the Company's corporate identity. The Board considers that such new corporate image and identity will benefit the future development of the Company and is in the interests of the Company and the Shareholders as a whole.

### **EFFECTS OF THE PROPOSED CHANGE OF COMPANY NAME**

The Proposed Change of Company Name will not affect any rights of the Shareholders. After the Proposed Change of Company Name becomes effective, all existing share certificates of the Company will continue to be evidence of title and will continue to be valid for trading, settlement, registration and delivery for the same number of Shares in the new name of the Company on the Hong Kong Stock Exchange and the SGX-ST. There will not be any arrangement for the free exchange of existing share certificates of the Company for new share certificates bearing the new name of the Company.

Once the Proposed Change of Company Name becomes effective, new share certificates of the Company will be issued only in the new name of the Company.

Subject to the confirmation of the Hong Kong Stock Exchange, the English and Chinese stock short names of the Company for trading of the Shares on the Hong Kong Stock Exchange will also be changed after the Proposed Change of Company Name becomes effective.

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## LETTER FROM THE BOARD

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### ADOPTION OF THE SHARE OPTION SCHEME

As at the Latest Practicable Date, the Company and its subsidiaries have no share option scheme. The Board proposes the adoption of the Share Option Scheme, which will be valid and effective for a period of ten years commencing on the date of its adoption. The purpose of the Share Option Scheme is to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

The adoption of the Share Option Scheme is conditional upon:

- (a) the passing of the resolution by the Shareholders to approve and adopt the Share Option Scheme and to authorise the Board to grant Options at their absolute discretion thereunder and to allot and issue Shares pursuant to the exercise of any Options; and
- (b) the Listing Committee of the Hong Kong Stock Exchange granting approval of the listing of and permission to deal in the Shares to be issued and allotted pursuant to the exercise of the Options granted under the Share Option Scheme up to 10% of the total number of Shares in issue as at the date of the AGM.

Application will be made to the Listing Committee of the Hong Kong Stock Exchange for the approval of the listing of and permission to deal in the Shares to be issued pursuant to the exercise of Options granted under the Share Option Scheme, representing up to 10% of the total number of Shares in issue as at the date of the AGM. With respect to the operation of the Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

The Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the rules of the Share Option Scheme provide that the Board may determine, at its discretion, such term(s) on the grant of an Option, which decision may vary on a case by case basis. The basis for determination of the Subscription Price is also specified in the rules of the Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to protect the value of the Company and to achieve such purpose of retaining and motivating high quality personnel to contribute to the Group.

The Directors consider that it is not appropriate to value the Options that can be granted under the Share Option Scheme on the assumption that they had been granted at the Latest Practicable Date, as various determining factors (such as the subscription price of such Options, the timing of granting of such Options, exercise period and performance targets which the Directors may set under the Share Option Scheme) for the calculation of such value cannot be reasonably fixed at this stage. It would not be meaningful and to a certain extent be misleading to the Shareholders if the value of the Options is calculated based on a set of speculated assumptions.

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## LETTER FROM THE BOARD

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On the basis of 152,458,928 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are allotted, issued or repurchased by the Company prior to the AGM, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the Share Option Scheme and any other schemes of the Company must not exceed 15,245,892 Shares, representing approximately 10% of the total number of Shares in issue as at the date of the AGM.

A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. The full terms of the Share Option Scheme are available for inspection at the principal place of business of the Company in Hong Kong at Suite 1510, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the AGM.

At the AGM, an ordinary resolution will be proposed to approve the adoption of the Share Option Scheme and authorise the Directors to grant Options thereunder and to allot and issue Shares pursuant to the Share Option Scheme.

So far as the Directors are aware of, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the ordinary resolution to approve the adoption of the Share Option Scheme. None of the Directors is the trustee of the Share Option Scheme or has a direct or indirect interest in the trustee, if any.

### THE AGM

The AGM Notice is set out on pages 28 to 33 of this circular. A form of proxy for use at the AGM is enclosed.

In order to be eligible to attend and vote at the AGM, all unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for shareholders in Hong Kong) or the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for shareholders in Singapore) for registration not later than 4:30 p.m. on Wednesday, 21 June 2017.

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all votes at the AGM will be taken by way of poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the AGM will put the resolutions set out in the AGM Notice to be voted by way of poll pursuant to the Bye-laws.

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## LETTER FROM THE BOARD

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### ACTIONS TO BE TAKEN BY SHAREHOLDERS

#### **Hong Kong**

Shareholders (whether or not able to attend the AGM) are requested to complete and return the enclosed Hong Kong proxy form (the “Hong Kong Proxy Form”) in accordance with the instructions printed thereon and deposit with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, 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 AGM or any adjourned meeting (as the case may be). Completion and return of the Hong Kong Proxy Form will not preclude Shareholders from attending and voting in person at the AGM or any adjourned meeting (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked. Please note that this paragraph is only applicable to Shareholders whose Shares are registered in the branch register of shareholders in Hong Kong.

#### **Singapore**

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Shareholder proxy form (the “Singapore Proxy Form”) in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach 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 forty-eight (48) hours before the time appointed for holding of the AGM or any adjourned meeting (as the case may be). The completion and return of the Singapore Proxy Form by a Shareholder will not preclude him from attending and voting in person at the AGM or any adjourned meeting (as the case may be) if he so wishes and in such event, the instrument appointing a proxy 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 member of the Company, and would not have the right to attend, speak and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the AGM, 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(1)(b) 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(1)(b) shall not require an instrument of proxy or the lodgement of any instrument of proxy.

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## LETTER FROM THE BOARD

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Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at a time not earlier than forty-eight (48) hours before the time of the AGM may attend and vote as CDP's proxies at the AGM 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 AGM must complete and return the attached Depositor proxy form (the "Depositor Proxy Form"), for the nomination of person(s) to attend and vote at the AGM 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 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 forty-eight (48) hours before the time appointed for holding of the AGM or any adjourned meeting (as the case may be).

If an individual Depositor is unable to attend the AGM personally and wishes to appoint nominee(s) to attend the meeting and vote on his behalf, he must complete, sign and return the 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 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 forty-eight (48) hours before the time appointed for holding of the AGM or any adjourned meeting (as the case may be).

The completion and return of the Depositor Proxy Form by a Depositor (who is an individual) will not preclude him from attending and voting in person at the AGM or any adjourned meeting (as the case may be) as a proxy of CDP if he so wishes and in such event, the instrument appointing the proxy shall be deemed to be revoked.

Any Shareholder or Depositor or proxy who wishes to attend the video conference which will be held at Room 307 Henderson, Maxwell Chambers, 32 Maxwell Road, #03-01, Singapore 069115 are requested **NOT** to wear singlets, bermudas, shorts, sandals and slippers at Maxwell Chambers, the venue of the AGM in Singapore. Your co-operation in complying with Maxwell Chambers' dress code is greatly appreciated or otherwise, you will be denied entry into the building.

### **RESPONSIBILITY STATEMENT**

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.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the above proposed resolutions referred to in this circular and the AGM Notice are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions as set out in the AGM Notice.

Yours faithfully  
For and on behalf of the Board  
**Courage Marine Group Limited**  
**Sue Ka Lok**  
*Chairman*

*The following is an explanatory statement required by the Hong Kong Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the Company had 152,458,928 Shares in issue. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased from the Latest Practicable Date up to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 15,245,892 Shares, representing 10% of the total number of Shares in issue as at the date of the AGM.

## **2. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole for the Directors to seek a general authority from Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASE**

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with the Bye-laws, the Bermuda Companies Act and the Hong Kong Listing Rules.

## **4. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE**

There might be a material adverse impact on the working capital and/or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2016, being the date of the latest published audited consolidated financial statements of the Company) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## **5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates have any present intention, in the event that the proposed Repurchase Mandate is approved, to sell any Shares to the Company. No core connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has he undertaken not to sell any of the Shares held by him to the Company in the event that the proposed Repurchase Mandate is approved.

**6. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Hong Kong Listing Rules and the Bermuda Companies Act.

**7. EFFECT UNDER THE HONG KONG TAKEOVERS CODE**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Hong Kong Takeovers Code.

As at the Latest Practicable Date, Success United holds 29,090,022 Shares, representing approximately 19.08% of the issued share capital of the Company. Should the power to repurchase Shares pursuant to the Repurchase Mandate be exercised in full and assuming there is no change in the issued share capital of the Company and the shareholdings of Success United in the Company immediately before the full exercise of the Repurchase Mandate, the shareholdings of Success United in the Company would then be increased to approximately 21.20% of the issued share capital of the Company, such increase would not give rise to an obligation of Success United to make a mandatory offer under Rule 26 of the Hong Kong Takeovers Code.

Save as aforesaid, the Directors are not aware of any other consequences, which will arise under the Hong Kong Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.



**8. SHARE REPURCHASE MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company in the previous six months before the Latest Practicable Date, whether on the Hong Kong Stock Exchange or otherwise.

**9. SHARE PRICES**

The highest and lowest prices of the Shares as traded on the Hong Kong Stock Exchange in each of the previous twelve months before the Latest Practicable Date were as follows:

<b>Month</b>	<b>Share Prices</b>	
	<b>Highest (HK\$)</b>	<b>Lowest (HK\$)</b>
<b>2016</b>		
May	5.78	4.69
June	5.85	4.93
July	5.55	4.82
August	5.68	4.89
September	5.29	4.93
October	5.10	4.81
November	4.94	4.50
December	5.21	4.37
<b>2017</b>		
January	5.10	4.10
February	8.20	4.90
March	7.27	6.80
April	7.45	6.69
May (up to the Latest Practicable Date)	7.04	6.40

*Details of the Directors who are required to retire at the AGM according to the Bye-laws and who, being eligible, offer themselves for re-election at the AGM are as follows:*

**(1) Ms. Chan Yuk Yee (“Ms. Chan”), Executive Director**

Ms. Chan, aged 49, joined the Company as an Executive Director in October 2015 and is also a director of various subsidiaries of the Company. Ms. Chan holds a Master of Business Law degree from Monash University in Australia and is an associate of both The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. She has extensive experience in corporate administration and company secretarial practice.

Ms. Chan is an executive director and the company secretary of Birmingham Sports Holdings Limited (stock code: 2309) (“Birmingham Sports”) and EPI (Holdings) Limited (stock code: 689) (“EPI”). Ms. Chan is also the company secretary of China Strategic Holdings Limited (stock code: 235) (“China Strategic”), Enviro Energy International Holdings Limited (stock code: 1102) (“Enviro Energy”), Hailiang International Holdings Limited (stock code: 2336) and ITC Corporation Limited (stock code: 372) (“ITC”). Ms. Chan was an executive director of Huajun Holdings Limited (formerly known as New Island Development Holdings Limited) (stock code: 377) until 25 September 2014 and an executive director and the company secretary of Winshine Science Company Limited (formerly known as Winshine Entertainment & Media Holding Company Limited) (stock code: 209) (“Winshine”) until 10 November 2014 when she was re-designated as a non-executive director of Winshine and served until 8 April 2015. She was also the company secretary of Skyway Securities Group Limited (formerly known as Poly Capital Holdings Limited) (stock code: 1141) until 2 July 2014. All of the above companies are listed on the Main Board of the Hong Kong Stock Exchange.

Save as disclosed above, Ms. Chan has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

As at the Latest Practicable Date, Ms. Chan does not have any interest in the Shares within the meaning of Part XV of the SFO.

As disclosed above, Ms. Chan is an executive director and the company secretary of Birmingham Sports and EPI and the company secretary of China Strategic and ITC while each of Mr. Sue Ka Lok (an Executive Director of the Company) and Mr. To Yan Ming, Edmond (an Independent Non-executive Director of the Company) is a director of some of the said companies. Mr. Sue Ka Lok is a non-executive director of Birmingham Sports and an executive director of EPI, China Strategic and ITC. Mr. To Yan Ming, Edmond is an independent non-executive director of Birmingham Sports and EPI.

Mr. Suen Cho Hung, Paul (“Mr. Suen”), the ultimate beneficial owner of Success United, indirectly holds approximately 9.89% of the issued share capital in China Strategic. Mr. Suen is also the ultimate beneficial owner of the controlling shareholder of Birmingham Sports, EPI and ITC and the ultimate beneficial owner of the substantial shareholder of Enviro Energy.

Save as disclosed above, Ms. Chan does not have any other relationships with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Hong Kong Listing Rules).

Ms. Chan entered into a service contract with a subsidiary of the Company. There is no specific length of service as stipulated under the said service contract. Her term of service shall continue unless and until terminated by either party by giving to the other three months' prior notice in writing. The directorship of Ms. Chan will be subject to retirement by rotation and re-election pursuant to the Bye-laws. Under the service contract of Ms. Chan, she is entitled to a director's remuneration of HK\$390,000 per annum which has been recommended by the Remuneration Committee and approved by the Board based on Ms. Chan's qualifications and experience, her level of responsibilities undertaken and prevailing market conditions. Ms. Chan may also be entitled to receive discretionary bonuses or other benefits as may be decided by the Remuneration Committee and the Board having regard to the Company's and her performance. The remuneration of Ms. Chan will be subject to annual review by the Remuneration Committee and the Board. The director's emoluments of Ms. Chan for the year ended 31 December 2016 amounted to approximately US\$52,000.

Save as disclosed above, there is no other information of Ms. Chan to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules; and there is no other matter which needs to be brought to the attention of the Shareholders in respect of Ms. Chan's re-election.

**(2) Mr. Ngiam Zee Moey (“Mr. Ngiam”), *Independent Non-executive Director***

Mr. Ngiam, aged 61, joined the Company as an Independent Non-executive Director in April 2014 and is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Mr. Ngiam obtained a Bachelor of Commerce (Accountancy) degree from Nanyang University in 1980 and a Graduate Diploma in Marketing from the Marketing Institute of Singapore in 1993. He is a fellow member of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants of the United Kingdom.

Mr. Ngiam has over 30 years' experience in various accounting, financial and managerial positions. During 1987 to 2005, he was the group financial controller of Lauw & Sons Group in Singapore, where he was responsible for all financial matters of the group including reviewing financial statements of the group.

Since 2004 till present, Mr. Ngiam is also the joint company secretary of AEI Corporation Ltd., a company listed on the Main Board of the SGX-ST. Mr. Ngiam is a non-executive independent director of Hosen Group Ltd. and an independent director and the chairman of the audit committee of Zhongxin Fruit and Juice Limited. All of the above companies are listed on the SGX-ST.

Save as disclosed above, Mr. Ngiam has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years.

As at the Latest Practicable Date, Mr. Ngiam does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Ngiam does not have any relationships with other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Hong Kong Listing Rules).

Mr. Ngiam entered into a letter of appointment with the Company, pursuant to which he has been appointed as an Independent Non-executive Director for a term of twelve-month period which automatically renews for successive twelve month periods unless terminated by either party in writing prior to the expiry of the term. The directorship of Mr. Ngiam will be subject to retirement by rotation and re-election pursuant to the Bye-laws. Under the appointment letter of Mr. Ngiam, he is entitled to a director's fee of SGD50,000 per annum which has been recommended by the Remuneration Committee and approved by the Board based on Mr. Ngiam's qualifications and experience, his level of responsibilities undertaken and prevailing market conditions. The director's fee of Mr. Ngiam will be subject to annual review by the Remuneration Committee and the Board. The director's emoluments of Mr. Ngiam for the year ended 31 December 2016 amounted to approximately US\$37,000.

Save as disclosed above, there is no other information of Mr. Ngiam to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules; and there is no other matter which needs to be brought to the attention of the Shareholders in respect of Mr. Ngiam's re-election.

**THE SHARE OPTION SCHEME**

The following is a summary of the principal terms of the Share Option Scheme proposed to be approved at the AGM:

**(a) Purpose**

The purpose of this Share Option Scheme is to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

**(b) Who may join**

Participants of the Share Option Scheme comprise of (a) Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors); (b) employees of the Group; and (c) any advisors, consultants, business partners, agents, customers, suppliers, service providers, contractors of any member of the Group or any company or other entity in which the Group or any member of it has a shareholding interest, who, in the sole discretion of the Board, has contributed or may contribute to the Group or any member of it.

The Board may, at its absolute discretion, be entitled to make an Offer to any Participant to take up Options at a price calculated in accordance with paragraph (d) below. The Offer shall specify the terms on which the Option is granted. Such terms may at the discretion of the Board, which include, among others, (i) the minimum period for which an Option must be held before it can be exercised; and/or (ii) a performance target that must be reached before the Option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case by case basis or generally. An Offer shall remain open for acceptance by the Participant concerned for a period of 30 days from the date on which the letter containing the Offer is delivered to the Participant, provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after the Share Option Scheme is terminated in accordance with the terms thereof or after the Participant has ceased to be a Participant. An Offer is deemed to be accepted when the Company receives from the Grantee the offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted together with a remittance in favour of the Company of HK\$1.00 as consideration for the acceptance of Option. Such remittance is not refundable in any circumstances.

**(c) Grant of Options to core connected persons or any of their associates**

- (i) Any grant of Options to any Director, chief executive or substantial shareholder (as such term as defined in the Hong Kong Listing Rules) of the Company, or any of their respective associates under the Share Option Scheme or any other share option schemes of the Company or any of its subsidiaries shall be subject to the prior approval of the Independent Non-executive Directors (excluding Independent Non-executive Directors who are the proposed Grantees of the Options in question). Where any grant of Options to a substantial shareholder or an Independent Non-executive Director, or any of their respective associates, would result in

the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant:

- (1) representing in aggregate over 0.1% of the Shares in issue on the Date of Grant; and
- (2) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such further grant of Options shall be subject to prior approval by resolution of the Shareholders (voting by way of poll). The Company shall send a circular to the Shareholders in accordance with the Hong Kong Listing Rules. The Grantees and any of their respective associates and all core connected persons of the Company shall abstain from voting in favour of the resolution at such general meeting of the Shareholders, except that any such persons who are required to abstain from voting may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be issued pursuant to the Hong Kong Listing Rules.

- (ii) Shareholders' approval as required under paragraph (c)(i) above is also required for any change in the terms of Options granted to a Participant who is a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company or an Independent Non-executive Director, or any of their respective associates.

**(d) Subscription Price**

The Subscription Price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange on the Date of Grant which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (iii) the nominal value of the Shares (if any) on the Date of Grant.

**(e) Maximum Number of Shares**

- (i) The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% of the total number of Shares then in issue on the adoption date of the Share Option Scheme (the "Scheme

Mandate Limit”). Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

- (ii) The Scheme Mandate Limit may be refreshed at any time subject to prior Shareholders’ approval but in any event, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the total number of Shares then in issue as at the date of the Shareholders’ approval of the refreshed limit. Options previously granted under the Share Option Scheme or (as the case may be) any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the limit as refreshed.
- (iii) Notwithstanding the foregoing, the Company may grant Options beyond the Scheme Mandate Limit to Participants if:
  - (1) separate Shareholders’ approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders’ approval is sought; and
  - (2) the Company, in connection with the seeking of such separate Shareholders’ approval has first sent a circular to the Shareholders containing such information as may be required by the Hong Kong Listing Rules then prevailing to be included in such circular.
- (iv) Subject to paragraph (e)(v) below, the maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the Share Option Scheme (including both exercised and outstanding Options) in any 12-month period up to the Date of Grant shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of the Company) exceed 1% of the total number of Shares in issue on the Date of Grant (the “Individual Limit”)
- (v) Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information as may be required by the Hong Kong Listing Rules then prevailing to be included in such circular.

- (vi) At any time, the maximum number of Shares which may be issued upon exercise of all Options which then have been granted and have yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 30% of the total number of Shares in issue from time to time (the "Scheme Limit"). No Option may be granted under the Share Option Scheme or any other option schemes of the Company if this will result in the Scheme Limit being exceeded.

The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

**(f) Time of Exercise of Option**

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the Option Period.

**(g) Rights are Personal to Grantees**

An Option is personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option or enter into any agreement to do so.

**(h) Rights on Termination of Employment by Dismissal**

- (i) If the Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily, his Option will lapse automatically (to the extent not already exercised) and not be exercisable on or after the date of termination of his employment.
- (ii) If the Grantee who is an employee or a director of the Company or another member of the Group ceases to be a Participant for any reason other than his death or termination of his employment or directorship on one or more of the grounds specified in paragraph (h)(i) above, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of his employment (which date shall be the Grantee's last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable.



**(i) Rights on ceasing to be a Participant**

If the Grantee who is not an employee or a director of the Company or another member of the Group ceases to be a Participant as and when determined by the Board by resolution for any reason other than his death, the Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation.

**(j) Rights on Death**

If the Grantee ceases to be a Participant by reason of his death before exercising his Option in full and (where the Grantee is an employee of the Group) none of the events which would be a ground for termination of his employment as described in paragraph (h)(i) above have arisen, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within a period of 12 months following the date of his death.

**(k) Effect of Alterations to Share Capital**

In the event of an alteration in the capital structure of the Company, whilst any Option remains exercisable, by way of capitalisation issue, rights issue, open offer, subdivision or consolidation of Shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Hong Kong Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

- (i) the number of Shares subject to Options already granted so far as unexercised and remain exercisable; and/or
- (ii) the Subscription Price

or any combination thereof, provided that:

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and
- (b) notwithstanding paragraph (k)(a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be made based on one used in accounting standards in adjusting the earnings per share as the acceptable adjustments set out in the supplementary guidance on Rule 17.03(13) of the Hong Kong Listing Rules issued by the Hong Kong Stock Exchange on 5 September 2005 and any future guidance/interpretation of the Hong Kong Listing Rules issued by the Hong Kong Stock Exchange from time to time;
- (c) no adjustments shall be made to the extent that a Share would be issued at less than its nominal value (if any); and

- (d) no adjustments shall be required in circumstances where there is an issue of Shares as consideration in a transaction.

In respect of any such adjustments, an independent financial advisor or the auditor of the Company must certify in writing that the adjustments satisfy the requirements in paragraphs (k)(a) and (k)(b) above and the requirements under Rule 17.03(13) of the Hong Kong Listing Rule and the notes thereto.

**(l) Rights on a General Offer by way of Takeover**

In the event of a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph (m) below) being made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith notify all Grantees and any Grantee (or his legal personal representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company.

**(m) Rights on a General Offer by way of Scheme of Arrangement**

In the event of a general offer for Shares by way of scheme of arrangement being made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company.

**(n) Rights on Winding-up**

In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting to consider and, if thought fit, approve a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than the Business Day prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise in the register of members of the Company.

**(o) Rights on a Compromise or Arrangement**

In the event a compromise or arrangement (other than a scheme of arrangement contemplated in paragraph (m) above) between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all the Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement, and the Grantee (or his legal personal representative) may at any time thereafter but before such time as shall be notified by the Company, exercise the Option either to its full extent or to the extent notified by the Company and the Company shall as soon as possible and in any event

no later than the Business Day prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise in the register of members of the Company.

**(p) Ranking of Shares**

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Bye-laws of the Company for the time being in force and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date on which the name of the Grantee is registered in the register of members of the Company and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date when the name of the Grantee is registered in the register of members of the Company other than any dividends or other distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the name of the Grantee is registered in the register of members of the Company.

**(q) Period of the Share Option Scheme**

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of its adoption, after which period no further Options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Option granted or exercised prior thereto or otherwise as may be required under the Share Option Scheme.

**(r) Alterations to the Share Option Scheme**

- (i) The Share Option Scheme may be altered in any respect by a resolution of the Board, except that:
  - (a) the specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Hong Kong Listing Rules and the definition of "Grantee" in the Share Option Scheme cannot be altered to the advantage of Participants and changes to the authority of the Board or the administrator of the Share Option Scheme in relation to any alteration of the terms of the Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting (with all Grantees, prospective Grantees and their close associates (or their associates if the Grantees are connected persons) who are Shareholders abstaining from voting); and
  - (b) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must also, to be effective, be approved by the Shareholders in general meeting (with all Grantees, prospective Grantees and their close associates (or their associates if the Grantees are connected persons) who are Shareholders abstaining from voting), except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

- (ii) The Share Option Scheme so altered must comply with Chapter 17 and other relevant requirements of the Hong Kong Listing Rules then applicable.

**(s) Conditions of the Share Option Scheme**

The Share Option Scheme shall take effect conditional upon:

- (i) the passing of the resolution by the Shareholders to approve and adopt the Share Option Scheme and to authorise the Board to grant Options at their absolute discretion thereunder and to allot and issue Shares pursuant to the exercise of any Options; and
- (ii) the Listing Committee of the Hong Kong Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Options (subject to an initial limit of 10% of the total number of Shares in issue on the date of such Shareholders' resolution to approve and adopt the Share Option Scheme).

**(t) Lapse of Option**

An Option shall lapse automatically and shall not be exercisable, to the extent not already exercised, on the earliest of:

- (i) the expiry of the Option Period (subject to the provisions of the Share Option Scheme);
- (ii) subject to paragraphs (t)(iii) and (t)(iv) below, the expiry of the periods referred to in paragraphs (h), (i), (j), (l) to (o) above respectively;
- (iii) the expiry of the period referred to in paragraph (l) above, subject to any court of competent jurisdiction making an order to prohibit the offeror from acquiring the remaining Shares in the Offer;
- (iv) subject to the scheme of arrangement (referred to in paragraph (m) above) becoming effective, the expiry of the period for exercising the Option referred to in paragraph (m) above;
- (v) the date of commencement of the winding-up of the Company;
- (vi) the date on which the Grantee ceases to be a Participant as referred to in paragraphs (h)(i) and (h)(ii) above;
- (vii) the date on which the Grantee commits a breach of paragraph (g) above;

- (viii) the date the Grantee ceases to be a Participant for any other reason; and
- (ix) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option unless otherwise resolved to the contrary by the Board.

**(u) Termination of the Share Option Scheme**

The Company, by ordinary resolution in general meeting on which only such Shareholder(s) who do not have an interest in the Share Option Scheme may vote, or the Board may at any time terminate the Share Option Scheme and in such event no further Options may be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the Share Option Scheme and which remain unexpired immediately prior to termination of the operation of the Share Option Scheme.

**(v) Restriction on Grant of Option**

A grant of Options may not be made after inside information (as defined under Part XIVA of the SFO) has come to the Company's knowledge until such information has been announced as prescribed by the Hong Kong Listing Rules. In particular, during the period commencing one month immediately before the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified to the Hong Kong Stock Exchange under the Hong Kong Listing Rules) for approving the Company's results for any year or half-year period under the Hong Kong Listing Rules, or any other interim or quarter-year period (whether or not required under the Hong Kong Listing Rules); and
- (ii) the deadline for the Company to announce its results for any year or half-year period under the Hong Kong Listing Rules or any other interim or quarter-year period (whether or not required under the Hong Kong Listing Rules),

and ending on the date of the results announcement, no Option may be granted.

**(w) Cancellation**

- (i) The Board may effect the cancellation of any Options granted but not exercised or lapsed on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation, except that where the Grantee is in breach of paragraph (g) above, the Board may cancel any outstanding Option without the relevant Grantee's agreement.
- (ii) Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the Share Option Scheme with available unissued Shares (excluding the Shares which were the subject of cancelled options) under the Scheme Mandate Limit.

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## NOTICE OF AGM

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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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Courage Marine Group Limited (the “Company”) will be held at Room 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong and via video conference at Room 307 Henderson, Maxwell Chambers, 32 Maxwell Road, #03-01, Singapore 069115 on Wednesday, 28 June 2017 at 10:30 a.m. for the purposes to consider and, if thought fit, pass the following resolutions:

#### **ORDINARY RESOLUTIONS**

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors and of the auditor for the year ended 31 December 2016.
2. To re-elect the retiring directors and to authorise the Board of Directors to fix the remuneration of the directors of the Company.
3. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board of Directors to fix its remuneration.
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

(A) **“THAT:**

- (a) subject to paragraph (c) below and pursuant to the Bye-laws of the Company (the “Bye-laws”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the listing rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited (if applicable), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the “Shares”) and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements or options (including bonds, warrants, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of rights of subscription or conversion under terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into Shares;
  - (iii) an exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees and/or consultants and/or advisers of the Company and/or any of its subsidiaries or such other persons eligible to participate in any such scheme(s) or arrangement of Shares or rights to acquire Shares; or
  - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with the the Bye-laws from time to time,
- shall not exceed 20% of the total number of Shares in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law of the Bermuda to be held; or
  - (iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution passed by the shareholders of the Company in general meetings.

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“Rights Issue” means an offer of Shares, or issue of options, warrants or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares or any class of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares or any class of Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

(B) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its shares, subject to and in accordance with the Bye-laws of the Company (the “Bye-laws”), the applicable laws, rules and regulations, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company (the “Shares”) which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law of the Bermuda to be held; or
  - (iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution passed by the shareholders of the Company in general meetings.”

(C) **“THAT:**

conditional upon the passing of the resolutions numbered 4(A) and 4(B) as set out in the notice convening this meeting (the “Notice”), the general mandate granted to the directors of the Company (the “Directors”) to allot, issue and deal with additional shares of the Company (the “Shares”) pursuant to the said resolution numbered 4(A) as set out in the Notice be and is hereby extended by the addition thereto of such number of Shares repurchased by the Company under the authority granted to the Directors of the



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Company pursuant to the said resolution numbered 4(B) as set out in the Notice, provided that such number of Shares so repurchased shall not exceed 10% of the total number of Shares in issue as at the date of the said resolution.”

5. **“THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of the Company which may fall to be allotted and issued pursuant to the exercise of options granted under the proposed share option scheme of the Company (the “Share Option Scheme”) (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for identification purpose), the rules of the Share Option Scheme be and are hereby approved and the directors of the Company be authorised to grant options and allot and issue shares of the Company pursuant to the Share Option Scheme, and that directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary and expedient in order to give effect to the Share Option Scheme.”

### SPECIAL RESOLUTION

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

**“THAT:**

- (i) subject to and conditional upon the necessary approval of the Registrar of Companies in Bermuda being obtained, the English name of the Company be changed from “Courage Marine Group Limited” to “Courage Investment Group Limited” and the Chinese name “勇利投資集團有限公司” be adopted as the secondary name of the Company in place of its existing Chinese secondary name “勇利航業集團有限公司” (the “Proposed Change of Company Name”); and
- (ii) any one director of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents, including under seal where applicable and attend to any necessary registration and filing for and on behalf of the Company, as he/she considers necessary or expedient in connection with the implementation of or in order to give effect to the Proposed Change of Company Name.”

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

Hong Kong and Singapore, 29 May 2017

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## NOTICE OF AGM

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*Principal place of business in Hong Kong:*  
Suite 1510, 15th Floor  
Great Eagle Centre  
23 Harbour Road  
Wanchai  
Hong Kong

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

Notes:

1. A Hong Kong Proxy Form (for shareholders in Hong Kong), a Singapore Proxy Form (for shareholders in Singapore) or a Depositor Proxy Form (for depositors who hold shares through an account with The Central Depository (Pte) Limited (“CDP”) (the “Depositor”)) is enclosed herewith.
2. A shareholder entitled to attend and vote at the meeting of the Company and who holds two or more shares of the Company is entitled to appoint not more than two proxies to attend and vote in his/her/its stead. A proxy need not be a member of the Company. The appointment of a proxy by a shareholder does not preclude him/her/it from attending and voting in person at the meeting or any adjourned meeting (as the case may be) if he/she/it so wishes and in such event, the instrument appointing the proxy shall be deemed to be revoked.
3. A shareholder in Hong Kong who wishes to appoint a proxy should complete the attached Hong Kong Proxy Form. Thereafter, the Hong Kong Proxy Form must be lodged at the office of the Company’s Hong Kong branch share registrar and transfer office, 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 holding of the meeting or any adjourned meeting (as the case may be).
4. A shareholder in Singapore who wishes to appoint a proxy should complete the enclosed Singapore Proxy Form. Thereafter, the Singapore 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 holding of the meeting or any adjourned meeting (as the case may be).
5. For the avoidance of doubt, the Singapore Proxy Form should not be used by Depositors. Depositors who wish to attend and vote at the meeting should refer to paragraphs 6 and 7 below.
6. (i) A Depositor which is a corporation and who wishes to attend and vote at the meeting or (ii) an individual Depositor who is unable to attend the meeting personally and wishes to appoint person(s) to attend the meeting and vote on his/her/its behalf, should complete, sign and return the Depositor Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive 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 holding of the meeting or any adjourned meeting (as the case may be).
7. A Depositor (other than Depositors which are corporations) holding shares through CDP and whose names appear in the Depository Register (as defined in Section 81SF of the Securities and Futures Act of Singapore) as at a time not earlier than 48 hours before the time appointed for holding of the meeting or any adjourned meeting (as the case may be) and who wishes to attend and vote at the meeting may do so as CDP’s proxy without having to complete or return any form of proxy.
8. The instrument appointing a proxy shall be in writing under the hand of the appointor or by his/her/its 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.

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9. In order to be eligible to attend and vote at the AGM, all unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for shareholders in Hong Kong) or the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for shareholders in Singapore) for registration not later than 4:30 p.m. on Wednesday, 21 June 2017.
10. Where there are joint holders of any Share(s), any one of such joint holders may vote, either in person or by proxy, in respect of such Share(s) as if he/she/it were 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 Share(s) shall be accepted to the exclusion of the votes of the other registered holders.
11. Any shareholder or Depositor or proxy who wishes to attend the video conference which will be held at Room 307 Henderson, Maxwell Chambers, 32 Maxwell Road, #03-01, Singapore 069115 are requested **NOT** to wear singlets, bermudas, shorts, sandals and slippers at Maxwell Chambers, the venue of the AGM in Singapore. Your co-operation in complying with Maxwell Chambers' dress code is greatly appreciated or otherwise, you will be denied entry into the building.
12. As at the date of this notice, the Board of Directors of the Company comprises two Executive Directors, namely, Mr. Sue Ka Lok (Chairman) and Ms. Chan Yuk Yee; and three Independent Non-executive Directors, namely Mr. Ngiam Zee Moey, Mr. Zhou Qijin and Mr. To Yan Ming, Edmond.

In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.