With respect to the unaudited interim financial information for the three months ended 31 March 2011, included in this Listing Document, our Reporting Accountants, Deloitte Touche Tohmatsu,Certified Public Accountants, Hong Kong have reported that they applied limited procedures in accordance with professional standards for a review of such information in accordance with Hong Kong Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". However, their separate review report included in this Listing Document, states that they did not audit and they do not express an audit opinion on that unaudited interim financial information. Accordingly, the degree of reliance on their report on such information should be limited in light of the limited nature of the review procedures applied.

Courage Marine Group Limited (the "Company") has its shares listed on the Singapore Exchange Securities Trading Limited. The Company is required to file quarterly unaudited interim financial information prepared in accordance with International Financial Reporting Standards. The following is the text of the Company's unaudited interim financial information for the three months ended 31 March 2011 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. This report comprises the unaudited condensed consolidated statement of financial position as at 31 March 2011 and audited condensed consolidated statement of financial position as at 31 December 2010 (as corresponding figures); unaudited condensed consolidated statements of comprehensive income for the three months ended 31 March 2011 and 2010 (as corresponding figures); unaudited condensed consolidated statements of cash flows for the three months ended 31 March 2011 and 2010 (as corresponding figures) and notes to the unaudited interim financial information of the Company and its subsidiaries, prepared in accordance with IAS 34.

Deloitte.
德勤

REPORT ON REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF COURAGE MARINE GROUP LIMITED

Introduction

We have reviewed the unaudited interim financial information set out on pages II-3 to II-13 which comprises the condensed consolidated statement of financial position of Courage Marine Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") and condensed statement of financial position of the Company as at 31 March 2011, and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended 31 March 2011 and certain explanatory notes (hereinafter collectively referred to as the "Interim Financial Information"). The Interim Financial Information has been prepared by the directors of the Company in connection with the listing of shares of the Company on The Stock Exchange of Hong Kong Limited by way of introduction. The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on the Interim Financial Information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34.

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the three-month period ended 31 March 2010 and the relevant explanatory notes disclosed in the Interim Financial Information have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
21 June 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2011

		Three months ended 31 March	
		2011	**2010**
	NOTES	*US$'000*	*US$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	5,815	12,853
Cost of services		(8,089)	(9,275)
Gross profit (loss)		(2,274)	3,578
Other income	*5*	71	27
Other gains and losses	*6*	285	40
Administrative expenses		(664)	(578)
Other expenses	*7*	(1,087)	–
Finance costs	*8*	(17)	(35)
(Loss) profit before income tax		(3,686)	3,032
Income tax expense	*9*	(7)	(7)
(Loss) profit for the period	*10*	(3,693)	3,025
Other comprehensive income			
Surplus on revaluation of leasehold land and building		517	–
Total comprehensive (expense) income for the period attributable to owners of the Company		(3,176)	3,025
(Loss) earnings per share	*11*		
Basic		(0.35) US cent	0.29 US cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2011

	NOTES	As at 31 March 2011 US$'000 (Unaudited)	As at 31 December 2010 US$'000 (Audited)
Non-current assets			
Property, plant and equipment	13	68,715	70,070
Investment property	13	1,992	1,671
Deposit paid for drydocking of vessels		2,000	2,000
Long-term receivables		3,767	3,767
Structured deposit		1,000	1,000
Certificate of deposit		1,074	1,074
		78,548	79,582
Current assets			
Trade receivables	14	4,105	1,257
Other receivables, deposits and prepayments		1,437	3,382
Held-for-trading investments		706	742
Tax recoverable		58	58
Pledged bank deposits		7,679	5,674
Bank balances and cash		23,600	29,929
		37,585	41,042
Current liabilities			
Other payables and accruals		2,092	2,607
Bank borrowing	15	2,800	3,600
		4,892	6,207
Net current assets		32,693	34,835
Total assets less current liabilities		111,241	114,417
Capital and reserves			
Share capital		19,059	19,059
Reserves		92,182	95,358
		111,241	114,417

CONDENSED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	As at 31 March 2011 *US$'000* (Unaudited)	As at 31 December 2010 *US$'000* (Audited)
Non-current assets		
Investments in subsidiaries	14,217	14,217
Amounts due from subsidiaries	60,670	61,492
	74,887	75,709
Current assets		
Prepayments	40	28
Bank balances and cash	210	350
	250	378
Current liability		
Accruals	1,041	828
Net current liabilities	(791)	(450)
	74,096	75,259
Capital and reserves		
Share capital	19,059	19,059
Reserves	55,037	56,200
	74,096	75,259

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2011

	Attributable to owners of the Company				
	Share capital	**Share premium**	**Property revaluation reserve**	**Retained profits**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 January 2010 (audited)	19,059	28,027	–	63,153	110,239
Profit for the period and total comprehensive income for the period	–	–	–	3,025	3,025
At 31 March 2010 (unaudited)	19,059	28,027	–	66,178	113,264
At 1 January 2011 (audited)	19,059	28,027	152	67,179	114,417
Loss for the period	–	–	–	(3,693)	(3,693)
Surplus on revaluation of leasehold land and building	–	–	517	–	517
Total comprehensive income (expense) for the period	–	–	517	(3,693)	(3,176)
At 31 March 2011 (unaudited)	19,059	28,027	669	63,486	111,241

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2011

	Three months ended 31 March	
	2011	**2010**
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
(Loss) profit before income tax	(3,686)	3,032
(Increase) decrease in trade receivables	(2,848)	528
Others	1,262	1,761
Net cash (used in) from operating activities	(5,272)	5,321
Investing activities		
Purchase of property, plant and equipment	(235)	(8,513)
Proceeds on disposal of property, plant and equipment	2,000	–
Addition of pledged bank deposits	(2,005)	–
Net cash used in investing activities	(240)	(8,513)
Financing activities		
Interest paid	(17)	(35)
Repayment of bank borrowing	(800)	(800)
Cash used in financing activities	(817)	(835)
Net decrease in cash and cash equivalents	(6,329)	(4,027)
Cash and cash equivalents at 1 January	29,929	43,159
Cash and cash equivalents at 31 March, represented by bank balances and cash	23,600	39,132

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2011

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in Bermuda on 5 April 2005 as an exempted company with limited liability under the Companies Act, 1981 of Bermuda, with its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Its principal place of business is at Suite 1801, West Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The Company is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX").

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in provision of marine transportation service and ship management service.

The condensed consolidated financial information is presented in United States Dollars ("US$"), which is the functional currency of the Company.

The condensed consolidated financial information of the Company and its subsidiaries (hereinafter collectively referred as the "Group") has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial information has been prepared on the historical cost basis except for certain financial instruments, leasehold land and building and investment property, which are measured at fair values or revalued amounts, as appropriate. The accounting policies used in the condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010. The condensed consolidated financial information for the three months ended 31 March 2011, which does not include the full disclosures normally included in a complete set of consolidated financial statements, is to be read in conjunction with the last issued consolidated financial statements for the year ended 31 December 2010.

In the current financial period, the Group has adopted all the revised standard and amendments that are effective for the Group's financial year beginning on 1 January 2011. The adoption of these revised standard and amendments has no material effect on the condensed consolidated financial information for the current and prior periods.

New and revised Standards and Interpretations issued but not yet effective

Except as described below, the directors of the Company anticipate that the application of other amendments or interpretation that have been issued but are not yet effective will have no material impact on the results and the financial position of the Group.

International Financial Reporting Standard ("IFRS") 9 "Financial Instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 "Financial Instruments" (as revised in October 2010) adds requirements for financial liabilities and for derecognition.

- Under IFRS 9, all recognised financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The application of the new standard might affect the classification and measurement of the Group's financial assets in the future periods.

3. REVENUE

	Three months ended 31 March	
	2011	**2010**
	US$'000	*US$'000*
Marine transportation service income		
– Voyage charter	5,328	9,941
– Time charter	463	2,822
	5,791	12,763
Ship management income	24	90
	5,815	12,853

4. SEGMENT INFORMATION

IFRS 8 "Operating Segments" 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 (the board of directors) in order to allocate resources to segments and to assess their performance.

The Group's operating activities are attributable to a single operating segment focusing on provision of marine transportation service. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to IFRSs, that are regularly reviewed by the board of directors. The board of directors monitors the revenue of marine transportation service based on the voyage charter and time charter service income of dry bulk carriers of different sizes and their utilization rates for the purpose of making decisions about resource allocation and performance assessment. However, other than revenue analysis, no operating results and other discrete financial information is available for the resource allocation and performance assessment. The results of ship management service activities are insignificant to the Group and were not regularly reviewed by the chief operating decision maker. The board of directors reviews the profit for the period of the Group as a whole for performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the board of directors.

The revenue of the dry bulk carriers of different sizes is analysed as follows:

For the three months ended 31 March 2011

	Voyage charter	Time charter	Total
	US$'000	*US$'000*	*US$'000*
Dry bulk carriers			
– Handysize	841	1	842
– Handymax	1,871	–	1,871
– Panamax	2,616	161	2,777
– Capsize	–	301	301
	5,328	463	5,791

For the three months ended 31 March 2010

	Voyage charter	Time charter	Total
	US$'000	*US$'000*	*US$'000*
Dry bulk carriers			
– Handysize	3,737	301	4,038
– Handymax	2,663	766	3,429
– Panamax	3,426	1,755	5,181
– Capsize	115	–	115
	9,941	2,822	12,763

5. OTHER INCOME

	Three months ended 31 March	
	2011	**2010**
	US$'000	*US$'000*
Rental income	11	–
Interest income from banks	23	17
Interest income from certificate of deposit	11	–
Insurance claims	–	10
Sundry income	26	–
	71	27

6. OTHER GAINS AND LOSSES

	Three months ended 31 March	
	2011	**2010**
	US$'000	*US$'000*
Change in fair value of investment property	321	–
Change in fair value of held-for-trading investments	(36)	–
Exchange gain, net	–	40
	285	40

7. OTHER EXPENSES

The amount represents professional fees and other expenses related to the listing by way of introduction on the Main Board of The Stock Exchange of Hong Kong Limited of the entire issued share capital of the Company presently listed on the SGX and no new shares will be issued by the Company. Such costs are recognised as an expense when incurred.

8. FINANCE COSTS

They represented the interests on bank borrowing wholly repayable within five years.

9. INCOME TAX EXPENSE

	Three months ended 31 March	
	2011	**2010**
	US$'000	*US$'000*
Current tax:		
People's Republic of China ("PRC") income tax	2	–
Republic of China income tax	5	7
	7	7

No Hong Kong Profits Tax has been made as there is no assessable profit derived in Hong Kong for both periods.

PRC income tax is calculated at 25% of the assessable profit of a representative office in Shanghai, PRC for both periods.

Income tax in Republic of China is calculated at 25% of the assessable profit of a subsidiary for both periods.

In the opinion of the directors of the Company, there is no taxation arising in other jurisdictions.

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

10. (LOSS) PROFIT FOR THE PERIOD

	Three months ended 31 March	
	2011	**2010**
	US$'000	*US$'000*
(Loss) profit for the period has been arrived at after charging:		
Marine crew expenses	1,156	970
Minimum lease payments under operating leases	36	56
Depreciation of property, plant and equipment	2,107	2,342
Staff costs (including directors' emoluments)		
– Salaries and other benefits	222	234
– Contributions to retirement benefits scheme	8	5
	230	239

11. (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share attributable to owners of the Company during both periods is based on the following data:

	Three months ended 31 March	
	2011	**2010**
	US$'000	*US$'000*
(Loss) profit for the period attributable to owners of the Company	(3,693)	3,025
	'000	*'000*
Number of shares	1,058,829	1,058,829

No diluted (loss) earnings per share were presented for both periods as there were no potential ordinary shares outstanding during both periods and at the end of each reporting period.

12. DIVIDENDS

No dividend was paid during the three months ended 31 March 2011.

On 18 February 2011, the directors proposed a final dividend of 0.71 US cent per ordinary share to be paid in respect of the financial year ended 31 December 2010. The total estimated dividend to be paid is approximately US$7,518,000. The amount has not been included as a liability in the condensed consolidated financial information as at 31 March 2011 as it was approved by shareholders at the annual general meeting held on 27 April 2011, which is after the end of the reporting period.

13. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the period, the Group spent US$235,000 (1.1.2010 to 31.3.2010: US$8,513,000) on additions to vessels and furniture, fixtures and equipment.

The Group's leasehold land and building was revalued by the independent professional valuers at 31 March 2011. The resulting revaluation surplus of US$517,000 has been credited to the property revaluation reserve during the three months ended 31 March 2011 (1.1.2010 to 31.3.2010: nil).

The Group's investment property was fair valued by the independent professional valuers at 31 March 2011. The resulting increase in fair value of investment property of US$321,000 has been recognised directly in profit or loss for the three months ended 31 March 2011 (1.1.2010 to 31.3.2010: nil).

14. TRADE RECEIVABLES

The credit period granted by the Group to certain customers of voyage charter is within 2 weeks after the receipt of invoices while other customers are requested to prepay the charter-hire income in full before discharging for voyage charter. Customers of time charter are requested to prepay the charter-hire income for time charter. An aged analysis of the Group's trade receivables based on invoice date at the end of the reporting period is as follows:

	Three months ended 31 March	
	2011	**2010**
	US$'000	*US$'000*
0 – 30 days	1,593	1,257
31 – 60 days	1,134	–
61 – 90 days	1,378	–
	4,105	1,257

15. BANK BORROWING

During the period, the Group repaid a bank loan of US$800,000 (2010: US$800,000). The bank loan will be fully repaid in October 2011.

16. RELATED PARTY TRANSACTIONS

During the period, the Group has paid rental expense of US$7,000 (1.1.2010 to 31.3.2010: nil) to 周秀曼, who is the spouse of Mr. Chang Shun-Chi, a non-executive director of the Company.

During the period, the Group has paid US$57,000 (1.1.2010 to 31.3.2010: US$81,000) short-term benefits to the key management personal of the Group.