



Courage Marine



Navigating a
journey of excellence

Annual Report 2009

BIG VISION We aim to be one of the leading dry bulk carriers serving Asia's needs.

CORPORATE MISSION Excellence with reliability and efficiency. We aim to deliver sustainable growth and long-term shareholder value by:

Developing and broadening our customer base.

Expanding our fleet to meet growing demand, particularly China's.

Adding qualified personnel and enhancing service facilities.

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CORPORATE PROFILE

Anchored on Excellence

In 2009, we were rated one of the world's Top 10 public shipping companies by Marine Money International in terms of overall performance.

Courage Marine Group, founded in June 2001, is one of Asia's younger dry bulk shipping companies. It owns and operates 9 bulk carriers, deployed around Greater China, Japan, Russia, Vietnam, Indonesia, Bangladesh, and elsewhere in Asia. The vessels, totalling 526,258 deadweight tonnes, transport dry bulk commodities such as coal, sea sand, gravel, cement, clinker, iron ore, minerals, and wood chips. On board to steer the group are five industry veterans with extensive hands-on experience in dry bulk shipping in Asia, particularly in Greater China.

They bring over 150 years of combined experience, each excelling in his expertise to complement the others. Profitable since inception, our substantial presence in the region can capitalise on China and Asia-Pacific's continued economic growth. We are well-poised to take advantage of demand for dry bulk marine transportation services, especially coal.



Courage Marine is going with the flow of progress and riding the waves of growth.

Our company is backed by an efficient management system, commitment to high fleet utilisation and prudent expansion policy.



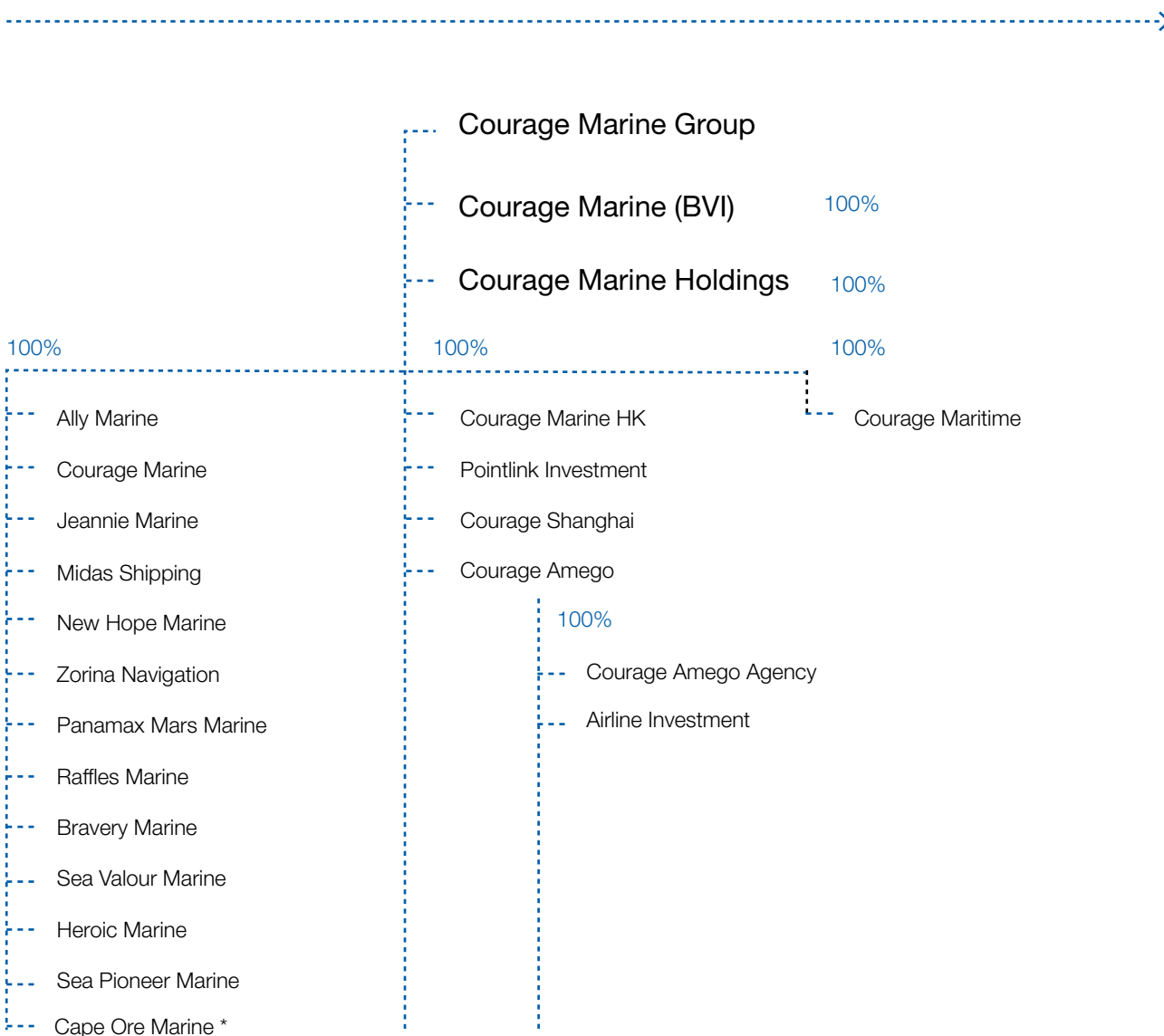
BOLD Strategies

OUR BUSINESS STRATEGIES

- Engage in fleet renewal to maintain a high level of efficiency
- Focus on spot charters while securing more contracts of affreightment (COAs)
- Continue to build up a quality customer base
- Continue to run cost-efficient operations
- Maintain regional coverage through offices in the PRC, Taiwan, and Hong Kong

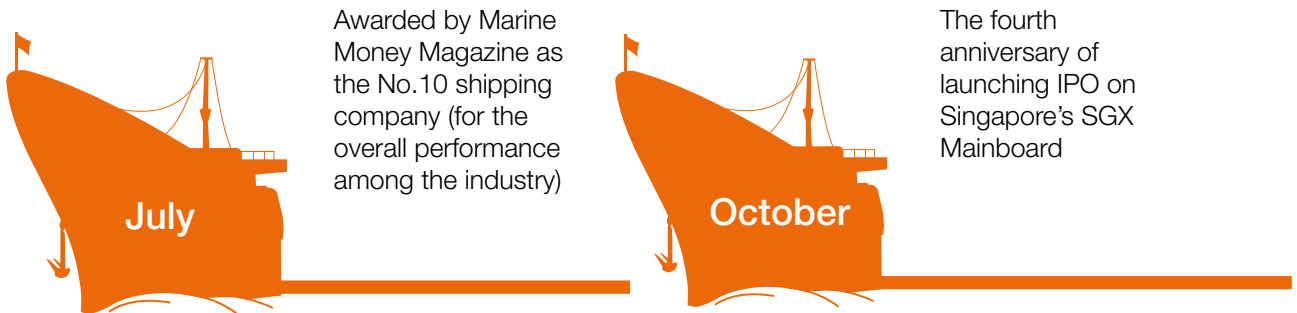
CORPORATE STRUCTURE

A Resilient ENTERPRISE



* Incorporated in 2010

2009 MILESTONES



CHAIRMAN'S MESSAGE

Amidst the difficult operating environment, Courage Marine has displayed strength and resilience this financial year. Through a cost-effective structure and a firm focus on maintaining a well-deployed, efficient fleet, the Group has managed to stay profitable in the financial year ended 31 December 2009 ("FY2009").



Hsu Chih-Chien
Chairman of the Board

DEAR SHAREHOLDERS,

Following 2008's financial tsunami, 2009 emerged as a year filled with economic uncertainties. The crisis triggered the worst post-war contraction, dampened global trade and created challenging circumstances for shipping firms worldwide.

Amidst the difficult operating environment, Courage Marine has displayed strength and resilience this financial year. Through a cost-effective structure and a firm focus on maintaining a well-deployed, efficient fleet, the Group has managed to stay profitable in the financial year ended 31 December 2009 ("FY2009").

Riding through an uncertain economy

In 2009, the Group recorded revenue of US\$27.9 million, reflecting a decline of 63% from the previous financial year. Net profit was significantly reduced to US\$75,000 due to low freight rates and reduced fleet utilisation in FY2009.

The lower fleet utilisation was largely due to the volatility of the Baltic Dry Index ("BDI"). After falling under 900 points at the beginning of the year, it had fluctuated before hitting a year-high of 4,635 points in November 2009. Although the fluctuations were less tumultuous compared to its unpredictability in late 2008, it nevertheless affected the freight rates and demand for dry bulk shipping, posing numerous challenges for the Company throughout the year.

At the start of the year, the BDI clearly mirrored the bleak state of the economy as markets worldwide continued to suffer from the after-effects of the financial crisis. After showing subtle signs of recovery, the BDI rose substantially in June 2009 to hit its 10-month high since October 2008, at a level of 4,291 points. This was due to the increasing demand from China's steelmakers for iron ore and coal – raw materials necessary in the production of steel.

This surge however, was not sustained and in October 2009, another sizeable fall of the BDI was witnessed – this time down to a level of 2,100 points. The volatility continued as BDI levels subsequently ascended to its 2009-high of 4,635 points in November, concluding a year of erratic highs and lows. These factors negatively affected the operating environment for the shipping industry, thereby lowering fleet utilisation to 70%.

Upholding excellence

This year, the Group was once again rated as one of the world's Top 10 public shipping companies by Marine Money International - a prestigious ship finance publication - in terms of overall performance. This industry-acclaimed award is strong testament to the Group's consistent ability to exhibit financial prudence and maximise returns, in spite of a weak dry bulk freight market.

The Group also came out tops in terms of debt interest

coverage ratio, illustrating our ability to generate enough cash to repay debt liabilities. Through effective cost management strategy and prudent expansion policy, the Group has also attained third placing for return on assets. Our strong showing in these areas is reflective of the Group's excellent financial health.

These accolades demonstrate the Group's commitment to operational efficiency and shareholder value creation. We believe that with consistent perseverance and careful cost management, we will continue building on our reputation as a leading player in the regional dry bulk market.

Boosting our capabilities

In 2010, the Group added a new vessel to the fleet, thereby increasing the Group's shipping capacity by over 32% or 128,150 dwt. At a cost of US\$7.85 million, MV Cape Ore's larger tonnage will bring greater cost efficiency to the Group's operations. This enhancement to the fleet amidst difficult times is an indication of our strong financial position and our strategy to prepare for the next phase of growth.

Dividends

The Directors recommend a final dividend of US (cents) 0.472 per ordinary share, amounting to approximately US\$5 million to be paid in respect of the financial year ended 31 December 2009, subject to shareholders' approval at the forthcoming annual general meeting of the Company.

Acknowledgements

On behalf of the Board, I would like to thank our shareholders, management, staff, business associates and clients for their steadfast support and dedication to the Group. Your commitment and confidence in the Group will enable us to make bigger strides towards greater value in the coming year.

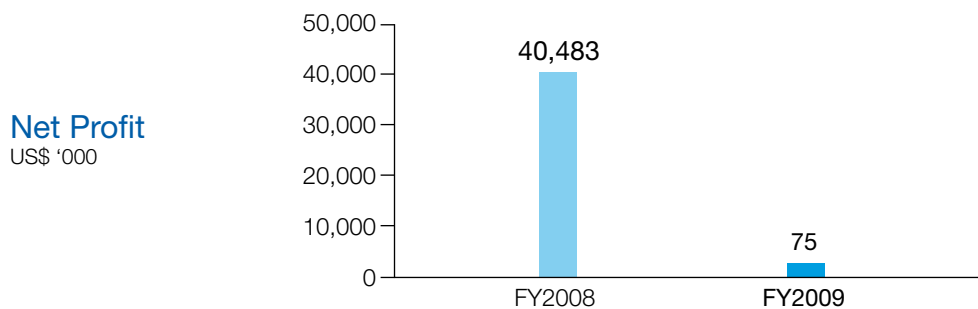
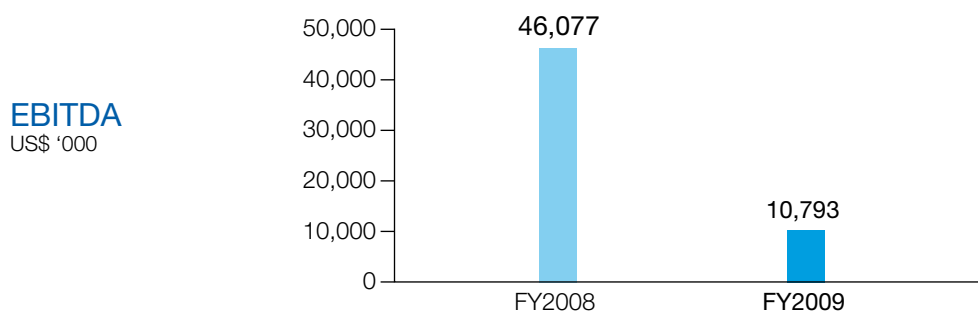
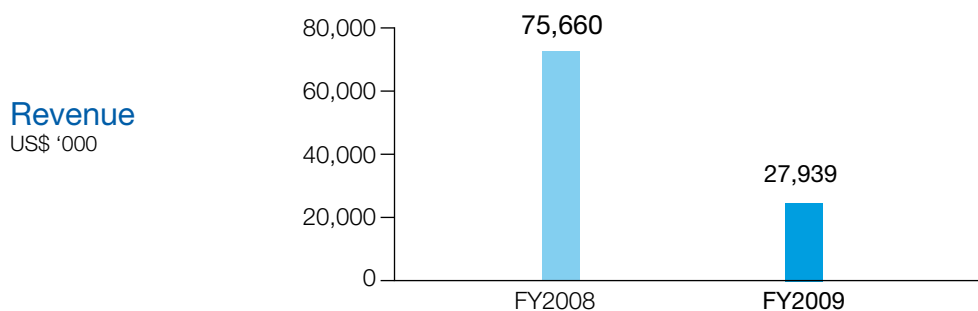


Hsu Chih-Chien
Chairman of the Board

GROUP FINANCIAL SUMMARY



“Steering towards greater value, we continue to offer attractive returns to our shareholders.”



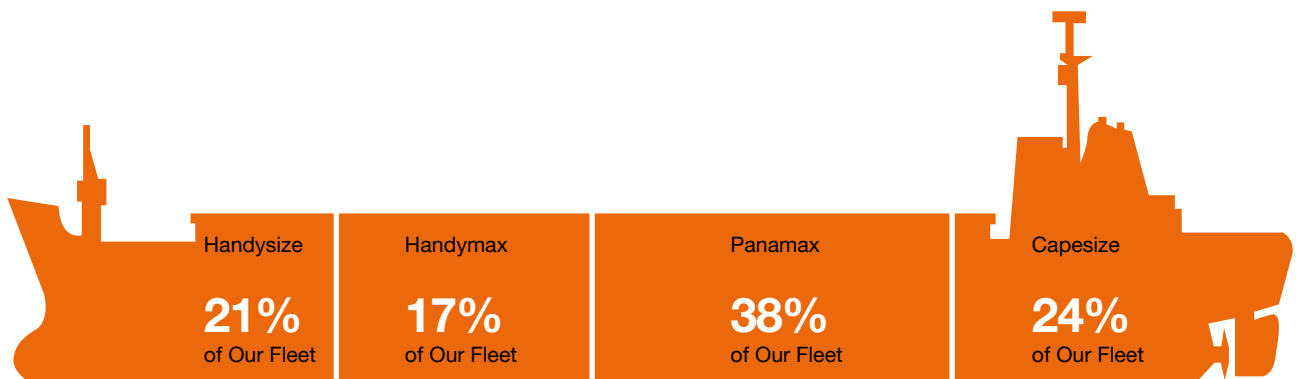
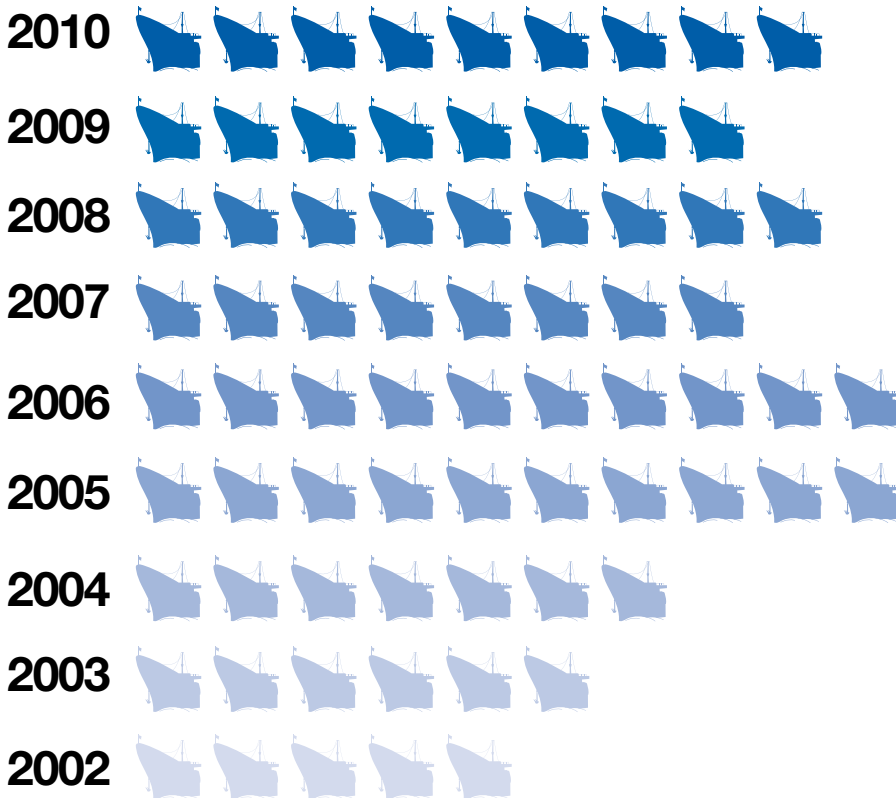
FINANCIAL HIGHLIGHTS

	2008	2009
Income Statement (US\$ '000)		
Revenue	75,660	27,939
EBITDA	46,077	10,793
Net Profit	40,483	75
Balance Sheet (US\$ '000)		
Non-current assets	65,936	57,731
Total assets	134,094	119,808
Total current assets	68,158	62,077
Share capital & reserves (US\$ '000)	118,208	110,239
Net cash / (debt)	42,836	41,359
Financial Ratios		
Return on equity (%)	34.2%	0.1%
Net gearing (%)	13.4%	8.7%
Interest cover (times)	205.5	1.3
Per share		
Earnings (US cents)	3.82	0.01
Net tangible assets (US cents)	11.16	10.41
Ordinary dividends		
- gross (US cents)	1.888	0.472
Share price at year end (SGD cents)	13.0	19.0

OUR FLEET

Steering **AHEAD**

Our Fleet is wholly owned by the Company. Since the Company began operations in 2001, it has expanded rapidly. We continuously acquire newer vessels while disposing of older ones to update our Fleet. The following table sets forth the expansion of our Fleet (in dwt):



OUR FLEET

Our Fleet consists of 3 Handysize, 2 Handymax, 3 Panamax and 1 Capesize dry bulk carriers, with total tonnage of approximately 526,258 dwt with details as follows:

BRAVERY



Type Handysize
Dwt 35,676
Flag Panama

COURAGE



Type Panamax
Dwt 66,754
Flag Panama

RAFFLES



Type Handysize
Dwt 37,696
Flag Panama

SEA PIONEER



Type Panamax
Dwt 66,798
Flag Panama

HEROIC



Type Handymax
Dwt 41,538
Flag Panama

JEANNIE III



Type Handysize
Dwt 34,537
Flag Panama

VALOUR



Type Panamax
Dwt 66,754
Flag Panama

ZORINA



Type Handymax
Dwt 48,355
Flag Panama

CAPE ORE (formerly known as MV Constantinopolis, purchased in 2010)



Type Capesize
Dwt 128,150
Flag Panama

OPERATIONS REVIEW

Following 2008's financial tsunami, 2009 was a challenging year for the shipping industry. Regardless, Courage Marine continued to focus on efficient cost management and optimal fleet utilisation.



Growing in
**RESILIENCE &
STRENGTH**

OPERATIONS REVIEW



Courage Marine is one of Asia's leading shipping companies and is involved in the ownership and operation of a nine-strong fleet comprising Handysize, Handymax, Panamax and Capesize vessels.

Following 2008's financial tsunami, 2009 was a challenging year for the shipping industry. Regardless, Courage Marine continued to focus on efficient cost management and optimal fleet utilisation.

Despite the difficult operating environment, FY2009 saw the Group rank as one of the world's Top 10 shipping companies by Marine Money International, a prestigious ship finance publication. Marine Money International included Courage Marine in its industry-acclaimed annual rankings for the Group's ability to adroitly manage costs and returns.

Impact of the BDI

The Group registered a 63% decline in turnover, from US\$75.7 million to US\$27.9 million. Net profit similarly was significantly reduced, recording US\$75,000 in FY2009. The weaker financial performance this year was largely due to the low freight rates and volatile Baltic Dry Index ("BDI") levels, with China's stimulus package significantly affecting BDI levels.

In January 2009, the BDI was recorded at 900 points, before averaging out to about 1,200 points in the first quarter of the year. This was influenced by the adverse trading conditions and cautious economic environment, which dampened demand for dry bulk transportation services, and consequently led to a sharp decline in freight rates.

OPERATIONS REVIEW

Subsequent quarters were equally volatile, with highs and lows both featuring prominently. Record imports of iron ore and coal to China in the first half of 2009 contributed to the rise of the index from 900 points in January, to 4,300 points in June. Following months of dangerously low levels, this surge in BDI had several contributing factors; the most mentioned being the influence of China's stimulus package.

China's fiscal policy comprised largely, the execution of a slew of infrastructure projects such as railways and highways which gave a much-needed boost to the then-crippled steel industry in China. State-owned mills ramped up production and the demand for iron ore and coal rose dramatically. This demand from China made a great impact on the BDI levels, driving up BDI levels to 4,300 points in June 2009.

Following the surge, signs of a slowdown began to show in infrastructure spending and real-estate development, two areas that between them accounted for more than 50% of China's annual steel consumption. This eventually led to a decline in the demand for steel and hence, a reduction in China's demand for iron ore and coal. With the slowdown in Chinese demand for iron ore and coal, the BDI slid down to 2,000 points in August. The BDI subsequently increased to a year-high of 4,635 points in November.

With BDI levels exhibiting volatility throughout FY2009, fleet utilisation in the year was low at 70%. However, it picked up slightly in the last quarter of FY2009, and the Group expects it to stabilise in 2010.



OPERATIONS REVIEW



Strength in our fleet

In 2010, we expanded our fleet with the purchase of MV Cape Ore at US\$7.85 million. The second-hand vessel - built in South Korea in 1981 - will add 128,150 dwt to our capacity, increasing our fleet tonnage by about 33%. Fully funded by internal resources, this ship is expected to contribute positively to the Group's revenue in FY2010.

The Group will continue to be on the lookout for reasonably-priced second-hand vessels to boost our fleet. Through the efficient operation and maintenance of old vessels, we are able to extend the ships' life spans and thereby maximise returns. To generate long-term value, the Group will also remain open to the possibilities of purchasing new-build ships and younger second-hand ships in the future.

With the addition of MV Cape Ore, our fleet size currently comprises nine vessels, with a total tonnage of approximately 530,000 dwt. Our diverse fleet of Handysize, Handymax, Panamax and Capesize vessels will continue to provide us with the flexibility to meet the varied needs of our customers ranging from spot charter to longer-term contracts of affreightment.

Financial Highlights

In FY2009, the Group registered turnover of US\$27.9 million, reflecting a decline of 63%. Cost of sales dropped by 18% to approximately US\$29.0 million due to overhead costs such as depreciation and amortisation. As a result, the Group recorded a gross loss of approximately US\$1.1 million compared to gross profit of US\$40.1 million in FY2008.

Other operating income consisted of interest income from bank balances, gain on foreign exchange and other one-off income. This totaled to approximately US\$2.7 million in FY2009, an increase of 27% compared to FY2008 due mainly to the insurance claim receivable.

Administrative expenses fell by 37% to approximately US\$2.6 million in FY2009. This was largely due to the decrease of year-end bonus for staff and executive directors and accrual for directors' fees.

OPERATIONS REVIEW

We recorded a gain on disposal of an associate for approximately US\$1.3 million in FY2009 as the Group had exercised its put option to sell the shares back to the original seller who had duly accepted the exercise of put option. This resulted in a reversal of the loss recorded from FY2007 to FY2009, as well as the interest receivable. Furthermore, the Group also recorded its share of loss of interest in the associate for approximately US\$0.2 million in FY2009 against approximately US\$0.5 million in FY2008.

Finance cost of approximately US\$0.3 million in FY2009 was recorded as one of the Group's subsidiaries had obtained a bank loan of US\$10 million in October 2008. Our subsidiaries recorded an income tax expense of approximately US\$32,000 during FY2009 as compared to US\$11,000 in FY2008.

Other receivables and prepayments was US\$14.5 million as at 31 December 2009, as compared to US\$5.4 million in the last financial year. This was mainly due to the outstanding purchase instalments from vessel disposal and the outstanding proceeds due from the exercise of the put option in relation to the disposal of the interest in associate.

Overall, the Group registered net profit of approximately US\$75,000 in FY2009. This was largely attributed to the significantly lower freight rates and fleet utilisation in the first half of the year.

The net cash outflow of approximately US\$2.4 million for FY2009 was attributable to the sharp fall in sales activity. It was also attributable in part to the repayment of bank borrowings amounting to US\$3.2 million and dividend payout



OPERATIONS REVIEW



of approximately US\$8.0 million for the period. Overall, the Group remains in a net cash position with cash and cash standing at US\$43.2 million as at 31 December 2009.

Even amidst a difficult operating environment, the Group has continued to deliver on its strengths and expertise in dry bulk shipping.

Shipped cargo for the year was 4.1 million tonnes, with coal being a key component in our cargo mix, contributing 29.2% of total shipped cargo. To continue catering to China's ever-growing needs for raw materials, the Group's cargo mix remained wide-ranging to serve an assortment of industries. This range includes raw materials like coal, gravel, sea sand, bauxite, limestone and other commodities like grains.

Looking ahead to 2010

2009 has been, without a doubt, a challenging year for the shipping industry. Looking ahead, the volatile nature of the BDI will remain the main cause for concern but with the economy recovering steadily, BDI and freight rates are expected to stabilise in 2010.

A report by the World Steel Association underlines our optimism. The Association forecasts a 9.2% growth in global steel demand, to reach 1.206 billion metric tons in 2010. Of this amount, China is expected to continue leading the way, accounting for 47.7% of its production in 2010. This expected demand for steel will provide greater opportunities for the Group in the transport of iron ore and coal, and steadily propel our business forward in the year ahead.

COMPETITIVE STRENGTHS

We aim to secure further volumes of back haul trades and reduce the number of ballast days. The decrease in ballast days maximises our revenue and profit margins.



COMPETITIVE STRENGTHS

ENGAGE IN FLEET RENEWAL TO MAINTAIN A HIGH LEVEL OF EFFICIENCY

The slowdown in global economic growth has resulted in lower shipbuilding and ship repair activities, presenting us with good opportunities to send our fleet in for maintenance at attractive prices.

By sustaining a nimble fleet of well-maintained Handysize, Handymax, Panamax and Capesize carriers, we are better able to serve the needs of our customers when the global economic situation takes a turn for the better.

FOCUS ON SPOT CHARTERS WHILE SECURING MORE CONTRACTS OF AFFREIGHTMENT (COAS)

We intend to keep securing spot charter contracts as they typically offer premium rates. However, over reliance on spot charter contracts expose us to fluctuations in charter-hire/freight rates. Therefore it is necessary for us to limit our potential exposure to short-term fluctuations in charter-hire/freight rates by allocating some of our capacity to secure COAs.

CONTINUE TO BUILD UP A QUALITY CUSTOMER BASE

Our focus on developing and maintaining good relationships with our customers through providing reliable service has enabled us to build a sound and excellent reputation over the years.

We are known for our credibility and good track record which has in turn won us a portfolio of established customers including multinational corporations and state-owned enterprises.

As a result of our customer building and customer relationship management abilities, we have secured the trust and preference of our repeat customers that helps to ensure maximized utilization of our vessels, while securing optimized return of investment.

We will continue to look for ways to offer better value and service to our existing customers while actively seeking means to gain new ones.

CONTINUE TO RUN COST-EFFICIENT OPERATIONS

Our emphasis on adopting an ever more prudent approach towards cash management has resulted in our strong cash position which has in turn put us in a better place than most of our competitors.

We have the means to tide over challenging economic times and seize the opportunities presented to us as a result of our cash holdings.

We will continue with the implementation of cost management measures, one of which entails the lowering of Directors' fees and staff's bonuses in tandem with profitability, thus enabling the company to hold on sufficient cash flow in times of need.

In previous years, when the cost of new vessels was high, we had always held on to older second-hand vessels as opposed to acquiring new vessels or younger second-hand vessels.

However as prices of new vessels drop in the face of the current economic situation, we are on the lookout for vessels offering good value at attractive prices to further reinforce the strength and efficiency of our fleet.

MAINTAIN REGIONAL COVERAGE THROUGH OFFICES IN THE PRC, TAIWAN, AND HONG KONG

The geographical positioning of our offices was established to cater to a higher business volume and a bigger customer base.

As our operations span the region of China, Taiwan, Hong Kong, Singapore, and South East Asia, our offices are strategically located to facilitate better communications between our customers and suppliers.

Although the current economic climate has ceased our plans to open new offices, we intend to maintain coverage of these areas to explore possibilities of further business development along the commodity-rich North China, and its more industrialized South.

BOARD OF DIRECTORS



from left to right:

Hsu Chih-Chien Wu Chao-Huan Chiu Chi-Shun Chen Shin-Yung
Captain Wu Chao-Ping Lui Chun Kin, Gary Sin Boon Ann Chu Wen Yuan

BOARD OF DIRECTORS

HSU CHIH-CHIEN

CHAIRMAN

Mr Hsu, 52, co-founded Courage Marine with Mr Wu Chao-Huan in 2001. With more than 25 years of experience in the shipping industry, he is responsible for the sale and purchase of the Group's second-hand vessels. His other positions take charge of insurance and financing. Mr Hsu is also Chairman of Waywiser Marine Shipping Agency Co, and Managing Director of Eddie Steamship Co. He holds a BA degree from Colby College, Maine (USA).

WU CHAO-HUAN

MANAGING DIRECTOR

Mr Wu, 59, oversees sales and marketing, customer service, strategic planning, and general management. Prior to cofounding the Group, Mr Wu was General Manager of New Amego Shipping Corp and Everlasting Maritime Corp over 1966- 2001. His more than 30 years managing shipping companies exposed him to sales and marketing, schedule planning, ship purchases and sales, personnel, and general management. He is a graduate of China Navigation Institute in Taiwan.

CHIU CHI-SHUN

DIRECTOR OF SYSTEMS AND STANDARD COMPLIANCE

Mr Chiu, 58, oversees technical safety and process compliance. His key role is identifying second-hand ships in excellent condition suitable for acquisition, drawing from over 30 years in ship design, building, and maintenance. Before joining Courage, he worked in organisations such as China Shipbuilding Corp, Yang Ming Line, and Jacksoon Shipping Safety Management Consulting Co. Mr Chiu graduated from Taiwan's Ocean University, Naval Architecture Department.

CHEN SHIN-YUNG

DIRECTOR OF TECHNICAL, REPAIR AND MAINTENANCE

Mr Chen, 66, comes with more than 30 years' experience in the shipping industry in supplies, repair and maintenance. As the Group's Technical Director since 2001, he is responsible for the fleet's overall technical management. Between 1979-97, he was General Manager of Bada & Co, which specialises in ship supplies in Taiwan. He was the Technical Manager of New Amego Shipping Corp from 1997-2001.

CAPTAIN WU CHAO-PING

DIRECTOR OF OPERATIONS, SCHEDULING, AND CREWING

Captain Wu, 57, joined the Group in 2001 as Operations Director, overseeing overall fleet operations. He works to ensure the crew is well-trained and equipped to handle emergencies on board. He began his career as a port captain in 1975 and has 30 years of experience in the industry. He

has also worked with Jeyuan Shipping Co, New Amego Shipping, and Everlasting Maritime Corp. Captain Wu is a graduate of China Navigation Institute, Taiwan.

LUI CHUN KIN, GARY

INDEPENDENT DIRECTOR

Mr Lui, 49, joined the board on 24 August 2005. He is the Executive Director and Chief Financial Officer of New Territories Investments Pty Ltd, in charge of management, strategic planning, investment, and corporate restructuring. He was the Chief Financial Officer of Fanatech Inc., Vice President and Chief Financial Officer with CBR Brewing Co., Project Controller with First Shanghai Investments, General Manager with GKC Inc., Assistant Financial Controller of Chung Wah Shipping & Engineering (Holdings) Co., and Senior Accountant with Arthur Andersen & Co., enjoying in all over 20 years of experience. Mr Lui obtained a Bachelor of Social Science (Hons) degree from University of Hong Kong in 1987 and Master in Applied Finance from Charles Stuart University in 2001.

SIN BOON ANN

INDEPENDENT DIRECTOR

Mr Sin, 51, joined the board on 24 August 2005. As a Director of Drew & Napier LLC, he specialises in corporate finance, banking, joint ventures, investments and acquisitions, and helped establish Drew & Napier's Hanoi office. Before joining Drew & Napier in 1992, Mr Sin taught at the Faculty of Law of the National University of Singapore from 1987. He is a Member of Parliament for the Tampines Group Representative Constituency. Mr Sin received his Bachelor of Arts and Bachelor of Laws (Honours) degree from the National University of Singapore and Master of Laws from the University of London.

CHU WEN YUAN

INDEPENDENT DIRECTOR

Mr Chu, 50, joined the board on 24 August 2005. He is General Manager of Xcellink Pte Ltd, overseeing its Singapore and Malaysia operations. Prior to that, he was General Manager of HTL Manufacturing, Integral Chemical Co, Walsin International Management, Composers & Authors Society of Singapore, and Financial Controller of Citicorp Insurance Brokers (S), enjoying in all over 18 years of experience. Mr Chu graduated in 1984 with a Bachelor of Science, Accounting degree from San Francisco State University, USA. He obtained a Master of Business Administration, Finance degree from University of Oregon, USA, in 1986.

EXECUTIVE OFFICERS



from left to right:

Hon Kwok-Ping Yuen Chee Lap, Carl Lin Tsai-Seng

HON KWOK-PING

FINANCIAL DIRECTOR

Mr Hon, 61, is in charge of our financial and accounting controls. He served as Accountant, Chief Accountant, and Company Secretary in several international companies between 1973 and 1984. From 1984 to 1996, he was a Financial Director, Deputy Managing Director, and Chief Operating Officer in the Asian operations of European and North American companies. From 1997 to 2003, he was President of AgroCan Corp. An advisor to our company since January 2004, Mr Hon was appointed Financial Controller in November 2004. He obtained his accounting professional status through the Association of International Accountants, UK. He is a Fellow of the Hong Kong Institute of Certified Public Accountants.

YUEN CHEE LAP, CARL

FINANCIAL CONTROLLER

Mr. Yuen, 36, is in charge the Company's finance and accounting control, as well as the Company's reporting and SGX compliance. Mr. Yuen has rich experience in finance and

accounting both in Hong Kong and the United States. He started his career in Houston, Texas. He joined Greensmart Corp., a U.S. listed company in 2000 and served as Chief Financial Officer from 2001 to 2003. He then joined the Company as the financial manager since January 2004 and was appointed Financial Controller in May 2006. Mr. Yuen received BBA and MBA degrees from University of Houston, Texas in 1997 and 1998, respectively.

LIN TSAI-SENG

SALES AND MARKETING MANAGER

Mr Lin, 59, is our Sales and Marketing Manager, responsible for sales and marketing functions, including client relationship management. He served as an engineer in a number of shipping companies between 1974 and 1983. He was the General Manager of Horong Shipping Co between 1983-2000. Mr Lin joined our company in 2001. He graduated from Ocean University, Taiwan.

CORPORATE INFORMATION

BOARD OF DIRECTORS

HSU Chih-Chien
Chairman of the Board

WU Chao-Huan
Managing Director

CHEN Shih-Yung
Director

CHIU Chi-Shun
Director

WU Chao-Ping
Director

CHU Wen Yuan
Director

LUI Chun Kin, Gary
Director

SIN Boon Ann
Director

AUDIT COMMITTEE

LUI Chun Kin, Gary (Chairman)
CHU Wen Yuan
SIN Boon Ann

REMUNERATION COMMITTEE

CHU Wen Yuan (Chairman)
HSU Chih-Chien
SIN Boon Ann

NOMINATING COMMITTEE

SIN Boon Ann (Chairman)
HSU Chih-Chien
LUI Chun Kin, Gary

FINANCIAL CALENDAR

Financial Year End
31 December 2009

ANNOUNCEMENT OF FINANCIAL RESULTS

Fourth Quarter	February
First Quarter	May
Second Quarter	August
Third Quarter	November

PRINCIPAL PLACE OF BUSINESS

Suite 906
Wing On Centre
111 Connaught Road Central
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

COMPANY SECRETARY

LEE Pih Peng

ASSISTANT COMPANY SECRETARY

Richard J. Evans

SHARE REGISTRAR

Unit Trust/Share Registration
Boardroom Corporate & Advisory Services Pte. Ltd.
(a member of Boardroom Limited)
[Formerly known as Lim Associates (Pte) Ltd]
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

BERMUDA REGISTRAR

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

AUDITORS

Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809

Partner-in-charge:
Ernest KAN Yaw Kiong
Appointed in 2005

DISPATCH OF ANNUAL REPORTS TO SHAREHOLDERS

6 April 2010

ANNUAL GENERAL MEETING

27 April 2010

LAST DATE TO REGISTER MEMBERS FOR DIVIDEND PAYMENT

Up to 5.00 p.m. on 5 May 2010

PROPOSED PAYMENT OF FINAL DIVIDEND

17 May 2010



CORPORATE GOVERNANCE REPORT, FINANCIAL STATEMENTS AND OTHER INFORMATION

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CORPORATE GOVERNANCE STATEMENT

Courage Marine Group Limited (the “Company”) is committed to good standards of corporate governance in line with the recommendations of the Code of Corporate Governance (the “Code”) issued by the Corporate Governance Committee. The Company’s corporate governance practices are described below with reference to the Code.

BOARD OF DIRECTORS

Principle 1: Board’s Conduct of its Affairs

Our Board of Directors is entrusted with the responsibility for the overall management of our Company. Our Board’s primary role is to set the Company’s policy and supervise the performance of the Managing Director’s duties. Among other things, our Board sets the Company’s goals and approves the Company’s action plans and budget (proposed by the Company’s management), reports to the Annual General Meeting about the state of the Company’s matters and about the Company’s business results, and resolves any matters which require our Board’s approval under any applicable law (including, without limitation, interested person transactions).

Our Board also delegates its function to the various Board committees, namely the Audit, Nominating and Remuneration Committees. All Committees are chaired by an independent Director and consist mainly of independent Directors.

Principle 2: Board Composition and Balance

As of the date of this report, our Board of Directors comprises eight Directors, three of whom are independent. Key information about each Director is detailed in the “Board of Directors” section of the annual report. The Directors of our Company in office at the date of this report are:

Mr Hsu Chih-Chien	(Chairman)
Mr Wu Chao-Huan	(Managing Director)
Mr Chen Shin-Yung	(Executive Director)
Mr Chiu Chi-Shun	(Executive Director)
Mr Wu Chao-Ping	(Executive Director)
Mr Sin Boon Ann	(Independent Director)
Mr Lui Chun Kin Gary	(Independent Director)
Mr Chu Wen Yuan	(Independent Director)

There are no permanent alternate directors.

The three independent Directors joined our Board on 24 August 2005, prior to the listing of our Company, and were last re-elected on 28 April 2009. Our Nominating Committee reviews the independence of each Director annually and applies the Code’s definition of who qualifies as an independent director in its review. The other Directors were appointed to our Board on 13 April 2005. Mr Hsu Chih-Chien, Mr Chiu Chi-Shun and Mr Wu Chao-Ping were last re-elected on 26 April 2007. Mr. Wu Chao-Huan and Mr. Chen Shin-Yung were last re-elected 29 April 2008.

The present board size of 8 members is appropriate for the current size of our Company and the scope of its operations, and is ideal to provide for effective debate and decision-making of our Board. As a team, the Board collectively provides core competencies in the areas of strategic business decision making, finance and accounting, risk management, legal and regulatory matters and human resource management.

Principle 3: Chairman and Managing Director

The Chairman and the Managing Director of our Company are separate individuals. As the most senior executive in our Company, the Managing Director bears executive responsibility for our Company’s business according to the policy set by our Board and subject to our Board’s directives. The Chairman of our Board bears responsibility for the proper functioning of our Board, maintains on-going supervision over the management of our Company and the flow of information from our Company’s management to our Board.

The Chairman ensures that Board meetings are held regularly and, in addition, when necessary, sets our Board meetings agenda in consultation with the Managing Director. As a general rule, Board papers are sent to Directors in advance in order for Directors to be adequately prepared for the meeting. The Chairman leads each Board meeting and ensures full discussion of agenda items. Management staff, as well as external experts who can provide additional insights into the matters to be discussed, are invited when necessary, to attend at the relevant time during our Board meetings.

CORPORATE GOVERNANCE STATEMENT

Principle 4: Board Membership

According to our Company's Bye-Laws (the "Bye-Laws"), each Director shall retire at least once every three years. In addition, any director appointed by our Board shall retire at the next annual general meeting of our Company and shall then be eligible for re-election at that meeting. In accordance with the Bye-Laws, Mr Hsu Chih-Chien, Mr Chiu Chi-Shun and Mr Wu Chao-Ping shall retire and Mr Hsu Chih-Chien submits himself for re-election at our Company's upcoming AGM, to be held on 27 April 2010.

Our Nominating Committee has recommended the re-appointment of the retiring Director at our Company's upcoming AGM, and our Board has accepted our Nominating Committee's recommendation and accordingly Mr Hsu Chih-chien is offering himself for re-election.

Our Nominating Committee comprises 3 Directors, a majority of whom, including the Chairman, is independent. As at the date of this Report, our Nominating Committee members are:

Mr. Sin Boon Ann	Chairman and Independent Director
Mr. Lui Chun Kin Gary	Member and Independent Director
Mr. Hsu Chih-Chien	Member

Our Nominating Committee is responsible for:

- (a) making recommendations to our Board on all board appointments, including re-nomination, having regard to the Director's contribution and performance including, if applicable, as an independent Director. All Directors are required to submit themselves for rotation and re-appointment at regular intervals and at least once every three years;
- (b) determining annually whether or not a Director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors;
- (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director; and
- (d) deciding on how our Board's performance may be evaluated and propose objective performance criteria, as approved by our Board, that allows comparison with our industry peers and which address how our Board has enhanced long-term shareholders' value.

Principle 5: Board Performance

Our Nominating Committee has, with the approval of our Board, established performance criteria and evaluation procedures for the assessment of the effectiveness and performance of our Board as a whole.

Currently, our Board's performance is judged on the basis of accountability as a whole, as our Board is of the opinion that the financial indicators or performance criteria such as return on equity or return on assets as set out in the Code are less appropriate for assessment of non-executive directors and our Board's performance as a whole.

The Nominating Committee has decided that, given the background, experience and expertise of each Director, it would not be necessary to evaluate the individual performance of each Director.

Each member of our Nominating Committee abstains from voting on any resolutions in respect of his re-nomination as a Director.

CORPORATE GOVERNANCE STATEMENT

The attendance of the Directors at meetings of our Board and committees between 1 March 2009 and 28 February 2010 is presented as follows:

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Hsu Chih-Chien	4	4	–	–	1	1	1	1
Wu Chao-Huan	4	4	–	–	–	–	–	–
Chen Shin-Yung	4	1	–	–	–	–	–	–
Chiu Chi-Shun	4	3	–	–	–	–	–	–
Wu Chao-Ping	4	3	–	–	–	–	–	–
Sin Boon Ann	4	4	4	4	1	1	1	1
Chu Wen Yuan	4	4	4	4	–	–	1	1
Lui Chun Kin Gary	4	4	4	4	1	1	–	–

Principle 6: Access to Information

Our Board has separate and independent access to senior management of our Company. Requests for information from our Board are dealt with promptly. Our Board, acting through its Executive Directors, is informed of all material events and transactions as and when they occur. Professional advisors may be invited to advise our Board, or any of its members, if our Board or any individual member thereof needs independent professional advice. Our Company Secretary attends all Board meetings and is responsible for ensuring that Board procedures are followed and recording the minutes.

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure of Remuneration

Our Remuneration Committee comprises 3 Directors, a majority of whom, including the Chairman, is independent. As at the date of this Report, our Remuneration Committee members are:

Mr. Chu Wen Yuan	Chairman and Independent Director
Mr. Sin Boon Ann	Member and Independent Director
Mr. Hsu Chih-Chien	Member

Our Remuneration Committee is responsible for:

- (a) implementing and administering the Employee Share Option Scheme; and
- (b) determining and recommending to our Board a remuneration framework for our Directors and remuneration packages for the Executive Directors. The recommendations of our Remuneration Committee are submitted for endorsement by our Board.

All aspects of remuneration of our Directors, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are considered by our Remuneration Committee.

Each member of our Remuneration Committee abstains from voting on any resolutions in respect of his own remuneration package.

All Directors and employees are entitled to participate in the Company's Share Option Scheme. Information on the Share Option Scheme is disclosed in the Directors' Report on pages 31 to 33. To date, no options have been granted to the Directors and employees of the Group.

CORPORATE GOVERNANCE STATEMENT

A summary remuneration table of our Directors is shown below.

Remuneration Bands	Salary %	Bonus %	Fees %	Benefits %	Total %
Below S\$200,000					
Hsu Chih-Chien	–	–	–	–	–
Wu Chao-Huan	100	–	–	–	100
Chen Shin-Yung	100	–	–	–	100
Chiu Chi-Shun	100	–	–	–	100
Wu Chao-Ping	100	–	–	–	100
Sin Boon Ann	–	–	100	–	100
Chu Wen Yuan	–	–	100	–	100
Lui Chun Kin, Gary	–	–	100	–	100

A summary remuneration table of the top 5 key management executives is shown below.

Remuneration Band
Below S\$200,000
Ho Tsuy-Hong
Hon Kwok-Ping
Kuo Ji Ruo
Lin Tsai-Seng
Yuen Chee Lap, Carl

Our Company does not have any employee who is an immediate family member of a Director.

Principle 10: Accountability

Our Board is accountable to our Company's shareholders. Our Board provides shareholders with periodical, and to the extent necessary and/or required immediate, reports with regard to the business, financial and other aspects of our Company's activities.

Principle 11: Audit Committee

Our Audit Committee comprises 3 Directors, all of whom, including the Chairman, are independent. As at the date of this Report, our Audit Committee members are:

Mr. Lui Chun Kin Gary	Chairman and Independent Director
Mr. Sin Boon Ann	Member and Independent Director
Mr. Chu Wen Yuan	Member and Independent Director

Our Audit Committee assists our Board in discharging their responsibility to safeguard our assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee provides a channel of communication between our Board, our management and our external auditors on matters relating to audit. In particular, our Audit Committee is responsible for:

- (a) reviewing with the external auditor the following: audit plan; their evaluation of the system of internal accounting controls; their letter to management; and the management's response;
- (b) reviewing financial statements and balance sheet and profit and loss accounts before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

CORPORATE GOVERNANCE STATEMENT

- (c) reviewing internal control and internal audit reports (where available), ensuring co-ordination between external auditors and our management, reviewing assistance given by our management to the auditors, and discussing problems and concerns, if any, arising from the final audit, and any matters which the auditors may wish to discuss (in absence of our management, where necessary);
- (d) considering appointment or re-appointment of external auditors and matters relating to resignation or dismissal of auditors;
- (e) reviewing the Interested Person Transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- (f) reviewing potential conflicts of interest, if any;
- (g) undertaking such other reviews and projects as may be requested by our Board, and reporting to our Board findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (h) generally undertaking such other functions and duties as may be required by statute or the Listing Manual, or by such amendment as may be made thereto from time to time; and
- (i) reviewing on a regular basis, and subject to such review, approving the financial products with respect to any hedging activities, if any, to be undertaken by our Group.

Apart from the above functions, our Audit Committee will also commission and review the findings of internal or external investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results or financial position. Each member of our Audit Committee abstains from voting in respect of matters in which he is interested.

Principle 12: Internal Controls

Our Audit Committee has, with the assistance of the external and outsourced internal auditors, reviewed the effectiveness of the Group's internal controls relating to financial, operational and compliance controls. Based on this review, our Board is satisfied that the internal controls of the Group are adequate to safeguard shareholders' investments and the Group's assets, as well as the integrity of its financial statements.

Principle 13: Internal audit

Since March 2006, our Company has outsourced its internal audit function to an independent assurance service provider which specialises in risk management and internal audit. Our Audit Committee is satisfied that the appointed internal auditor has the relevant qualifications and track record to meet the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The primary objective of the internal audit is to assure our Audit Committee and our Board that sufficient risk management processes and controls are in place and operating effectively.

The internal auditor reports primarily to the Chairman of our Audit Committee. Our Audit Committee is satisfied that the internal audit function is adequately resourced and will comprehensively cover the major activities within the Group.

Principles 14 and 15: Communication with Shareholders and Greater Shareholder Participation

Our Company's results are published through the SGXNET and news releases. Our Company does not practise selective disclosure. Price sensitive information is first publicly released, either before our Company meets with any group of analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period. All shareholders of our Company receive the annual report and notice of the AGM. At the AGM, shareholders are given the opportunity to air their views and ask the Directors or management questions regarding our Company.

CORPORATE GOVERNANCE STATEMENT

DEALINGS IN SECURITIES

Our Company has in place a policy prohibiting dealings in our Company's shares by Directors and key employees of our Group for the period of one month prior to the announcement of our Company's quarterly and yearly results and ending on the date of the announcement of the relevant results.

MATERIAL CONTRACTS

There was no material contract subsisting as at 31 December 2009 or entered into by our Company and/or its subsidiaries during the financial year ended 31 December 2009 involving the interests of the Directors or controlling shareholders of the Company.

INTERESTED PERSON TRANSACTIONS

All interested person transactions are considered and reviewed by our Audit Committee, and to the extent required by the Listing Manual and/or Bermuda Companies Law, by our Board of Directors and the shareholders of our Company. Our internal control procedures ensure that all interested person transactions are conducted at arm's length and on commercial terms.

During the financial year, interested person transactions entered into by the Group were as follows:

Name of interested person	Nature of Transaction	Aggregate value of all interested person transactions during the financial year under review
Mr. Hsu Chih-Chien / Waywiser Marine Shipping Agency Co, Ltd.	Sales commission	US\$2,000

The transaction value was not over 1% of the Net Tangible Assets of our Company as at 31 December 2009.

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2009.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Hsu Chih-Chien
Wu Chao-Huan
Chiu Chi-Shun
Chen Shin-Yung
Wu Chao-Ping
Sin Boon Ann
Chu Wen Yuan
Lui Chun Kin Gary

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate, except for the options mentioned in this report.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
<u>Courage Marine Group Limited</u> (Ordinary shares of US\$0.018 each)				
Chu Wen Yuan	40,000	40,000	–	–
Hsu Chih-Chien	–	–	148,818,611	148,818,611
Wu Chao-Huan	–	–	148,818,611	148,818,611
Chen Shin-Yung	–	–	148,818,611	148,818,611
Chiu Chi-Shun	–	–	146,618,611	146,618,611
Wu Chao-Ping	–	–	94,676,874	94,676,874

The directors' interest in the shares and options of the Company as at January 21, 2010 were the same as at December 31, 2009.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest, except as disclosed in the financial statements.

REPORT OF THE DIRECTORS

5 SHARE OPTIONS

(a) *Options to take up unissued shares*

The Employee Share Option Scheme (the "Scheme") of the Company was approved by its shareholders on August 24, 2005.

Particulars of the Scheme are set out below and in Note 26 to the financial statements.

The Scheme is administered by the Remuneration Committee whose members are:

Chu Wen Yuan (Chairman)
Sin Boon Ann
Hsu Chih-Chien

A member of the Committee who is also a participant of the Scheme will not participate in any deliberation or decision in respect of the options to be granted to the participant.

Under the Scheme, options granted to the executive and non-executive directors and employees of the Group may, except in certain special circumstances, be exercised at any time after the first or second anniversary (depending on the exercise price) of the grant of the option. Options granted under the Scheme will have a life span of 10 years, save for those granted to non-employees which shall have a life span of 5 years. The exercise prices of the options may at the Committee's discretion, be set at a price equal or at a discount not exceeding 20 percent to the average of last dealt prices of the Company's shares on the Singapore Exchange Securities Trading Limited for the five market days immediately preceding the date of grant. As at the date of this report, no options have been granted.

(b) *Unissued shares under options and options exercised*

The number of Shares available under the Scheme shall not exceed 15% of the issued share capital of the Company.

No employee or employee of related corporations has received 5% or more of the total options available under this scheme.

There are no options granted to any of the Company's controlling shareholders or their associates (as defined in the Singapore Exchange Securities Trading Listing Manual).

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued share.

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

The Company will not be seeking shareholders' approval for authority to grant options or to issue shares pursuant to exercise of option(s) at the forthcoming Annual General Meeting.

6 AUDIT COMMITTEE

The Audit Committee of the Company comprises 3 independent directors, namely Lui Chun Kin Gary, Sin Boon Ann and Chu Wen Yuan with Lui Chun Kin Gary as the Chairman.

The Audit Committee met periodically to perform the following functions:

- (a) review the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

REPORT OF THE DIRECTORS

- (b) review the audit plan of the Company's external auditors;
- (c) review the external auditors' report;
- (d) review the co-operation given by the Company's officers to the external auditors;
- (e) review the financial statements of the Company and the Group before submission to the Board of Directors;
- (f) nominate external auditors for re-appointment;
- (g) review interested person transactions; and
- (h) review the quarterly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group.

Its internal audit function has been outsourced to an independent assurance service provider which specialises in risk management and internal audit. The Audit Committee is satisfied that the appointed internal auditor has the relevant qualifications and track record to meet the standards set by internationally recognised professional bodies including the Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The primary objective of the internal audit is to assure the Audit Committee and the Board of Directors that sufficient risk management processes and controls are in place and operating effectively. The Audit Committee is satisfied that the internal audit function is adequately resourced and will comprehensively cover the major activities within the Group. The auditors did not provide any non-audit services for FY2009.

The Audit Committee recommended to the Board of Directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



Hsu Chih-Chien



Wu Chao-Huan

March 31, 2010

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company set out on pages 36 to 63 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2009, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS



Hsu Chih-Chien



Wu Chao-Huan

March 31, 2010

INDEPENDENT AUDITORS' REPORT

To the Members of Courage Marine Group Limited

We have audited the accompanying financial statements of Courage Marine Group Limited (the "Company") and its Subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at December 31, 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 36 to 63.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2009 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.



Public Accountants and
Certified Public Accountants

Singapore
March 31, 2010

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2009

	Note	Group		Company	
		2009 US\$'000	2008 US\$'000	2009 US\$'000	2008 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents	6	43,159	45,556	838	408
Trade receivables	7	2,228	2,678	–	–
Other receivables and prepayments	7	11,690	5,401	28	9
Amount due from subsidiaries		–	–	71,682	63,682
Held for trading investments	8	–	526	–	–
Pledged deposits	9	5,000	7,280	–	–
		62,077	61,441	72,548	64,099
Non-current asset classified as held for sale	10	–	6,717	–	–
Total current assets		62,077	68,158	72,548	64,099
Non-current assets					
Plant and equipment	11	54,876	63,149	–	–
Subsidiaries	12	–	–	14,217	14,217
Associate	13	–	2,787	–	–
Other receivables	7	2,855	–	–	–
Total non-current assets		57,731	65,936	14,217	14,217
Total assets		119,808	134,094	86,765	78,316
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Other payables and accruals	14	2,769	5,886	508	1,305
Amount due to subsidiaries		–	–	9,897	209
Borrowings - due within one year	15	3,200	3,200	–	–
Total current liabilities		5,969	9,086	10,405	1,514
Non-current liability					
Borrowings - due after one year	15	3,600	6,800	–	–
Capital and reserves					
Share capital	16	19,059	19,059	19,059	19,059
Share premium		28,027	28,027	28,027	28,027
Translation reserve		–	49	–	–
Retained earnings		63,153	71,073	29,274	29,716
Total		110,239	118,208	76,360	76,802
Total liabilities and equity		119,808	134,094	86,765	78,316

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**Financial Year Ended December 31, 2009**

		Group	
	Note	2009 US\$'000	2008 US\$'000
Revenue	17	27,939	75,660
Cost of sales		(29,011)	(35,513)
Gross (loss) profit		(1,072)	40,147
Other income	18	4,258	5,240
Administrative expenses		(2,599)	(4,153)
Share of loss of associate	13	(223)	(542)
Finance costs	19	(257)	(198)
Profit before income tax		107	40,494
Income tax expense	20	(32)	(11)
Profit for the year	21	75	40,483
Other comprehensive income:			
(Reversal of) exchange differences on translation of foreign operations		(49)	4
Total comprehensive income for the year attributable to shareholders of the Company		26	40,487
Earnings per share (US\$ cents)	23		
- basic		0.01	3.82
- diluted		0.01	3.82

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial Year Ended December 31, 2009

	Share capital	Share premium	Translation reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group					
Balance at January 1, 2008	19,059	28,027	45	68,581	115,712
Total comprehensive income for the year	–	–	4	40,483	40,487
Dividends (Note 22)	–	–	–	(37,991)	(37,991)
Balance at December 31, 2008	19,059	28,027	49	71,073	118,208
Total comprehensive income for the year	–	–	(49)	75	26
Dividends (Note 22)	–	–	–	(7,995)	(7,995)
Balance at December 31, 2009	19,059	28,027	–	63,153	110,239

	Share capital	Share premium	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Company				
Balance at January 1, 2008	19,059	28,027	30,890	77,976
Total comprehensive income for the year	–	–	36,817	36,817
Dividends paid (Note 22)	–	–	(37,991)	(37,991)
Balance at December 31, 2008	19,059	28,027	29,716	76,802
Total comprehensive income for the year	–	–	7,553	7,553
Dividends paid (Note 22)	–	–	(7,995)	(7,995)
Balance at December 31, 2009	19,059	28,027	29,274	76,360

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS**Financial Year Ended December 31, 2009**

	2009	2008
	US\$'000	US\$'000
Operating activities		
Profit before income tax	107	40,494
Adjustments for:		
Share of loss of associate	223	542
Loss on fair value of held for trading investments	–	192
Gain on disposal of held for trading investments	(274)	–
Gain on disposal of associate (Note 13)	(1,252)	–
Interest income	(162)	(1,314)
Interest expense	257	198
Depreciation expense	10,591	6,699
Gain on disposal of plant and equipment	–	(3,089)
Gain on disposal of assets held for sale	(283)	–
Operating profit before movements in working capital	9,207	43,722
Trade receivables	450	915
Other receivables and prepayments	(1,127)	(4,277)
Other payables and accruals	(2,157)	1,827
Cash generated from operations	6,373	42,187
Income tax paid	(32)	(11)
Interest income received	162	1,314
Interest expense paid	(257)	(198)
Net cash from operating activities	6,246	43,292
Investing activities		
Purchase of plant and equipment	(3,278)	(32,149)
Proceeds on disposal of plant and equipment	–	6,000
Proceeds on disposal of assets held for sale	2,750	–
Proceeds on disposal of held for trading investments	800	–
Net cash from (used in) investing activities	272	(26,149)
Financing activities		
Dividends paid	(7,995)	(37,991)
Pledged deposits	2,280	(5,264)
Repayment of borrowings	(3,200)	(680)
Proceeds from borrowings	–	10,000
Net cash used in financing activities	(8,915)	(33,935)
Net decrease in cash and cash equivalents	(2,397)	(16,792)
Cash and cash equivalents at beginning of the year	45,556	62,348
Cash and cash equivalents at end of the year	43,159	45,556

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

1 GENERAL

The Company (Registration No. 36692) was incorporated in Bermuda on April 5, 2005 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is at Suite 906, Wing On Centre, 111 Connaught Road Central, Hong Kong. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST). The financial statements are expressed in United States dollars.

The principal activity of the Company is that of an investment holding company.

The principal activities of its subsidiaries and associate are set out in Note 12 and Note 13 to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2009 were authorised for issue by the Board of Directors on March 31, 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board. The financial statements are prepared under the historical cost convention, except for held-for-trading, which are stated at their fair values based on the fair valuation methods as disclosed in the accounting policies below.

During the financial year, the Group and the Company adopted all the new and revised IFRSs issued by the International Accounting Standards Board and the Interpretations thereof issued by the International Financial Reporting Interpretations Committee ("IFRIC") which became effective and are applicable to their operations in the current financial year. The adoption of these new/revised IFRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

IAS 1 (2007) – Presentation of Financial Statements (Revised)

IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

Amendments to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

IFRS 8 – Operating Segments

The Group adopted IFRS 8 with effect from January 1, 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (IAS 14 *Segment Reporting*) required an entity to identify two sets of segments (Business and Geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments.

The management has considered the above and there is no change in the operating segments that were identified on the basis of internal reports that were used by the chief operating decision maker in order to allocate the resources and in assessing their performance and the segments identified under IAS 14. Accordingly, there has been no change in the Group's reportable segment as a result of adoption of IFRS 8 (Note 25).

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

At the date of authorisation of these financial statements, the following IFRSs, interpretation and amendments were issued but not effective:

IAS 1	-	Presentation of Financial Statements (Amendments arising from improvements to IFRSs)
IAS 7	-	Cash flow statements (Amendments arising from improvements to IFRSs)
IAS 24	-	Related Party Disclosure (Revised)
IAS 27	-	Consolidated and Separate Financial Statements (Revised)
IAS 28	-	Investments in Associates (Revised)
IFRS 3	-	Business Combinations (Revised)
IFRS 9	-	Financial Instruments

Consequential amendments were also made to various standards as a result of these new or revised standards.

The management anticipates that the adoption of these IFRSs, IFRICs and amendments in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

In the Company's financial statements, investment in subsidiaries is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Income from voyage charter is recognised on the percentage of completion basis, so that revenues and associated voyage costs, such as fuel and port charges are recognised ratably over the estimated duration of the voyage. Income from time charter is recognised on a time proportion basis.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited outside profit or loss (either in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and changes in equity of the Company are presented in United States dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation accumulated in a separate component of equity, shall be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation, if any, are treated as assets and liabilities of the foreign operation and translated at the closing rate.

NON-CURRENT ASSETS HELD FOR SALE - Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

PLANT AND EQUIPMENT - Plant and equipment are stated at cost less accumulated depreciation and any identified impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives from the date of initial delivery from the shipyard (second hand vessels are depreciated from the date of their acquisition through their remaining estimated useful life), after allowing for residual values estimated by the directors, using the straight-line method. Each vessel's residual value is equal to the product of its lightweight tonnage and estimated scrap rate. The estimated useful lives of the assets are summarised as follows:

Vessels	-	30 years from the date of initial delivery from the shipyard
Drydocking	-	30 months or 60 months depending on the level of drydocking (intermediate: 30 months, special: 60 months)
Furniture, fixtures and equipment	-	5 years
Leasehold improvement	-	5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Costs incurred in restoring plant and equipment to their normal working condition to allow continued use of the overall assets are charged to the consolidated profit or loss. Improvements are capitalised and depreciated over their expected useful lives of the plant and equipment.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF TANGIBLE ASSETS - At end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ASSOCIATE - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less exchange differences and any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income expense is recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets (cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and are subject to an insignificant risk of changes in value.

Investments

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Held for trading investments are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Significant financial liabilities of the Group include interest-bearing loans and other payables.

Bank borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The goods on board of one of the vessels of the Group were damaged during the voyage period from June 2006 to May 2007. The customer did not make payment and following negotiations, the customer had requested for the Group to source for an alternative buyer for the damaged goods. In light of the problems identified, management was required to consider whether it was appropriate to recognise the revenue from these transactions of US\$3,800,000 in the current year, or whether it was more appropriate not to recognise the revenue until there is certainty in the collection of revenue as management has not recognised the revenue in 2007.

In making its judgement, management considered the detailed criteria for the recognition of revenue from the rendering of services, set out in IAS 18 *Revenue* and, in particular, whether it is probable that the economic benefits associated with the transactions will flow to the Group. The management considered the uncertainty of the collection and that it is not probable that the economic benefits associated with the transactions will flow to the Group, and did not recognise the revenue in the current and prior years.

Going concern assumption

The Group has incurred a gross loss of approximately US\$1,072,000 during the year ended December 31, 2009. However, the Group's net current assets exceeded its current liabilities by approximately US\$56,108,000 and the Group has a net equity of approximately US\$110,239,000.

Management believes that the Group has adequate resources to continue in operational existence for the foreseeable future, and therefore has prepared the financial statements on a going concern basis.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for bad and doubtful debts (Note 7)

The Group makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debts expenses in the year in which such estimate has been changed. The carrying amount of the Group's trade and other receivables at the end of the reporting period was US\$16,773,000 (2008 : US\$8,079,000) after an impairment loss of US\$1,940,000 (2008 : US\$1,940,000) was recognised in 2007.

Useful lives of plant and equipment

As described in Note 2, plant and equipment are depreciated on a straight-line basis over their estimated residual value. The Group assesses regularly the residual value and the useful life of the plant and equipment and if the expectation differs from the original estimate, such difference will impact the depreciation in the year in which such estimate has been changed.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Impairment of plant and equipment (Note 11)

The Group assesses regularly whether plant and equipment have any indication of impairment in accordance with its accounting policy. The Group reviews the carrying amounts of the vessels based on the comparison of scrap value to the carrying amount of the assets. These calculations require the use of judgement and estimates. On the above basis, the Group is of the view that no impairment of plant and equipment is required. The carrying amount of the Group's plant and equipment at the end of the reporting period was US\$54,876,000 (2008 : US\$63,149,000).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2009	2008	2009	2008
	US\$'000	US\$'000	US\$'000	US\$'000
Financial Assets				
Fair value through profit or loss (FVTPL):				
Held for trading investments	–	526	–	–
Loans and receivables:				
Trade receivables	2,228	2,678	–	–
Other receivables	11,586	4,975	–	–
Amount due from subsidiaries	–	–	71,682	63,682
Pledged deposits	5,000	7,280	–	–
Cash and cash equivalents	43,159	45,556	838	408
<hr/>				
	Group		Company	
	2009	2008	2009	2008
	US\$'000	US\$'000	US\$'000	US\$'000
Financial Liabilities				
Amortised cost:				
Accrual	1,612	1,001	290	219
Other payables	1,157	4,885	218	1,086
Amount due to subsidiaries	–	–	9,897	209
Bank borrowings	6,800	10,000	–	–

(b) *Financial risk management policies and objectives*

The Group does not use any derivative financial instruments such as foreign exchange contracts to hedge certain exposures.

The Group also does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives (cont'd)*

(i) *Foreign exchange risk management*

The Group's operations are mainly in United States dollars and the operating expenses incurred are denominated in United States dollars.

All revenues are invoiced in United States dollars except for smaller amounts which are received in New Taiwan dollars. The majority of the operating expenses are denominated in United States dollars and to a smaller extent in New Taiwan dollars, Hong Kong dollars and Singapore dollars. To the extent that the Group's sales and purchases are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection/payment, the Group will be exposed to foreign currency exchange gains and losses arising from transactions in currencies other than its functional currency. As a result, the Group's earnings may be affected.

As the Group does not have significant foreign currency transactions and balances, foreign currency sensitivity analysis is not presented.

(ii) *Interest rate risk management*

The Group has exposure to interest rate risk through the impact of the floating interest rate on cash equivalents and borrowings. The Group obtained financing through bank borrowings, and the details of the Group's interest rate exposure is disclosed in Note 15.

Interest rate sensitivity analysis is not presented as the impact is not material to the Group.

(iii) *Equity price risk management*

The Group is exposed to equity risk arising from equity investments classified as held-for-trading. Management does not expect significant impact arising from equity price risk as the investments are not significant to the Group.

(iv) *Credit risk management*

The Group's credit risk is primarily attributable to its trade receivables and other receivables.

As the Group has a policy of requesting the customers to prepay the charter-hire income in full before discharging for voyage charter and prepay the charter-hire income for time charter, the balance of trade receivables at respective statement of financial position dates are normally low. The unsettled trade receivables are monitored on an ongoing basis and followed up by the finance department.

At Company's level, amount due from subsidiaries is dividend receivable in nature. There is no credit term for the current account with subsidiary. No material credit risk is expected as continuous profit will be generated from the underlying subsidiaries and dividends will be distributed from the subsidiaries to settle the amounts due from subsidiaries. In view of the profitability and sound financial position of the subsidiaries, the directors considered that the exposure to credit risk is low.

The Group has no significant concentration of credit risk.

Cash and bank balances are held with creditworthy financial institutions.

(v) *Liquidity risk management*

Liquidity risk is the risk that an entity will encounter difficulty in meeting commitments associated with financial liabilities.

The Group does not have significant liquidity risk as it maintains sufficient cash and cash equivalents, and generate cash flows from its operations to finance its activities. The Group continues to finance its liquidity needs through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management (cont'd)

Non-derivative financial assets

Analysis on non-derivative financial assets is not presented as the liquidity risk of financial assets is not material to the Group.

Non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instruments included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	US\$'000	US\$'000	US\$'000	US\$'000
2009					
<u>Non-interest bearing</u>					
Other payables and accruals	-	2,769	-	-	2,769
<u>Interest bearing</u>					
Bank borrowings	2.28	3,302	3,656	(158)	6,800
		6,071	3,656	(158)	9,569
2008					
<u>Non-interest bearing</u>					
Other payables and accruals	-	5,886	-	-	5,886
<u>Interest bearing</u>					
Bank borrowings	5.42	3,683	7,239	(922)	10,000
		9,569	7,239	(922)	15,886

The maximum amount that the Group could be forced to settle under the financial guarantee contract in note 15, if the full guaranteed amount is claimed by the counterparty to the guarantee, is US\$6,800,000 (2008 : US\$10,000,000). The earliest period that the guarantee could be called is within 1 year (2008 : 1 year) from the end of the reporting period. The Group considers that it is more likely than not that no amount will be payable under the arrangement.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

Fair value of financial assets traded on active liquid markets is determined with reference to quoted market prices.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Capital risk management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 15 and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in relevant notes to financial statements.

The Group ensures that it maintains net worth and capital-assets ratio within a set range to comply with the loan covenant imposed by a bank for the financial year ended December 31, 2009 and 2008.

The Group's policies remain unchanged from 2008.

5 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances (including amounts due from/due to subsidiaries) accounted by the Company are unsecured, interest-free and repayable on demand unless otherwise stated. These balances are mainly denominated in the United States dollars which is also the functional currency of the Company and the Group's entities.

a) Trading transactions

The Group has the following transaction with its related party who is not member of the Group:

Nature of transaction	Note	Group	
		2009	2008
		US\$'000	US\$'000
Sales commission	(i)	2	67

Note:

- (i) The sales commission was calculated at 0.5% (2008 : 0.5%) on the total turnover of the transactions arranged by a related party.

b) Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Group, is disclosed in Note 21.

c) Guarantees

Details of the guarantees provided by subsidiaries, related parties and the directors of the Group for security of the borrowings granted to the Group are disclosed in Note 15.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

6 CASH AND CASH EQUIVALENTS

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values.

Fixed deposits bear average effective interest rate of 0.10% to 0.75% (2008 : 0.15% to 4.3%) per annum and for a tenure of approximately 77 days (2008 : 30 days).

The Group's and Company's significant cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2009	2008	2009	2008
	US\$'000	US\$'000	US\$'000	US\$'000
Hong Kong dollars	904	86	–	–
New Taiwan dollars	163	133	–	–
Singapore dollars	752	189	729	189

7 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The average credit period on charter and voyage fee is 30 days (2008 : 30 days). The majority of the trade and other receivables of the Group are not past due at the reporting date and no allowance has been considered. No interest is charged on the trade receivables.

Details of other receivables and prepayment are as follow:

	Group		Company	
	2009	2008	2009	2008
	US\$'000	US\$'000	US\$'000	US\$'000
Other receivables ⁽¹⁾	7,390	4,500	–	–
Deferred consideration for disposal of investment in associate ⁽²⁾ (Note 13)	3,767	–	–	–
Prepayment of expenses	2,959	426	28	9
Deposits	2,369	2,415	–	–
Provision for deposits	(1,940)	(1,940)	–	–
	14,545	5,401	28	9
Less: Non-current portion	(2,855)	–	–	–
	11,690	5,401	28	9

⁽¹⁾ In 2008, other receivables were to be settled over 5 instalments with a quarterly payment of US\$750,000 in the first 4 instalments and followed by the final payment of US\$1,500,000 in the 5th instalment.

In 2009, of the current portion of other receivables balance, the final payment of US\$1,500,000 in the 5th instalment has been deferred by a year till November 2010. The Group has not made any allowance on other receivables as management is of the view that these receivables are recoverable.

⁽²⁾ Deferred consideration for disposal of investment in associate was to be settled over 8 instalments with quarterly payment of US\$470,931. The last 5 instalments are repayable beyond 1 year.

The Group's and Company's significant trade and other receivables are mainly denominated in the United States dollars which is also the functional currency of the respective entities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

8 HELD FOR TRADING INVESTMENTS

	Group	
	2009	2008
	US\$'000	US\$'000
Quoted equity shares, at fair value	–	526

The investments above include investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

The investments have been disposed during current year.

Significant trading investments that are not denominated in the functional currencies of the respective entities are as follows:

	Group	
	2009	2008
	US\$'000	US\$'000
Hong Kong dollars	–	526

9 PLEDGED DEPOSITS

As at December 31, 2009, the Group has placed a fixed deposit of US\$5,000,000 in the Industrial and Commercial Bank of China (Asia) Limited ("ICBC"). The fixed deposit is used as a form of security for utilisation of ICBC banking facilities. The interest rate is charged at 1% over LIBOR.

In 2008, the Group entered into a 18 months certificate of deposit which was issued by ICBC on March 12, 2008 and has matured on September 21, 2009, with the amount of US\$7,280,000.

10 NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On December 18, 2008, the Group entered into a memorandum of agreement with a third party, whereby its vessel, MV PANAMAX MARS, would be sold at a consideration of US\$7,000,000.

In 2008, the asset was classified as held for sale and was presented separately in the statement of financial position. It has been sold in the current year with a gain of US\$283,000.

In 2008, the assets comprising the disposal asset classified as held for sale were as follows:

	Cost	Accumulated depreciation	Carrying amount
	US\$'000	US\$'000	US\$'000
<u>Group</u>			
Vessel	8,650	(3,217)	5,433
Dry-docking	2,918	(1,634)	1,284
Furniture, fixtures and equipment	1	(1)	–
At December 31, 2008	11,569	(4,852)	6,717

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

11 PLANT AND EQUIPMENT

	Vessels	Dry-docking	Furniture, fixtures and equipment	Leasehold improvement	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Group</u>					
Cost:					
At January 1, 2008	51,836	6,680	105	185	58,806
Additions	19,750	12,387	11	1	32,149
Disposals	(1,150)	(2,182)	(1)	–	(3,333)
Reclassified as held for sale	(8,650)	(2,918)	(1)	–	(11,569)
At December 31, 2008	61,786	13,967	114	186	76,053
Additions	–	1,960	1,318	–	3,278
Adjustments #	–	(960)	–	–	(960)
At December 31, 2009	61,786	14,967	1,432	186	78,371
Accumulated depreciation:					
At January 1, 2008	8,958	2,338	46	137	11,479
Depreciation	3,256	3,392	27	24	6,699
Disposals	(16)	(405)	(1)	–	(422)
Reclassified as held for sale	(3,217)	(1,634)	(1)	–	(4,852)
At December 31, 2008	8,981	3,691	71	161	12,904
Depreciation	5,432	5,006	129	24	10,591
At December 31, 2009	14,413	8,697	200	185	23,495
Carrying amount:					
At December 31, 2009	47,373	6,270	1,232	1	54,876
At December 31, 2008	52,805	10,276	43	25	63,149

The carrying amount of vessel of the Group included an amount of approximately US\$13,150,000 (2008 : US\$16,000,000) in respect of assets held under mortgage loans disclosed in Note 15 to the financial statements. There is also a carrying amount of vessel of approximately US\$6,895,000 in respect of assets held under mortgage loans for which loan has been fully repaid in 2008.

Amount represents adjustments made for overstatement of dry-docking services provided previously.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

12 SUBSIDIARIES

	Company	
	2009	2008
	US\$'000	US\$'000
Unquoted equity shares, at cost	14,217	14,217

The Company has the following subsidiaries:

Name of subsidiary	Country of incorporation ⁽³⁾	Proportion of ownership interest		Principal activities
		2009	2008	
		%	%	
<u>Held by the Company</u>				
Courage Marine Holdings (BVI) Limited ^{(1) (2)} ("Courage Marine BVI")	The British Virgin Islands	100	100	Investment holding
<u>Held by Courage Marine BVI</u>				
Courage Marine (Holdings) Co. Limited ⁽²⁾ ("Courage Marine Holdings")	Hong Kong	100	100	Investment holding
<u>Held by Courage Marine Holdings</u>				
Ally Marine Co. Ltd. ("Ally Marine")	The British Virgin Islands	100	100	Provision of marine transportation services
Bravery Marine Holding Inc. ("Bravery")	Republic of Panama	100	100	Provision of marine transportation services
Courage Marine Co. Ltd. ("Courage Marine")	The British Virgin Islands	100	100	Provision of marine transportation services
Courage Marine (HK) Company Limited ("Courage Marine HK")	Hong Kong	100	100	Provision of administration services to Group companies
Heroic Marine S.A. ("Heroic Marine")	Republic of Panama	100	100	Provision of marine transportation services
Courage Maritime Technical Service Corp. ("Courage Maritime")	Republic of Panama	100	100	Provision of technical management services to Group companies
Courage – New Amego Shipping Corp. ("Courage Amego")	Republic of Panama	100	100	Provision of marketing and operating services to Group companies
Jeannie Marine Co. Ltd. ("Jeannie Marine")	The British Virgin Islands	100	100	Provision of marine transportation services
Midas Shipping Navigation Corp. ("Midas Shipping")	Republic of Panama	100	100	Provision of marine transportation services

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

12 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of incorporation ⁽³⁾	Proportion of ownership interest		Principal activities
		2009 %	2008 %	
<u>Held by Courage Marine Holdings</u>				
New Hope Marine, S.A. ("New Hope Marine")	Republic of Panama	100	100	Dormant
Panamax Mars Marine Co. Ltd. ("Panamax Mars Marine")	The British Virgin Islands	100	100	Provision of marine transportation services
Pointlink Investment Limited ("Pointlink")	The British Virgin Islands	100	100	Dormant
Sea Pioneer Marine Corp ("Sea Pioneer")	Republic of Panama	100	100	Provision of marine transportation services
Sea Valour Marine Corp. ("Sea Valour")	Republic of Panama	100	100	Provision of marine transportation services
Raffles Marine Corp. ("Raffles Marine")	Republic of Panama	100	100	Provision of marine transportation services
Zorina Navigation Corp. ("Zorina Navigation")	Republic of Panama	100	100	Provision of marine transportation services
<u>Held by Courage Amego</u>				
Courage - New Amego Shipping Agency Co. Ltd. ("Courage Amego Agency")	Republic of China	100	100	Provision of ship agency services
Airline Investment Corp. ("Airline")	Republic of Panama	100	100	Investment holding

Note:

- (1) Courage Marine BVI is not required to be audited in its country of incorporation.
- (2) For the purpose of this report, the financial statements of Courage Marine BVI and Courage Marine Holdings and its subsidiaries were audited by overseas practices of Deloitte Touche Tohmatsu.
- (3) The Group operates all these subsidiaries from Taiwan and Hong Kong.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

13 ASSOCIATE

	Group	
	2009 US\$'000	2008 US\$'000
Cost of investment in associate	–	3,390
Exchange differences	–	49
Share of post-acquisition loss, net of dividend received	–	(652)
	–	2,787

Details of the Group's associate at December 31 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest		Principal activity
		2009 %	2008 %	
Sunrise Airline Investment Corp. Ltd. ("Sunrise") ⁽¹⁾	Taiwan	–	25	Operation of general and civil air transport, sales and import of aircraft and spare parts

Note:

- (1) In August 2008, one of the Groups' subsidiaries, Courage - New Amego Shipping Corporation (Courage - New Amego) acquired 11,200,420 ordinary shares of Sunrise, representing 25% of the issued share capital of Sunrise. In connection to the purchase of shares, the seller has granted to Courage - New Amego a put option whereby Courage - New Amego shall be entitled to sell the purchased shares to the seller at the purchase price. This put option has been exercised by Courage - New Amego in May 2009 and has been accepted by the seller in July 2009. The Group has equity accounted for the associate up to June 30, 2009. Sunrise, which is not a significant associate of the Group, is being audited by Ernst & Young, Taiwan.

Summarised financial information in respect of the Group's associate is set out below:

	June 30, 2009	December 31, 2008
	US\$'000	US\$'000
Total assets	21,715	23,843
Total liabilities	(11,458)	(12,694)
Net assets	10,257	11,149
Group's share of associate's net assets	2,564	2,787
Revenue	6,056	12,912
Loss for the period	892	2,167
Group's share of associate's loss for the period	223	542

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

13 ASSOCIATE (cont'd)

Details of the disposal are as follows:

	June 30, 2009
	US\$'000
Group's share of associate's net assets	2,564
Gain on disposal	1,252
Less: Reversal of translation reserve	(49)
Total consideration	<u>3,767</u>

14 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009	2008	2009	2008
	US\$'000	US\$'000	US\$'000	US\$'000
Other payables	290	4,885	218	1,086
Customers deposits	867	–	–	–
Accrued vessel related expenses	1,061	186	–	–
Accrued staff related expenses	192	410	90	–
Other accrued operating expenses	359	405	200	219
	<u>2,769</u>	<u>5,886</u>	<u>508</u>	<u>1,305</u>

The Group's and Company's other payables and accruals are mainly denominated in the United States dollars which is also the functional currency of the respective entities.

15 BORROWINGS

	Group	
	2009	2008
	US\$'000	US\$'000
Bank loan	6,800	10,000
Less: Amount due within one year shown under current liabilities	(3,200)	(3,200)
Amount due after one year	<u>3,600</u>	<u>6,800</u>
Amount due after one year is represented by the following:		
Payable in second year	3,600	3,200
Payable in third year	–	3,600
	<u>3,600</u>	<u>6,800</u>
Effective interest rate (%) per annum	<u>LIBOR + 2</u>	<u>LIBOR + 2</u>

The carrying amounts of borrowings approximate their fair value.

The Group's borrowings are mainly denominated in the United States dollars which is also the functional currency of the Group's entities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

15 BORROWINGS (cont'd)

A bank granted a loan to Zorina Navigation, amounting to US\$10,000,000 in 2008. The loan agreement was signed on October 27, 2008 and the loan was interest bearing at the rate of 2% per annum above London Interbank Offered Rates ("LIBOR") and repayable by 11 consecutive fixed US\$800,000 quarterly instalments commencing from January 31, 2009 followed by a final payment of US\$1,200,000 in October, 2011. The loan was secured by the following:

- (i) Corporate guarantee from Courage Marine Group Limited.
- (ii) First preferred mortgage over the vessel held by Zorina Navigation, named "ZORINA" (formerly named as "MARIGOLD").
- (iii) Assignment of insurance in respect of the vessel named "ZORINA".

16 SHARE CAPITAL

	Group and Company			
	2009	2008	2009	2008
	Number of ordinary shares of US\$0.018 each		US\$'000	US\$'000
<i>Authorised:</i>	10,000,000,000	10,000,000,000	180,000	180,000
<i>Issued and paid up:</i>				
At the beginning and end of the year	1,058,829,308	1,058,829,308	19,059	19,059

Fully paid ordinary shares, which have a par value of US\$0.018, carry one vote per share and carry a right to dividends as and when declared by the Company.

17 REVENUE

	Group	
	2009	2008
	US\$'000	US\$'000
Income from marine transportation services arising from operation of:		
Vessel voyage charters	3,140	12,458
Time charters	24,799	63,202
	27,939	75,660

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

18 OTHER INCOME

	Group	
	2009	2008
	US\$'000	US\$'000
Interest income - third party	162	1,314
Gain on disposal of plant and equipment	283	3,089
Foreign currency - net	54	318
Insurance refund	2,203	479
Gain on disposal of held for trading investments	274	–
Sundry income	30	40
Gain on disposal of associate	1,252	–
	<u>4,258</u>	<u>5,240</u>

19 FINANCE COSTS

	Group	
	2009	2008
	US\$'000	US\$'000
Interest expense from:		
- Bank loan	257	198
	<u>257</u>	<u>198</u>

20 INCOME TAX EXPENSE

The tax charge for the financial year can be reconciled to profit before tax per the Group results as follows:

	Group	
	2009	2008
	US\$'000	US\$'000
Profit before income tax	107	40,494
Tax at the applicable income tax rate *	18	6,682
Effect of different tax rates of subsidiaries operating in other jurisdictions	11	(3)
Tax effect of offshore income not taxable for tax purpose	(558)	(7,140)
Tax effect of expenses not deductible for tax purpose	552	422
Tax loss not recognised	8	48
Others	1	2
Net	<u>32</u>	<u>11</u>

* For the purpose of presenting the tax reconciliation in this set of Group financial statements, the applicable income tax of the Group is calculated at prevailing Hong Kong tax rate of 16.5% (2008 : 16.5%).

No deferred tax has been provided as the Group did not have any significant temporary difference during the year and at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

21 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Group	
	2009 US\$'000	2008 US\$'000
Directors' remuneration (representing short-term benefits):		
- of the Company	90	546
- of the subsidiaries	351	355
Total directors' remuneration (includes directors' fee)	441	901
Employee benefits expense (including directors' remuneration):		
- Defined contribution	29	31
- Staff costs	1,130	2,029
Total employee benefits expense	1,159	2,060
Crew costs	3,974	4,142
Depreciation of plant and equipment	10,591	6,699

22 DIVIDENDS

The following dividends were paid in 2009:

- (i) Final dividends of approximately US\$7,995,000 representing US (cents) 0.755 per ordinary share in respect of the financial year ended December 31, 2008.

The following dividends were paid in 2008:

- (i) Final dividends of approximately US\$25,994,000 representing US (cents) 2.54 per ordinary share in respect of the financial year ended December 31, 2007; and
- (ii) Interim dividends of approximately US\$11,997,000 representing US (cents) 1.13 per ordinary share in respect of the financial year ended December 31, 2008.

Subsequent to December 31, 2009, the directors proposed a final dividend of US (cents) 0.472 per ordinary share to be paid in respect of the financial year ended December 31, 2009. This dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these financial statements. The total estimated dividend to be paid is approximately US\$4,998,000.

23 EARNINGS PER SHARE

The calculation of the basic earnings per ordinary share for the financial year ended is based on the profit for the financial year of the Company divided by the weighted average number of ordinary shares of the Company during the financial year as shown below.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

23 EARNINGS PER SHARE (cont'd)

Fully diluted earnings per ordinary share is calculated by dividing the profit after tax of the Group by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options). No share options were granted by the Group. Accordingly, there is no dilutive effect as at December 31, 2008 and 2009.

	Group	
	2009	2008
	US\$'000	US\$'000
Net profit attributable to shareholders of the Company	75	40,483

	Group	
	2009	2008
	Number of shares (^{'000})	Number of shares (^{'000})
Weighted average number of ordinary shares	1,058,829	1,058,829

24 OPERATING LEASE COMMITMENTS

	Group	
	2009	2008
	US\$'000	US\$'000
Minimum lease payments under operating leases recognised as an expense in the year of rented premises	219	195

At the end of the reporting period, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2009	2008
	US\$'000	US\$'000
Within one year	50	211
In the second to fifth year inclusive	–	49
	50	260

Operating lease payments represent rentals payable by the Group for its office premises. Leases are negotiated for a term ranging from two to three years.

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

25 SEGMENT INFORMATION

No separate operating segmental information of the Group is presented as the Group's revenues, expenses, assets, liabilities and capital expenditure are primarily attributable to the provision of ship chartering services.

Due to the nature of the provision of ship chartering services, which are carried out internationally, the directors consider the Group as a whole when making decision for the purposes of resources allocation and performance assessment. Hence it is not meaningful to provide the financial information by operating segment. Accordingly, operating segment results for the provision of ship chartering services are not presented.

Information about major customers

Included in revenues arising from the provision of ship chartering services are revenues of approximately US\$14,587,000 (2008 : US\$27,441,000) which arose from customers who individually contribute 10% or more of the Group's total revenue:

	Group	
	2009	2008
	US\$'000	US\$'000
Customer A	–	13,724
Customer B	14,587	13,717
	<u>14,587</u>	<u>27,441</u>

26 SHARE OPTIONS

Under the Share Option Scheme (the "Scheme") granted to the executive and non-executive directors and employees of the Group, an option may, except in certain special circumstances, be exercised at any time after the first or second anniversary (depending on the exercise price) of the grant of the option. Options granted under the Scheme will have a life span of 10 years, save for those granted to non-employees which shall have a life span of 5 years. The exercise prices of the options may at the Remuneration Committee's discretion, set at a price equal or at a discount not exceeding 20 percent to the average of last dealt prices of the shares on the Singapore Exchange Securities Trading Limited for the five market days immediately preceding the date of grant. No options have been granted during the year.

27 EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end, one of the Group's subsidiaries, Courage Marine Holdings, entered into a Memorandum of Agreement with Sea Onyx Navigation CL Ltd to purchase a second-hand vessel, MV CONSTANTINOUPOLIS for US\$7,850,000.

STATISTICS OF SHAREHOLDINGS

As at 12 March 2010

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	2	0.05	213	0.00
1,000 - 10,000	1,416	37.38	9,622,000	0.91
10,001 - 1,000,000	2,337	61.70	147,079,787	13.89
1,000,001 and above	33	0.87	902,127,308	85.20
Total :	3,788	100.00	1,058,829,308	100.00

Twenty Largest Shareholders

Name	No. of Shares	%
1. HSBC (Singapore) Nominees Pte Ltd	200,538,611	18.94
2. China Harvest Enterprises Limited	142,081,611	13.42
3. Sea-Sea Marine Company Limited	142,081,611	13.42
4. Unit Century Enterprises Ltd	94,676,874	8.94
5. Lin Tsai-Seng	52,799,524	4.99
6. Pronto Star Limited	49,881,611	4.71
7. Citibank Nominees Singapore Pte Ltd	42,446,000	4.01
8. DBS Vickers Securities (Singapore) Pte Ltd	39,036,000	3.69
9. First U.S. Capital Group Limited	22,553,879	2.13
10. Shan Ling Mei	20,638,000	1.95
11. Ho Tsuy-Hong	17,966,132	1.70
12. Lawrence Kwok Ping Hon	11,525,000	1.09
13. Diamond Unit Investments Limited	8,346,808	0.79
14. CIMB-GK Securities Pte. Ltd.	8,038,000	0.76
15. Morgan Stanley Asia (S'pore) Securities Pte Ltd	6,226,711	0.59
16. Sun Hsien-Long	6,149,936	0.58
17. UOB Kay Hian Pte Ltd	6,091,000	0.58
18. OCBC Securities Private Ltd	4,318,000	0.41
19. Phillip Securities Pte Ltd	2,994,000	0.28
20. DMG & Partners Securities Pte Ltd	2,602,000	0.25
Total :	880,991,308	83.23

STATISTICS OF SHAREHOLDINGS

As at 12 March 2010

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
HSBC Holdings plc ⁽¹⁾	–	–	148,818,611	14.06
Wu Chao-Huan ⁽²⁾	–	–	148,818,611	14.06
Chen Shin-Yung ⁽³⁾	–	–	148,818,611	14.06
Chiu Chi-Shun ⁽⁴⁾	–	–	146,618,611	13.85
Wu Chao-Ping ⁽⁵⁾	–	–	94,676,874	8.94

Notes:

- (1) HSBC Holdings plc's deemed interest arises by reason of Sea-Sea Marine Company Limited holding 142,081,611 Shares, Sea-Sea Marine Company Limited's deemed interest in the 6,737,000 shares owned by Pilot Assets Group Limited. As at the date hereof, Sea-Sea Marine Company Limited is owned by Besco Holdings Ltd which in turn is wholly owned by HSBC International Trustee Limited as trustee of a discretionary trust. HSBC Holdings plc is deemed to have an interest in the Shares of the Company which are held by HSBC International Trustee Limited through Sea-Sea Marine Company Limited, Besco Holdings Ltd, the Bank of Bermuda Limited, HSBC Asia Holdings B.V., HSBC Asia Holdings (UK) Ltd, HSBC Holdings BV, HSBC Finance (Netherlands) and accordingly all of whom are considered Substantial Shareholders of the Company.
- (2) Wu Chao-Huan's deemed interest arises by reason of China Lion International Limited holding 142,081,611 Shares and China Lion International Limited's deemed interest in the 6,737,000 Shares owned by Pilot Assets Group Limited. Accordingly, China Lion International Limited and Mr. Wu is each considered a Substantial Shareholder of our Company.
- (3) Chen Shin-Yung's deemed interest arises by reason of China Harvest Enterprises Limited holding 142,081,611 Shares and China Harvest Enterprises Limited's deemed interest in the 6,737,000 Shares owned by Pilot Assets Group Limited. Accordingly, China Harvest Enterprises Limited and Mr. Chen is each considered a Substantial Shareholder of our Company.
- (4) Chiu Chi-Shun's deemed interest arises by reason of Pronto-Star Limited holding 139,881,611 Shares and Pronto-Star Limited's deemed interest in the 6,737,000 Shares owned by Pilot Assets Group Limited. Accordingly, Pronto-Star Limited and Mr. Chiu is each considered a Substantial Shareholder of our Company.
- (5) Wu Chao-Ping's deemed interest arises by reason of Unit Century Enterprises Ltd holding 94,676,874 Shares. Accordingly, Unit Century Enterprises Ltd and Mr. Wu is each considered a Substantial Shareholder of our Company.

The Company does not hold any treasury shares.

SHAREHOLDING HELD IN PUBLIC HANDS

Approximately 31.96% of the shareholding of the Company is held in the hands of the public as at 12 March 2010 and Rule 723 of the Listing Manual is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual 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 Tuesday, 27 April 2010 at 3.00 p.m. for the following purposes: -

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31 December 2009 and the Auditors' Report thereon.
2. To declare a final dividend of US cents 0.472 per share (tax not applicable) for the year ended 31 December 2009.
3. To re-elect the following Director retiring pursuant to the bye-laws of the Company and who, being eligible, offer himself for re-election:
 - a) Mr Hsu Chih-Chien
4. To approve the payment of Directors' fees of US\$89,886 for the year ended 31 December 2009 (FY2008: US\$ 306,036).
5. To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.
6. To transact any other business of an Annual General Meeting.

Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without any modifications: -

7. Authority to issue shares

That pursuant to the bye-laws of the Company and the listing rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

- (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into shares; and/or
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues notwithstanding that this mandate may have ceased to be in force at the time the Instruments are issued; and/or
- (iv) issue shares in pursuance of any Instrument made or granted by the Directors pursuant to (ii) and (iii) above,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty (50) per cent. of the issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty (20) per cent. of the issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

- (2) for the purpose of this Resolution, the percentage of issued shares shall be based on the Company's issued share capital excluding treasury shares at the time this Resolution is passed (after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards that are outstanding or subsisting at the time this Resolution is passed provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and (b) any subsequent bonus issue, consolidation or subdivision of shares);
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws for the time being of the Company; and
- (4) the 50% limit in (1) above may be increased to 100% for the Company to undertake pro-rata renounceable rights issues,

and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. Authority to issue shares (other than on a pro-rata basis) with a maximum discount of 20%

That subject to and pursuant to the share issue mandate in Resolution 7 above being obtained, authority be and is hereby given to the Directors to issue new shares other than on a pro-rata basis to shareholders of the Company at an issue price per new share which shall be determined by the Directors in their absolute discretion provided that such price shall not represent more than a 20% discount to the weighted average price per share determined in accordance with the requirements of the SGX-ST.

By Order of the Board

Lee Pih Peng
Company Secretary

Singapore
6 April 2010

NOTICE OF ANNUAL GENERAL MEETING

Explanatory notes:

Resolution 3 - Mr Wu Chao-Ping and Mr Chiu Chi-Shun who are retiring pursuant to the Bye-laws are not seeking re-election at the forthcoming Annual General Meeting.

Resolution 7 - if passed, will empower the Directors to issue further shares in the Company and to make or grant convertible securities convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding 50 per cent of the issued shares of the Company excluding treasury shares of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders, does not exceed 20 per cent of the Company's issued shares excluding treasury shares. For the purpose of determining the aggregate number of shares that may be issued, the percentage of shares shall be based on the issued shares of the Company excluding treasury shares at the time this Resolution is passed, after adjusting for (1) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards that are outstanding or subsisting when this Resolution is passed; and (2) any subsequent bonus issue, consolidation or sub-division of shares. This authority will, unless revoked or varied at a General Meeting, expire at the next Annual General Meeting of the Company.

The limit of up to one hundred per cent (100%) for renounceable pro rata rights issues is pursuant to the SGX-ST's news release of 19 February 2009 which aims to accelerate and facilitate the fund raising efforts of listed issuers. It took effect on 20 February 2009 and will be in effect until 31 Dec 2010 (or such other date as may be determined by the SGX-ST).

Resolution 8 - Contingent on the passing of Ordinary Resolution 7 above, the Ordinary Resolution 8 proposed above, if passed, will authorize the Directors, from time to time, to determine up to twenty per cent (20%) discount to the price per new share pursuant to the share issue mandate, and in accordance with the requirements of the SGX-ST.

The discount of not more than twenty per cent (20%) is pursuant to SGX-ST's news release of 19 February 2009 which took effect on 20 February 2009 and will be in effect until 31 December 2010 (or such other date as may be determined by the SGX-ST).

Notes :

1. With the exception of The Central Depository (Pte) Limited ("CDP") who may appoint more than two proxies, any member of the Company entitled to attend and vote at the AGM is entitled to appoint no more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. Subject to paragraph 3 below, to allow persons whose names are listed on the Depository Register (individually a "Depositor" and collectively the "Depositors") maintained by CDP as at 25 April 2010 ("Cut-Off Date") to attend the AGM, 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 AGM. Accordingly, a Depositor who wishes to attend and vote in person at the AGM can do so without having to submit the Depositor Proxy Form (as defined below), provided that a Depositor who is a corporation and who wishes to attend the AGM must submit the Depositor Proxy Form (as defined below) for the appointment of person(s) to attend and vote at the AGM on its behalf.
3. If a Depositor wishes to appoint person(s) other than the Depositor to attend and vote at the AGM in his stead, the Depositor should complete and submit the proxy form attached to this notice and despatched to Depositors ("Depositor Proxy Form"). If a shareholder, who is not a Depositor, wishes to appoint person(s) other than the shareholder to attend and vote at the AGM in his stead, the shareholder should complete and submit the proxy form dispatched to shareholders who are not Depositors ("Shareholder Proxy Form"). To be effective, the Depositor Proxy Form or the Shareholder Proxy Form must be deposited 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 AGM or its adjournment thereof.

Notice of Books Closure and Dividend Payment Date

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of the Company will be closed on 6 May 2010 to determine the shareholders' entitlements to the proposed dividends. Duly completed registrable transfers of shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 pm on 5 May 2010 will be registered to determine shareholders' entitlements to the proposed dividends. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 pm on 5 May 2010 will be entitled to the dividends.

The proposed dividends, if approved by the members at the Annual General Meeting, will be paid on 17 May 2010.



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