

COURAGE MARINE GROUP LIMITED
(Incorporated in Bermuda)

Further announcement on acquisition of interest in a new associated company

Courage Marine Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 3 December 2010 titled “Acquisition of interest in a new associated company” (the “**3 December Announcement**”). Unless otherwise defined, all capitalised terms used herein are as defined in the 3 December Announcement.

A. Clarifications

The Company would like to make the following clarifications in relation to the 3 December Announcement:

1. As mentioned in the 3 December Announcement, the Group had exercised a put option (“**Put Option**”) to sell its entire interest in Sunrise, comprising 25% of the issued share capital of Sunrise, back to the original seller from whom the Group had purchased such interest in 2007, Mr Jason Chang (the “**Original Seller**”).
2. The Put Option had previously been granted to Courage New Amego by the Original Seller as part of the terms on which Courage New Amego had then agreed to purchase a 25% equity interest in Sunrise from the Original Seller (the “**Sunrise Acquisition**”), and was set out in a conditional sale and purchase agreement dated 3 August 2007 relating to the Sunrise Acquisition (the “**Sunrise Acquisition Agreement**”), details of which were set out in the Company’s announcement dated 3 August 2007.
3. Under the Put Option, Courage New Amego had the right to sell to, and to require the Original Seller to buy back Courage New Amego’s entire interest in Sunrise at the original acquisition price and interest of US\$3,803,381 paid by Courage New Amego, and such Put Option was exercisable for a period of two years from the date of the Sunrise Acquisition Agreement, i.e by 2 August 2009.
4. As Sunrise’s financial results had not been profitable and was still in a loss-making position by 30 June 2009 and in view of the impending expiry of the Put Option by August 2009, the Group decided to procure Courage New Amego to exercise the Put Option to sell back its entire interest in Sunrise to the Original Seller for US\$3,803,381 subsequent to 30 June 2009, and disclosed such exercise of the Put Option in the Company’s results announcement on 11 August 2009.

Following the exercise of the Put Option (which the Original Seller had acknowledged and accepted), the Group has since ceased to include Sunrise as its associated company, or to equity-account for its share of earnings/loss from Sunrise. Thus the purchase price of US\$3,803,381 payable by the Original Seller under the Put Option (“**Outstanding Purchase Consideration**”) has been re-classified as an account receivable in the Group’s accounts and remains as such up-to-date.

5. In response to the Group’s continuing efforts to procure the Original Seller to settle payment of the Outstanding Purchase Consideration, the Original Seller had

proposed that the Outstanding Purchase Consideration be settled in-kind rather than by cash in the following manner:-

- (i) through the Group's acquisition of a 41.7% equity interest in the JV Company ("**JV Company Acquisition**"); and
- (ii) subject to the completion of the JV Company's acquisition of the Shanghai Property to be injected into the JV Company at no charge by the Original Seller, the Outstanding Purchase Consideration shall be deemed satisfied and released and discharged upon the completion of such JV Company Acquisition.

(the "**Alternative Purchase Consideration Settlement**"). In the event the Alternative Purchase Consideration Settlement is not effected or completed, the Original Seller remains liable to pay the Outstanding Purchase Consideration.

6. For reasons as further set out below, the Company agreed to the Alternative Purchase Consideration Settlement, and the terms of which were set out in the agreement dated 14 October 2010 and entered into between Courage New Amego and the Original Seller (the "**Agreement**").
7. In preparation of the steps necessary to effect the proposed Alternative Purchase Consideration, the JV Company was incorporated on 7 October 2010 with a nominal issued capital of US\$1,000 comprising 1000 shares of US\$1.00 each. Courage New Amego holds 417 shares or 41.7% interest while the Original Seller holds the remaining 583 shares or 58.3% interest in the JV Company.
8. Prior to the 3 December Announcement, no announcement was made by the Company concerning the Alternative Purchase Consideration Settlement, the Agreement or the JV Company taking into account, inter alia, the following factors:
 - (i) As at the date hereof, although the JV Company is considered an associated company of the Company by reason of Courage New Amego's 41.7% interest in it, it is a dormant company with nominal share capital, pending the effecting and completion of the Alternative Purchase Consideration Settlement.
 - (ii) The Original Seller is in the process of taking the necessary steps required under applicable PRC law and regulations to effect the transfer of the Shanghai Property to the JV WOFE, and it is expected such transfer to be completed by the first half of 2011. As at the date hereof, the parties have ascertained that they have obtained all necessary approvals required to enforce the agreement.

B. Rationale

9. The Company agreed to the Alternative Purchase Consideration Settlement for settling the Outstanding Purchase Consideration taking into account, inter alia, the following factors:
 - (i) it would allow for a full settlement of the Outstanding Purchase Consideration which has been due and owing from the Original Seller for a while, without having to seek further legal recourse or take legal action

for making such recovery, which would entail additional costs to be incurred by the Group;

- (ii) the JV Company Acquisition would give the Group an opportunity to acquire an equity interest in a real property company in the People's Republic of China, and an equity share of the revenues and profits that may potentially be earned by the JV Company through rental income generated from the Shanghai Property and/or any increase in valuation that may potentially arise from its property asset, given the rapidly growing real estate sector in Shanghai. The Shanghai Property is an industrial building located in the Qingpu District of Shanghai and it is currently envisaged that the JV Company will be holding the Shanghai Property as a long- term investment for rental income. Construction of the Shanghai Property has been completed and is currently pending issuances of occupation permits and licenses from the Shanghai Government; and
- (iii) as the Group is acquiring a minority interest in the JV Company which will (through the JV WOFE) own and operate the Shanghai Property, the Group will be looking to the majority shareholder, the Original Seller, to manage the day to day business of the Shanghai Property. The Group will be appointing a director to the board of directors of the JV Company and such director will be responsible for taking care of the Group's interest in the Shanghai Property.

C. General

10. As the JV Company Acquisition would be set off against the Outstanding Purchase Consideration, the deemed value or quantum of the JV Company Acquisition would be US\$3,803,381. The relative figures that were computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited, based on the unaudited consolidated financial statements of the Group for the first nine months of FY2010 as of 30 September 2010 are as follows:

Rule 1006	Relative Figure
(a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable.
(b) The net profits attributable to the assets acquired, compared with the group's net profits.	Not applicable.
(c) The aggregate value of the consideration given, compared with the issuer's market capitalization as at 13 October 2010 based on the total number of issued shares excluding treasury shares.	The aggregate value of US\$3,803,381 is equal to 2.46% of market capitalization.
(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable.

11. The valuation of the Shanghai Property on 10 August 2010 commissioned by the Original Seller which valued the Shanghai Property at RMB 60,000,000 (equivalent to US\$9,003,601 based on an exchange rate of US\$1 : RMB6.664 as at 13 October 2010) was made based on the market value of the Shanghai Property which is the estimated amount for which a property should be transacted at on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The valuation was conducted by Shanghai An Da Hua Yong Real Estate Appraisal Consultant Co. Ltd.

12. The Agreement and the valuation report of the Shanghai Property dated 10 August 2010 is available for inspection at the Company's office during normal business hours for three months from the date of this announcement.
13. None of the Directors or controlling shareholders of the Company are related to the Original Seller or has any interest, direct or indirect, in the acquisition of interest in the JV Company, the JV WOFE or the Shanghai Property.

By Order of the Board

Submitted by Lee Pih Peng, Company Secretary on 10 December 2010 to the SGX.