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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is a reproduction of the announcement made by Courage Marine Group Limited (the “Company”) pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited. In compliance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (which requires a listed issuer to ensure that if securities of the listed issuer are also listed on other stock exchanges, the Stock Exchange shall be simultaneously informed of any information released to any of such other stock exchanges and that such information is released to the market in Hong Kong at the same time as it is released on other markets), please refer to the attached announcement on the next page issued on Singapore Exchange Securities Trading Limited on 27 April 2016.

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

Hong Kong, 27 April 2016

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

* *For identification purposes only*



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CLARIFICATION ON 2015 ANNUAL REPORT AND UPDATE ON USE OF PROCEEDS OF PLACING

The Board of Directors (the “Board”) of Courage Marine Group Limited (the “Company”) wishes to inform shareholders that the Company has received the following queries from the Singapore Exchange in relation to the 2015 Annual Report, to which the Board’s response is as set out below:

Query: With regard to the Use of Placement Proceeds on page 16 of the 2015 Annual Report, where the proceeds have been used for working capital purposes please provide a breakdown with specific details on how the proceeds have been applied.

Answer: As stated on page 16 of the 2015 Annual Report, as at the date thereof, net proceeds from the placing exercise completed on 8 December 2015 (the “Placing”) of approximately US\$4,080,000 has been applied as working capital of the Group including making short-term investments in equity-linked notes (“ELN”) and listed equity securities in Hong Kong. Further specific details on how such working capital has been utilised is set out below:

Allocation of Net Proceeds to Working Capital (US\$)	Further details / breakdown of working capital usage
2,560,000	Short term investments in ELN
1,310,000	Short term investments in listed equity securities
210,000	Administrative expenses
Total: US\$4,080,000	

Query: As required under Listing Rule 710, please make disclosures as recommended in the Code of Corporate Governance 2012 (the “Code”) or otherwise explain the reason(s) for the deviation from the following Code guideline:-

- a. Guideline 11.3 of the Code states, *inter alia*, that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company’s Annual Report. The Board’s commentary should include information needed by stakeholders to make an informed assessment of the company’s internal control and risk management systems.

Answer: As disclosed at page 19 (under the internal guidelines of matters requiring Board approval) and page 28 (under the 2nd paragraph of the section titled “Risk Management and Internal Controls”) of the 2015 Annual Report, the Board reserves for its approval, the review of, and does review the adequacy and effectiveness of the Company’s risk management and internal control systems, including financial, operational, compliance and information technology controls on an annual basis. Such review is carried out with the assistance of the external and outsourced internal auditors. Material non-compliance and internal control weakness, if any and recommendations for improvements, if applicable, noted during the audit are reported to the Audit Committee, and the Audit Committee reviews the effectiveness of the actions taken by the management on the recommendations made by the internal and external auditors.

The Audit Committee and the Board have accordingly rendered their opinion required under Rule 1207(10) of the SGX-ST Listing Manual under the 2015 Annual Report, upon the conclusion of, and pursuant to the satisfactory outcome of the process as described above.

The Audit Committee and the Board wish to take this opportunity to re-affirm that based on the internal controls established and maintained by the Group, the work performed by the internal and external auditors, and reviews performed by the management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Group’s internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at 31 December 2015.

UPDATE ON USE OF PROCEEDS OF PLACING

Further to the dispatch of the 2015 Annual Report, the Company has on 31 March 2016 announced the completion of the acquisition of 70% equity interest in Hope View International Limited by a wholly-owned subsidiary of the Company (the “Acquisition”). The purchase consideration of HK\$6,800,000 due for such acquisition, was satisfied using part of the net proceeds from the Placing. An update on the use of proceeds from the Placing following, *inter alia*, the Acquisition is as set out below:

Purpose¹	Amount Utilised² (US\$)	Amount Remaining² (US\$)
Short term investments in ELN	2,560,000	7,970,000
Short term investments in listed equity securities	1,310,000	6,660,000
Administrative expenses	510,000	6,150,000
Deposits for trading goods	400,000	5,750,000
Acquisition	870,000	4,880,000
Total	US\$5,650,000	US\$4,880,000³

¹Under the announcement dated 17 November 2015 in relation to the Placing, it was stated that the Company intends to use the entire net proceeds of approximately HK\$82,200,000 (equivalent to approximately US\$10,530,000, based on an exchange rate of US\$1.00 to HK\$7.80 as at 27 April 2016) from the Placing as general working capital of the Company and its subsidiaries (the “Group”) and/or funding of attractive business/investment opportunities if so arise.

²Based on an exchange rate of US\$1.00 to HK\$7.80 as at 27 April 2016.

³Remaining amount of net proceeds from the Placing, being HK\$82,200,000 (equivalent to approximately US\$10,530,000) less the relevant amounts utilised.

By Order of the Board

Sue Ka Lok
Chairman
27 April 2016