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## HISTORY AND DEVELOPMENT

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### OUR BUSINESS MILESTONES

The following are some of the important milestones in the history of our business development to date:–

Year	Milestone
2001	<ul style="list-style-type: none"><li>• The first member of our Group, which carried on vessel-chartering business (namely, Ally Marine), was established</li><li>• We owned three Handysize vessels</li></ul>
2003	<ul style="list-style-type: none"><li>• Daeyang Shipping Co. Ltd. became our customer, which was our top five customer during the Track Record Period</li><li>• We purchased our first Panamax vessel, MV Courage, and also one Handymax vessel</li><li>• We expanded our total carrying capacity to approximately 242,400 dwt as at 31 December 2003 when we owned four Handysize and one Handymax vessels</li></ul>
2004	<ul style="list-style-type: none"><li>• China Coal Hong Kong Ltd. became our customer, which remained our top five customer during the Track Record Period</li></ul>
2005	<ul style="list-style-type: none"><li>• Our Company became listed on SGX-ST and raised gross proceeds of about S\$51 million (equivalent to about US\$31.3 million). The proceeds raised from the 2005 Singapore Invitation have been fully utilized in the acquisition of four vessels, namely, MV Bravery, MV Valour, MV Heroic and MV Zorina</li><li>• Our total carrying capacity was increased to about 444,700 dwt as at 31 December 2005 when we owned three Panamax, one Handymax and six Handysize vessels</li></ul>
2006	<ul style="list-style-type: none"><li>• We were awarded by Marine Money International the world's top ten shipping company for financial performance in 2006 (and remained to be so awarded in 2007 and 2008)</li></ul>
2008	<ul style="list-style-type: none"><li>• Our Company was awarded "Asia's 200 best small and midsize companies" by Forbes Asia</li></ul>
2010	<ul style="list-style-type: none"><li>• We acquired our first Capesize vessel</li><li>• As at 31 December 2010, our carrying capacity was about 577,000 dwt, when we owned one Capesize, four Panamax, two Handymax and two Handysize vessels</li></ul>

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### OUR GROUP COMPANIES

As at the Latest Practicable Date, our Company owns 21 subsidiaries and have one representative office in Shanghai.

#### Brief details of our Group Companies

The following table summarises the brief details of each of our Group companies as at the Latest Practicable Date:

	<b>Name of Group companies</b>	<b>Place of incorporation or establishment</b>	<b>Date of incorporation/ Date of acquisition</b>	<b>Issued share capital or paid-up capital</b>	<b>Principal activities</b>
1.	Our Company	Bermuda	5 April 2005	1,058,829,308 Shares	Investment holding
2.	New Hope Marine	Panama	1 June 2001(*)	10 common shares of US\$1,000 each	Inactive
3.	Midas Shipping	Panama	1 June 2001(*)	100 common shares of US\$100 each	Inactive
4.	Courage Marine Holdings (note)	Hong Kong	1 June 2001	10,000 ordinary shares of HK\$1 each	Investment holding
5.	Courage Marine	BVI	19 February 2003	50,000 ordinary shares of US\$1 each	Provision of marine transportation services
6.	Zorina Navigation	Panama	10 September 2003	100 common shares of US\$100 each	Provision of marine transportation services
7.	Panamax Mars Marine	BVI	6 July 2004	50,000 ordinary shares of US\$1 each	Currently inactive (January 2009 and before: Provision of marine transportation services)

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	<b>Name of Group companies</b>	<b>Place of incorporation or establishment</b>	<b>Date of incorporation/ Date of acquisition</b>	<b>Issued share capital or paid-up capital</b>	<b>Principal activities</b>
8.	Courage Marine HK	Hong Kong	7 May 2004	100 ordinary shares of HK\$1 each	Provision of administration services to Group companies
9.	Courage Amego	Panama	6 September 2004	2 common shares of US\$100 each	Provision of marketing and operating services to Group companies
10.	Courage Maritime	Panama	6 September 2004	2 common shares of US\$100 each	Provision of technical management services to Group companies
11.	Raffles Marine	Panama	14 December 2004	2 common shares of US\$100 each	Provision of marine transportation services
12.	Courage Marine BVI	BVI	21 February 2005	10,000 ordinary shares of US\$1 each	Investment holding
13.	Courage Amego Agency	Taiwan	9 September 2005	Paid-up capital of NT\$9,000,000	Provision of ship agency services
14.	Bravery Marine	Panama	24 October 2005	2 common shares of US\$100 each	Provision of marine transportation services
15.	Sea Valour	Panama	25 October 2005	100 common shares of US\$100 each	Provision of marine transportation services
16.	Heroic Marine	Panama	6 March 2006	2 common shares of US\$100 each	Provision of marine transportation services

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## HISTORY AND DEVELOPMENT

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	<b>Name of Group companies</b>	<b>Place of incorporation or establishment</b>	<b>Date of incorporation/ Date of acquisition</b>	<b>Issued share capital or paid-up capital</b>	<b>Principal activities</b>
17.	Sea Pioneer	Panama	6 November 2008	100 common shares of US\$100 each	Provision of marine transportation services
18.	AIC	Panama	9 November 2006	100 common shares of US\$100 each	Currently inactive (June 2009 and before: investment holding)
19.	Cape Ore	Panama	27 January 2010	2 common shares of US\$100 each	Provision of marine transportation services
20.	Panamax Leader	Panama	26 April 2010	2 common shares of US\$100 each	Provision of marine transportation services
21.	Courage Marine Property	Hong Kong	1 June 2010	10,000 ordinary shares of HK\$1 each	Property holding
22.	Harmony	BVI	7 October 2010	1,000 ordinary shares of US\$1 each	Inactive

(\*) means the date of acquisition of the relevant company by our Group

*Note:* Courage Marine Holdings established a representative office in Shanghai on 29 March 2007, which is principally engaged in provision of marketing support services to us.

For the shareholding structure of our Group as at the Latest Practicable Date, please refer to the shareholding chart “E” in this “History and development” section.

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## HISTORY AND DEVELOPMENT

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### **Our corporate history**

#### ***Before our 2005 Singapore Invitation***

Our Group was founded in June 2001 by the Co-Investors (namely, Hsu Chih-Chien, Wu Chao-Huan, Chiu Chi-Shun, Chen Shin-Yung, Wu Chao-Ping, Lin Tsai-Seng, Ho Tsuy-Hong, Chen Ting-Jung and Sun Hsien-Long), which commenced our vessel chartering business with Ally Marine.

In 2001, Courage Marine Holdings acquired the entire issued share capital of Midas Shipping and established two companies, namely, Ally Marine and Jeannie Marine. Courage Marine Holdings also acquired New Hope Marine, all of which were principally engaged in provision of vessel chartering services.

Our Group further incorporated Courage Marine and Zorina Navigation in 2003 and Raffles Marine and Panamax Mars Marine in 2004 for the purpose of provision of vessel chartering services.

With the increasing scale of our operations, we took certain steps in 2004 to streamline our sales and marketing, finance and administration as well as safety and technical management and operations within our Group. Courage Marine HK, was incorporated in Hong Kong, and set up with an office in Hong Kong to provide accounting, finance and general administration services for our Group. We also incorporated Courage Amego to be the sales and marketing arm of our Group. In addition, we incorporated Courage Maritime to provide technical management services to our Group companies.

In 2005, Courage Amego Agency was incorporated in Taiwan to provide shipping agency services in Taiwan for our Group companies.

#### ***The 2005 Reorganisation and 2005 Singapore Invitation***

In order to expand our carrying capacity, we planned our listing on the SGX-ST and our Shares first commenced trading on SGX-ST on 13 October 2005. As part of restructuring exercise undertaken in connection with our listing on the SGX-ST and to achieve a share swap between Courage Marine BVI and Courage Marine Holdings, Courage Marine BVI was incorporated in 2005. Courage Marine BVI acquired all shares, being 10,000 ordinary shares in Courage Marine Holdings from the Co-Investors. In consideration of this acquisition, Courage Marine BVI allotted and issued its shares to the Co-Investors or their respective nominee pro-rata to their shareholdings in Courage Marine Holdings on 24 March 2005. Pilot Assets was nominated by Hsu Chih-Chien, Wu Chao-Huan, Chiu Chi-Shun, Chen Shin-Yung and Wu Chao-Ping (together with the rest of the Co-Investors collectively called “**Previous Courage Marine BVI Shareholders**”) to hold shares in Courage Marine BVI.

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## HISTORY AND DEVELOPMENT

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Our Company was incorporated under the laws of Bermuda on 5 April 2005. On 15 August 2005, our Company acquired 10,000 shares, being the entire issued share capital of Courage Marine BVI, from the Previous Courage Marine BVI Shareholders. As consideration for such acquisition, our Company:

- (i) credited as fully paid the 1,000,000 Shares that were issued to Lin Tsai-Seng as our Company's initial shareholder after the incorporation of our Company on 15 August 2005; and
- (ii) allotted and issued 788,829,500 new Shares, credited as fully paid, to the Previous Courage Marine BVI Shareholders on 15 August 2005.

Immediately after such acquisition, our Company became the holding company of our Group. The number of Shares issued was determined based on the audited consolidated net tangible asset value of US\$14,216,931 of Courage Marine Holdings as at 31 December 2004.

In connection with the 2005 Singapore Invitation, we entered into the 2005 CB Agreement with Diamond Unit. Under 2005 CB Agreement (prior to an amendment letter dated 15 August 2005), Diamond Unit has originally agreed to subscribe for and our Company has agreed to issue a US\$6,000,000 convertible bond. Pursuant to the said amendment letter dated 15 August 2005, the value of the convertible bond has been changed to US\$2,937,984. Our Company was required to repay the sum of US\$3,062,016 (without interest) to Diamond Unit, being the balance of US\$6,000,000 already paid by Diamond Unit for the original subscription.

Furthermore, under the 2005 CB Agreement, the parties had agreed that the conversion price payable for each of the 23,999,808 Shares converted pursuant to the conversion of the convertible bond shall be at a 20% discount to the price per Share offered to the public for subscription pursuant to 2005 Singapore Invitation. Any adjustments between our Company and Diamond Unit required to achieve the said conversion price shall be made by cash payment between the parties.

Pursuant to the 2005 CB Agreement, Diamond Unit had fully converted its right of the convertible bond into 23,999,808 Shares. Furthermore, our Company had returned US\$3,062,016 and US\$443,318.01 due to the aforesaid adjustment to Diamond Unit. As such, all rights and obligations under 2005 CB Agreement with Diamond Unit were no longer outstanding after the 2005 Singapore Invitation. Save and except for the aforesaid discount granted to Diamond Unit, we did not grant any special rights to Diamond Unit under the 2005 CB Agreement.

Our Hong Kong legal advisers confirmed that Courage Marine Holdings had obtained all relevant approvals and permits in relation to the transfer of 10,000 shares of Courage Marine Holdings to Courage Marine BVI.

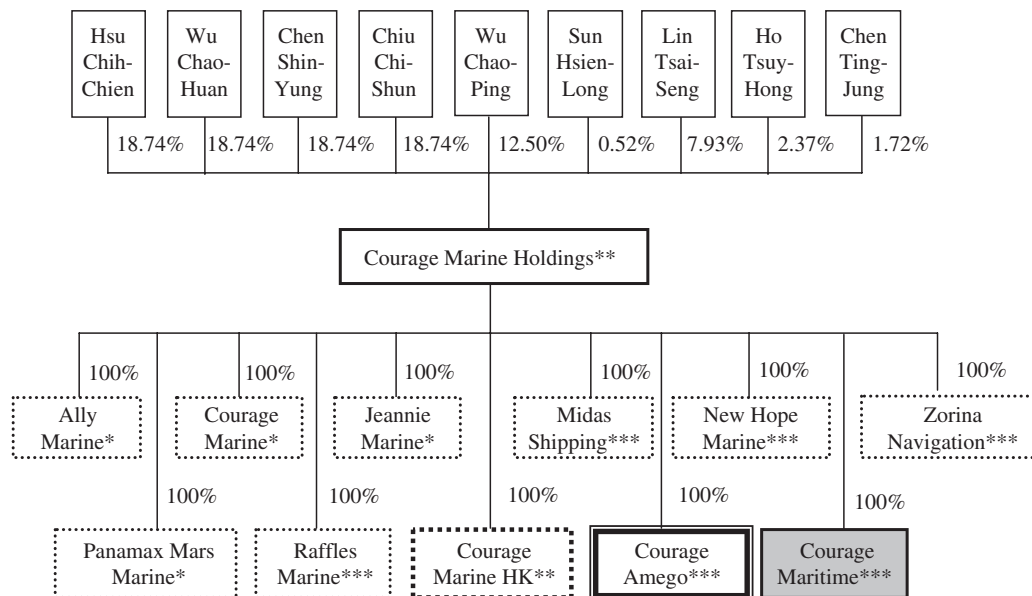
Our BVI legal advisers confirmed that Courage Marine BVI had obtained all the relevant approvals and permits in relation to (i) its acquisition of 10,000 shares of Courage Marine Holdings; (ii) the allotment and issue of 10,000 shares of Courage Marine BVI to Previous Courage Marine BVI Shareholders; and (iii) the transfer of 10,000 shares of Courage Marine BVI to our Company.

## HISTORY AND DEVELOPMENT

Our Bermuda legal advisers confirmed that our Company had obtained all relevant approvals and permits in relation to (i) our acquisition of the entire issued share capital of Courage Marine BVI; and (ii) our crediting as fully paid the 1,000,000 Shares issued to Lin Tsai-Seng; and (iii) our allotment and issue of 788,829,500 new Shares to the Previous Courage Marine BVI Shareholders.

Our Company became listed on SGX-ST and raised gross proceeds of about S\$51 million (equivalent to about US\$31.3 million). The proceeds raised from the 2005 Singapore Invitation have been fully utilized in the acquisition of four vessels, namely, MV Bravery, MV Valour, MV Heroic and MV Zorina.

The following chart “A” depicts the shareholding structure of our Group as at 31 December 2004:



\* Incorporated in BVI

\*\* Incorporated in Hong Kong

\*\*\* Incorporated in Panama

means principally engaged in investment holding

means principally engaged in provision of marine transportation services

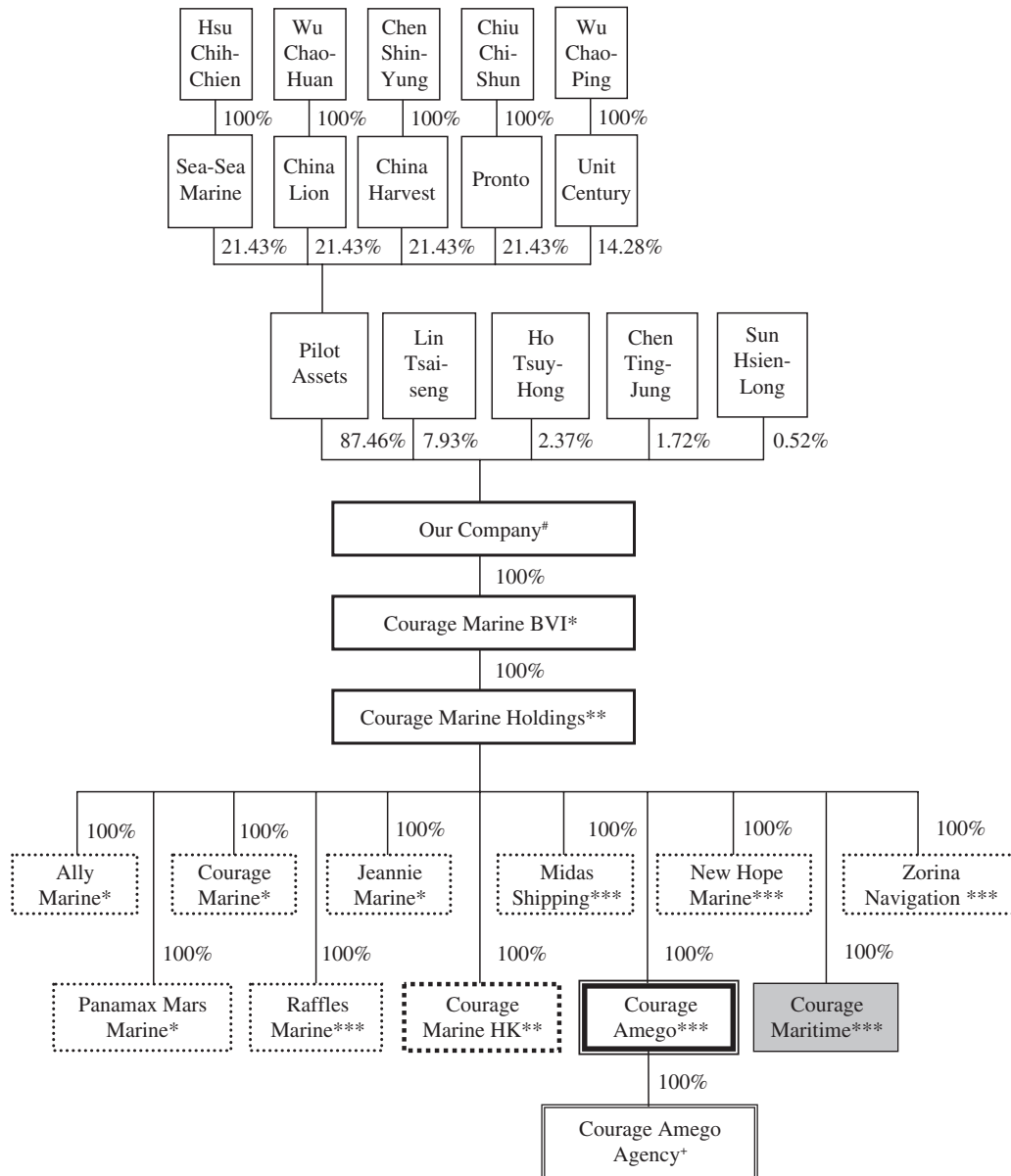
means principally engaged in provision of administration services to our Group

means principally engaged in provision of marketing and operating services to Group companies

means principally engaged in provision of technical management services to Group companies

## HISTORY AND DEVELOPMENT

After the 2005 Reorganisation but before completion of the 2005 Singapore Invitation, the shareholding structure of our Group is shown by the following chart “B”:



# Incorporated in Bermuda

\* Incorporated in BVI

\*\* Incorporated in Hong Kong

\*\*\* Incorporated in Panama

+ Incorporated in Taiwan

means principally engaged in investment holding

means principally engaged in provision of marine transportation services

means principally engaged in provision of administration services to our Group

means principally engaged in provision of marketing and operating services to Group companies

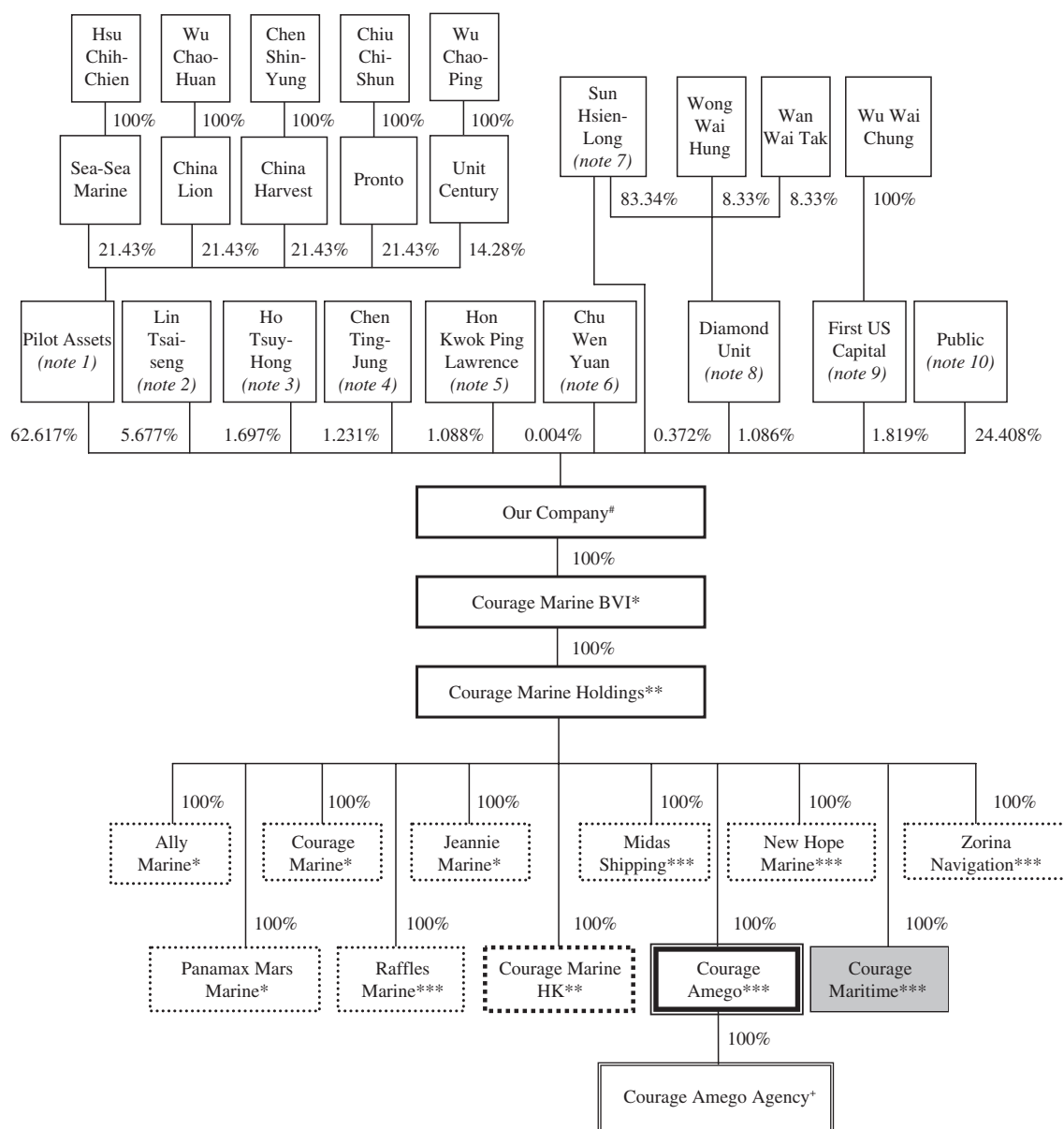
means principally engaged in provision of technical management services to Group companies

means principally engaged in ship agency services



## HISTORY AND DEVELOPMENT

The following chart “C” depicts the shareholding structure of our Group immediately after the 2005 Singapore Invitation:



- # Incorporated in Bermuda
- \* Incorporated in BVI
- \*\* Incorporated in Hong Kong
- \*\*\* Incorporated in Panama
- + Incorporated in Taiwan

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## HISTORY AND DEVELOPMENT

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*Notes:*

As at the date of listing of our Company on SGX-ST:

1. Pilot Assets owned 663,003,318 Shares, representing about 62.617% of the total issued share capital of our Company.
2. Lin Tsai-Seng, the Sales and Marketing Manager of our Group, owned 60,114,524 Shares, representing about 5.677% of the total issued share capital of our Company.
3. Ho Tsuy-Hong, one of Co-investors, owned 17,966,132 Shares, representing about 1.697% of the total issued share capital of our Company.
4. Chen Ting-Jung, one of Co-investors, owned 13,038,711 Shares, representing about 1.231% of the total issued share capital of our Company.
5. Hon Kwok Ping Lawrence, the financial controller of our Company as at the date of listing of our Company on SGX-ST, owned 11,525,000 Shares, representing about 1.088% of the total issued share capital of our Company. Mr. Hon subscribed the Shares during the 2005 Singapore Invitation.
6. Chu Wen Yuan, a Director of our Company, owned 40,000 Shares, representing about 0.004% of the total issued share capital of our Company. Mr. Chu subscribed the Shares during the 2005 Singapore Invitation.
7. Sun Hsien-Long owned 3,941,936 Shares, representing about 0.372% of the total issued share capital of our Company.
8. Diamond Unit, an investor investing in our Company prior to the 2005 Singapore Invitation, owned 11,499,808 Shares, representing about 1.086% of the total issued share capital of our Company.
9. First US Capital acquired Shares from Previous Courage Marine BVI Shareholders pursuant to an agreement dated 17 June 2005 in consideration of services provided by First US Capital to the Previous Courage Marine BVI Shareholders for undertaking certain coordination and liaison work in connection with the 2005 Reorganisation and the 2005 Singapore Invitation. It then owned 19,264,879 Shares, representing about 1.819% of the total issued share capital of our Company.
10. Immediately after the listing of our Company on SGX-ST, the public owned 258,435,000 Shares, representing about 24.408% of the total issued share capital of our Company.



*means principally engaged in investment holding*



*means principally engaged in provision of marine transportation services*



*means principally engaged in provision of administration services to our Group*



*means principally engaged in provision of marketing and operating services to Group companies*



*means principally engaged in provision of technical management services to Group companies*



*means principally engaged in ship agency services*

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## HISTORY AND DEVELOPMENT

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### **After the 2005 Singapore Invitation**

Following the 2005 Singapore Invitation and up to 31 December 2010, our Group had the following major changes in terms of our corporate structure:

After the 2005 Singapore Invitation, our Group further incorporated Pointlink, Bravery Marine and Sea Valour in 2005, Heroic Marine in 2006, Sea Pioneer in 2008 and Cape Ore and Panamax Leader in 2010 for the purpose of provision of vessel chartering services.

In June 2008, our then Controlling Shareholders effected certain restructuring of shareholding interests in our Company held by Pilot Assets. Immediately before such restructuring on 11 June 2008, Pilot Assets owned 669,740,318 Shares, representing about 63.25% of the then total issued share capital of our Company. Pursuant to this restructuring exercise, Pilot Assets transferred, by way of distribution in species, a total of 663,003,318 Shares to its shareholders in the proportion of their shareholding interests in it. Pilot Assets transferred 142,081,611 Shares to each of Sea-Sea Marine, China Lion, China Harvest, Pronto and 94,676,874 Shares to Unit Century. Immediately following such restructuring exercise, Pilot Assets owned 6,737,000 Shares, representing about 0.636% of the entire issued share capital of our Company.

In 2007, Courage Marine Holdings established Courage Marine Shanghai Office to principally engage in provision of marketing support services to our Group.

### ***Sunrise Investment***

In 2007, in expectation of synergy effect of business between our Group and Sunrise, Courage Amego through AIC acquired from Mio Corp. (a company controlled by Mr. Chang) 25% of shareholding interest (“**Purchased Shares**”) in Sunrise for a consideration of NT\$111,444,179 (which is equivalent to approximately US\$3.4 million). Sunrise was then principally engaged in the business of providing aerial heavy-lifting services, emergency medical services and chartered flight services.

As the business of Sunrise did not perform as expected after completion of the acquisition, Courage Amego decided to exit from the investment of Sunrise and in May 2009 exercised the put option granted by Mr. Chang to sell the Purchased Shares back to Mr. Chang. On 14 October 2010, Courage Amego and Mr. Chang entered into the AIC-SP Agreement, pursuant to which the parties agreed that Courage Amego shall transfer the entire issued share capital of AIC, whose only asset is Purchased Shares, to Mr. Chang in consideration of approximately US\$3.8 million. Under the AIC-SP Agreement, Mr. Chang may pay such consideration in kind by procuring the transfer of the PRC Property to a wholly-foreign owned enterprise established in PRC, which in turn be wholly-owned by a joint venture company owned as to 41.7% by Courage Amego and 58.3% by Mr. Chang. However, if such “in kind” completion cannot take place within six months from the date of AIC-SP Agreement, (i.e. 13 April 2011, the “**Long Stop Date**”) Mr. Chang has to pay the consideration in cash.

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## HISTORY AND DEVELOPMENT

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As contemplated, Harmony was established as the joint venture company on 7 October 2010. The transfer of the PRC Property is still in progress and subject to the issue of title documents (房產証) by the relevant government authority. As the conditions for “in kind” completion was not likely to take place on or before the Long Stop Date (that is, by 13 April 2011), by an agreement (“**Supplemental AIC-SP Agreement**”) dated 22 March 2011 made between Mr. Chang and Courage Amego, Mr. Chang and Courage Amego have agreed to extend the Long Stop Date to 31 March 2012 and the AIC-SP Agreement is amended accordingly. By a deed of indemnity dated 22 March 2011 given by Wu Chao-Huan and Hsu Chih-Chien in our favour, and for the purpose of protecting our interest and especially that of the minority Shareholders, Wu Chao-Huan and Hsu Chih-Chien agree to jointly and severally indemnify us against all losses, costs and expenses which we may suffer as a result of default on the part of Mr. Chang under AIC-SP Agreement (as amended).

We did not require Mr. Chang to pay the consideration in cash or take any legal action against him; however we agreed to extend the Long Stop Date to 31 March 2012 because (i) Mr. Wu and Mr. Hsu have agreed to jointly and severally indemnify us against all losses, costs and expenses which we may suffer as a result of Mr. Chang’s default under the amended AIC-SP Agreement; and (ii) the Directors expected that the transfer of the PRC Property would be fully completed on or before 31 March 2012 based on their discussion with Mr. Chang and our PRC legal advisors.

No shareholders’ approval is required to be sought for entering into the Supplemental AIC-SP Agreement.

Under the AIC Confirmation, it is also agreed that the risks and benefits in respect of the Purchased Shares shall be transferred to Mr. Chang with effect from the date of acceptance of the put option notice by Mr. Chang in July 2009. Following the exercise of the put option of Sunrise, we lost the power to participate in the financial and operating policy decisions of Sunrise. We have equity accounted for Sunrise up to the date of Mr. Chang’s acceptance of the put option notice. As a result of the above arrangement, a sum of US\$3,767,000 was recorded as deferred consideration under “Long term receivables/Other receivables” in our financial statements for the years ended 31 December 2009 and 2010. On the basis that (i) our 41.7% interests in the PRC Property was valued at more than US\$3.8 million as at 31 March 2011 pursuant to a valuation report issued by RHL Appraisal Ltd. (which valued the PRC Property at US\$11.14 million as at 31 March 2011); and (ii) Mr. Wu and Mr. Hsu have agreed to jointly and severally indemnify us against all losses, costs and expenses which we may suffer as a result of Mr. Chang’s default under the amended AIC-SP Agreement, the Directors and the Sole Sponsor decided not to make provision for the deferred consideration.

Mr. Chang, an Independent Third Party, is a Taiwanese businessman who is engaged in the business of manufacturing furniture in the PRC. At the time of our acquisition of the Purchased Shares, he had already held equity interest in Sunrise through Mio Corp., a company controlled by him.

In 2010, Courage Marine Property was incorporated and it is currently holding an office premises of our Group in Hong Kong.

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## HISTORY AND DEVELOPMENT

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### *The 2011 Disposal*

On 22 February 2011, our Group disposed of three subsidiaries. It is our general policy to have a Group member to hold one and only one vessel. Accordingly, after the sale of a vessel, the relevant Group member which sold such vessel would become dormant. In order to streamline the corporate structure, our Company excludes the following three dormant companies from our Group:

#### *Disposal of Pointlink*

On 22 February 2011, Courage Marine Holdings disposed of 1 share of Pointlink, representing the entire issued share capital of Pointlink to Yu Tat Ming, an Independent Third Party, for a cash consideration of US\$1, which has already been received by our Group. Such consideration was determined based on the net book value of US\$1 of Pointlink as shown in the management accounts as at 31 December 2010.

#### *Disposal of Ally Marine*

On 27 April 2010, the board of directors of Ally Marine declared a dividend of US\$5 million to its then sole member, Courage Marine Holdings and such dividend was received by Courage Marine Holdings on 5 May 2010. On 31 December 2010, Ally Marine further declared and distributed a dividend of about US\$7.66 million to its then sole member, Courage Marine Holdings. After such distribution, the net asset value of Ally Marine was US\$50,000. On 31 December 2010, Ally Marine repurchased its 49,999 shares of US\$1 each from Courage Marine Holdings for a cash consideration of an amount equivalent to its net asset value less US\$1. After completion of the said repurchase, on 22 February 2011, Courage Marine Holdings disposed of 1 share of Ally Marine, representing the entire issued share capital of Ally Marine to Yu Tat Ming, an Independent Third Party, for a cash consideration of US\$1, which has already been received by our Group. Such consideration was determined based on the net book value of US\$1 of Ally Marine as shown in the management accounts as at 31 December 2010, after the repurchase of shares by Ally Marine. Ally Marine held MV Ally II before disposal in 2008.

#### *Disposal of Jeannie Marine*

On 31 December 2010, Jeannie Marine distributed a dividend of about US\$5.8 million to its then sole member, Courage Marine Holdings. After such distribution, the net asset value of Jeannie Marine was US\$50,000. On 31 December 2010, Jeannie Marine repurchased its 49,999 shares of US\$1 each from Courage Marine Holdings for a cash consideration of an amount equivalent to its net asset value less US\$1. After completion of the said repurchase, on 22 February 2011, Courage Marine Holdings disposed of 1 share of Jeannie Marine, representing the entire issued share capital of Jeannie Marine to Yu Tat Ming, an Independent Third Party, for a cash consideration of US\$1 which has already been received by our Group. Such consideration was determined based on the net book value of US\$1 of Jeannie Marine as shown in the management account as at 31 December 2010 after repurchase of shares by Jeannie Marine. Jeannie Marine held MV Jeannie III before disposal in 2010.

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Mr. Yu, an Independent Third Party, is the general manager of a company engaging in packaging business in the PRC. As (i) we intended to dispose of the three BVI companies, and higher cost and longer time would be involved for liquidation than transfer of the three BVI companies; and (ii) Mr. Yu was willing to acquire the three BVI companies for US\$1 each, which is much lower than the cost of incorporating or acquiring new shelf companies, we then agreed to dispose of and Mr. Yu agreed to acquire the three BVI companies.

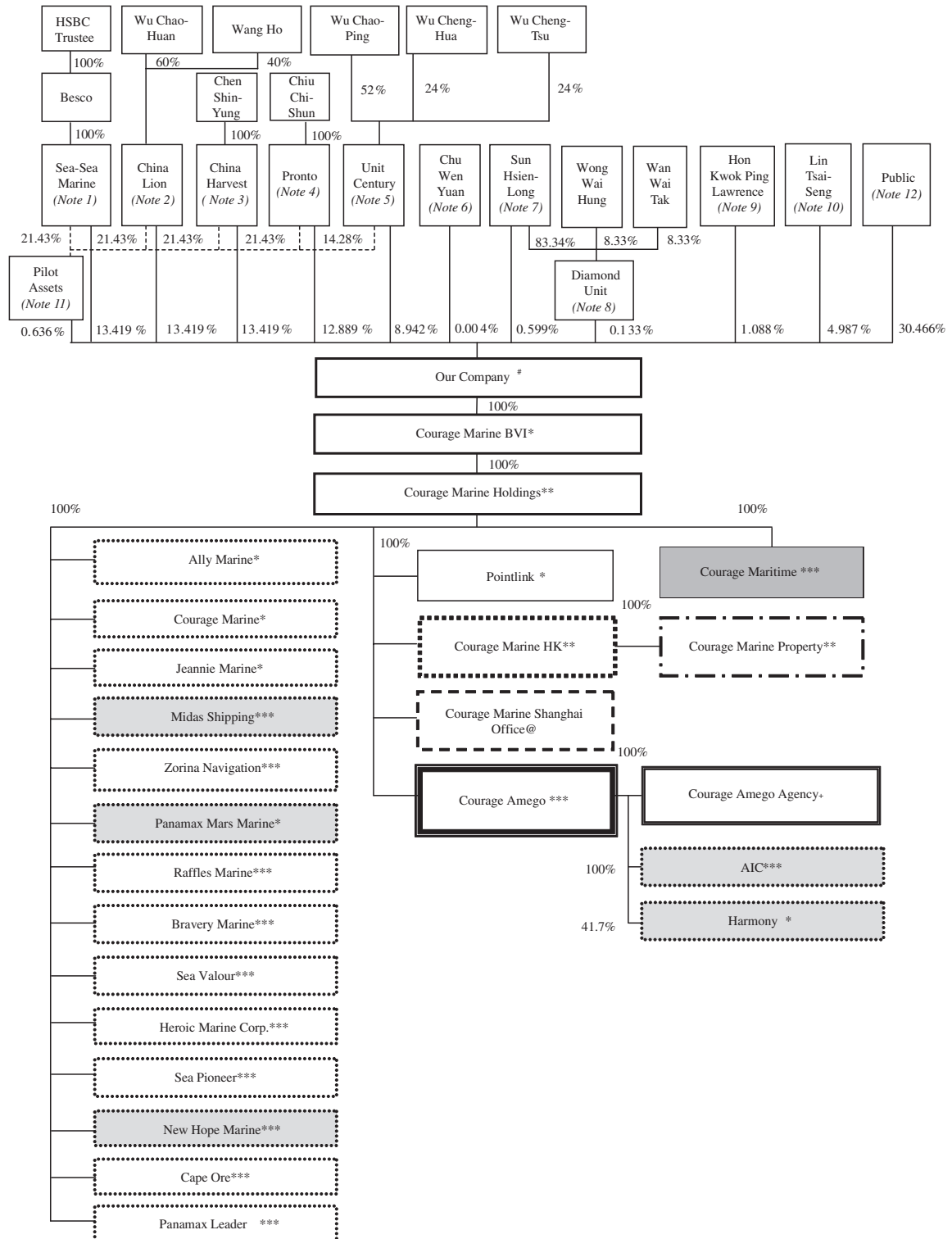
As a result of the above disposals, Pointlink, Ally Marine and Jeannie Marine ceased to be members of our Group.

Our Hong Kong legal advisers confirmed that Courage Marine Holdings had obtained all relevant approvals and permits in relation to the disposal of 1 share of each of Pointlink, Ally Marine and Jeannie Marine by Courage Marine Holdings.

Our BVI legal advisers confirmed that each of Pointlink, Ally Marine and Jeannie Marine had obtained all relevant approvals and permits for the transfer of 1 share of each of Pointlink, Ally Marine and Jeannie Marine respectively.

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The following chart “D” depicts the shareholding structure of our Group as at 31 December 2010:



# Incorporated in Bermuda  
 \* Incorporated in BVI  
 \*\* Incorporated in Hong Kong  
 \*\*\* Incorporated in Panama  
 + Incorporated in Taiwan  
 @ Established in PRC

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## HISTORY AND DEVELOPMENT

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*Notes:*

As at 31 December 2010:

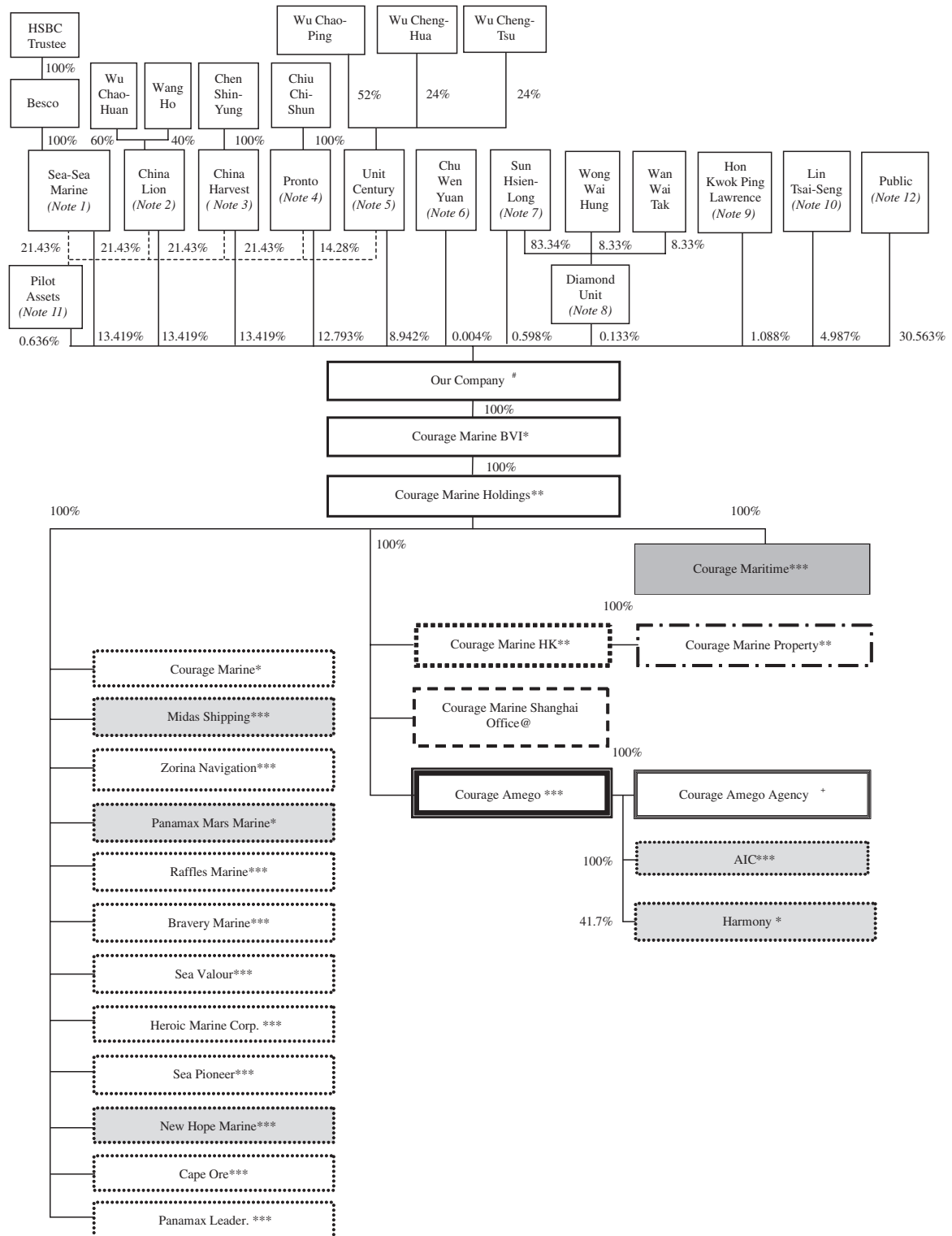
1. Sea-Sea Marine owned 142,081,611 Shares, representing about 13.419% of the total issued share capital of our Company. Sea-Sea Marine is wholly-owned by Besco which in turn is wholly-owned by HSBC Trustee in its capacity as trustee of a discretionary trust with Hsu Chih-Chien as settlor.
2. China Lion owned 142,081,611 Shares, representing about 13.419% of the total issued share capital of our Company. China Lion is owned as to 60% by Wu Chao-Huan, a Director and 40% by Wang Ho, the spouse of Wu Chao-Huan.
3. China Harvest owned 142,081,611 Shares, representing about 13.419% of the total issued share capital of our Company. China Harvest is wholly-owned by Chen Shin-Yung, a Director.
4. Pronto owned 136,473,611 Shares, representing about 12.889% of the total issued share capital of our Company. Pronto is wholly-owned by Chiu Chi-Shun, a former Director.
5. Unit Century owned 94,676,874 Shares, representing about 8.942% of the total issued share capital of our Company. Unit Century is owned as to 52% by Wu Chao-Ping, a former Director and as to 24% by each of Wu Cheng-Hua and Wu Cheng-Tsu, who are sons of Wu Chao-Ping.
6. Chu Wen Yuan, a Director, owned 40,000 Shares, representing about 0.004% of the total issued share capital of our Company. Mr. Chu subscribed the Shares during the 2005 Singapore Invitation.
7. Sun Hsien-Long, a Director, owned 6,339,936 Shares, representing about 0.599% of the total issued share capital of our Company.
8. Diamond Unit owned 1,409,808 Shares, representing about 0.133% of the total issued share capital of our Company. Diamond Unit is an investor holding shares in our Company before the 2005 Singapore Invitation. The entire issued share capital of Diamond Unit is held by Sun Hsien-Long as trustee on behalf of the beneficial owners. The beneficial shareholding interests in Diamond Unit are owned as to 83.34% by Sun Hsien-Long and 8.33% by each of Wong Wai Hung and Wan Wai Tak.
9. Hon Kwok Ping Lawrence, the Director of Finance of our Group, owned 11,525,000 Shares, representing about 1.088% of the total issued share capital of our Company. Mr. Hon subscribed the Shares during the 2005 Singapore Invitation.
10. Lin Tsai-Seng, the Sales and Marketing Manager of our Group, owned 52,799,524 Shares, representing about 4.987% of the total issued share capital of our Company.
11. Pilot Assets owned 6,737,000 Shares, representing about 0.636% of the total issued share capital of our Company.
12. The public owns 322,582,722 shares, representing about 30.466% of the total issued share capital of our Company.

-  means principally engaged in investment holding
-  means principally engaged in provision of marine transportation services
-  means principally engaged in provision of administration services to our Group
-  means principally engaged in provision of marketing and operating services to Group companies
-  means principally engaged in provision of technical management services to Group companies
-  means principally engaged in property holding
-  means principally engaged in ship agency services
-  means principally engaged in provision of marketing support services to our Group
-  means dormant
-  means inactive



## HISTORY AND DEVELOPMENT

After the 2011 Disposal and as at the Latest Practicable Date, the shareholding structure of our Group is shown by the following chart “E”:



# Incorporated in Bermuda  
 \* Incorporated in BVI  
 \*\* Incorporated in Hong Kong  
 \*\*\* Incorporated in Panama  
 + Incorporated in Taiwan  
 @ Established in PRC

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## HISTORY AND DEVELOPMENT

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*Notes:*

As at the Latest Practicable Date,

1. Sea-Sea Marine owned 142,081,611 Shares, representing about 13.419% of the total issued share capital of our Company. Sea-Sea Marine is wholly-owned by Besco which in turn is wholly-owned by HSBC Trustee in its capacity as trustee of a discretionary trust with Hsu Chih-Chien as settlor.
2. China Lion owned 142,081,611 Shares, representing about 13.419% of the total issued share capital of our Company. China Lion is owned as to 60% by Wu Chao-Huan, a Director and 40% by Wang Ho, the spouse of Wu Chao-Huan.
3. China Harvest owned 142,081,611 Shares, representing about 13.419% of the total issued share capital of our Company. China Harvest is wholly-owned by Chen Shin-Yung, a Director.
4. Pronto owned 135,451,611 Shares, representing about 12.793% of the total issued share capital of our Company. Pronto is wholly-owned by Chiu Chi-Shun, a former Director.
5. Unit Century owned 94,676,874 Shares, representing about 8.942% of the total issued share capital of our Company. Unit Century is owned as to 52% by Wu Chao-Ping, a former Director and as to 24% by each of Wu Cheng-Hua and Wu Cheng-Tsu, who are sons of Wu Chao-Ping.
6. Chu Wen Yuan, a Director, owned 40,000 Shares, representing about 0.004% of the total issued share capital of our Company. Mr. Chu subscribed the Shares during the 2005 Singapore Invitation.
7. Sun Hsien-Long, a Director, owned 6,334,936 Shares, representing about 0.598% of the total issued share capital of our Company.
8. Diamond Unit owned 1,409,808 Shares, representing about 0.133% of the total issued share capital of our Company. Diamond Unit is an investor holding shares in our Company before the 2005 Singapore Invitation. The entire issued share capital of Diamond Unit is held by Sun Hsien-Long as trustee on behalf of the beneficial owners. The beneficial shareholding interests in Diamond Unit are owned as to 83.34% by Sun Hsien-Long and 8.33% by each of Wong Wai Hung and Wan Wai Tak.

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## HISTORY AND DEVELOPMENT

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9. Hon Kwok Ping Lawrence, the Director of Finance of our Group, owned 11,525,000 Shares, representing about 1.088% of the total issued share capital of our Company. Mr. Hon subscribed the Shares during the 2005 Singapore Invitation.
10. Lin Tsai-Seng, the Sales and Marketing Manager of our Group, owned 52,799,524 Shares, representing about 4.987% of the total issued share capital of our Company.
11. Pilot Assets owned 6,737,000 Shares, representing about 0.636% of the total issued share capital of our Company.
12. The public owns 323,609,722 shares, representing about 30.563% of the total issued share capital of our Company.



*means principally engaged in investment holding*



*means principally engaged in provision of marine transportation services*



*means principally engaged in provision of administration services to our Group*



*means principally engaged in provision of marketing and operating services to Group companies*



*means principally engaged in provision of technical management services to Group companies*



*means principally engaged in property holding*



*means principally engaged in ship agency services*



*means principally engaged in provision of marketing support services to our Group*



*means dormant*



*means inactive*

## HISTORY AND DEVELOPMENT

### DEVELOPMENT OF OUR FLEET

As at 1 January 2008 (being the beginning date of the Track Record Period), we held 10 vessels with total carrying capacity of about 494,800 dwt. During the Track Record Period, we conducted some sales and purchases of vessels which changed the composition of our fleet. The following table sets forth the particulars of our vessels as at the Latest Practicable Date:

								Remaining			
								estimated	Estimated		
		Purchase	useful	residual	Approximate						
		cost	life	value	carrying						
		(US\$	(year(s))	(US\$	capacity						
Vessel name	Type	(Note 1)	(Note 2)	Year built	Age	Flag State	Classification society	(US\$ million)	(Note 5)	(US\$ million)	(dwt)
Existing vessels											
Cape Warrior	Capesize	2010	N/A	1986	25	Panama	Isthmus Bureau of Shipping	9.7	5	8.1	146,000
Panamax Leader	Panamax	2010	N/A	1989	21	Panama	China Corporation Register of Shipping	12.9	9	4.7	67,000
Sea Pioneer	Panamax	2008	N/A	1984	27	Panama	International Register of Shipping	3.8	3	4.8	67,000
Valour	Panamax	2005	N/A	1985	25	Panama	China Corporation Register of Shipping	11.9	5	4.8	67,000
Courage	Panamax	2003	N/A	1984	27	Panama	China Corporation Register of Shipping	4.4	3	4.8	67,000
Zorina	Handymax	2008	N/A	1982	29	Panama	Bureau Veritas	16.0	1	4.6	48,000
Heroic	Handymax	2006	N/A	1982	29	Panama	China Corporation Register of Shipping	6.2	1	3.5	42,000
Bravery	Handysize	2005	N/A	1983	28	Panama	China Corporation Register of Shipping	7.9	2	3.3	36,000
Raffles	Handysize	2004	N/A	1984	27	Panama	China Corporation Register of Shipping	10.7	3	2.9	38,000

## HISTORY AND DEVELOPMENT

								Remaining estimated			
								Purchase cost	useful life	residual value	Approximate carrying capacity
Vessel name	Type	Year of purchase (Note 1)	Year of disposal (Note 2)	Year built	Age	Flag State	Classification society	(US\$ million)	(year(s)) (Note 5)	(US\$ million)	capacity (dwt)
Disposed vessels											
Cape Ore (Note 3)	Capesize	2010	2010	1981	N/A	Panama	N/A (Note 4)	7.9	N/A (Note 4)	N/A (Note 4)	128,000
Panamax Mars	Panamax	2004	2009	1980	N/A	Panama	N/A (Note 4)	8.7	N/A (Note 4)	N/A (Note 4)	62,000
Ally II	Handysize	2002	2008	1977	N/A	Panama	N/A (Note 4)	1.2	N/A (Note 4)	N/A (Note 4)	35,000
Jeannie III	Handysize	2001	2010	1977	N/A	Panama	N/A (Note 4)	1.1	N/A (Note 4)	N/A (Note 4)	35,000

- Note(s):* 1. The “year of purchase” as mentioned above refers to the date when our Group member became the registered owner of the relevant vessel. Generally, such date of completion of registration is later than the date of agreement for our purchase of the relevant vessel by a few months.
2. The “year of disposal” as mentioned above refers to the date when our Group member ceased to be the registered owner of the relevant vessel. Generally, such date of completion of registration is later than the date of agreement for our sale of the relevant vessel by a few months.
3. After our purchase of the vessel “MV Cape Ore”, an Independent Third Party offered to purchase such vessel at a sale price which was higher than our original purchase price, and we concurrently identified a younger Capesize vessel with higher carrying capacity (namely, MV Cape Warrior) and the proposed purchase price for which was reasonable, we decided to proceed with the sale of “MV Cape Ore” in the same year.
4. Since we no longer own such vessel, we do not have the information regarding its current classification society, remaining estimated useful life and estimated residual value.
5. Estimated useful life means 30 years from the date of initial delivery from the shipyard. We determine the estimated useful lives of vessels mainly for calculating their depreciation amount. The Directors consider that the actual useful lives of our vessels could be more than 30 years because: (i) it is not mandatory to scrap a vessel if it is more than 30 years old, and hence whether to scrap a vessel is a economic decision; and (ii) we owned and operated vessels that were older than 30 years during the Track Record Period. As at the year-end dates of the last five financial years, we maintained at least 8 vessels. As of the Latest Practicable Date, we have no existing plan to downsize our fleet capacity.

The sellers who sold the vessels to us and the purchasers who purchased the vessels from us are all Independent Third Parties. For further details about our vessel investment and divestment policy, please refer to the section headed “Business – Our policy on vessel investment and divestment” of this document.