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COURAGE MARINE GROUP LIMITED
勇利航業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 1145)

(Singapore Stock Code: E91.SI)

**UPDATE ON STATUS OF DISCLOSEABLE TRANSACTION
FORMATION OF JOINT VENTURE COMPANY
AND INVESTMENT IN PROPERTY INTEREST
IN SHANGHAI, THE PEOPLE'S REPUBLIC OF CHINA
AND
EXTENSION OF LONG STOP DATE**

On 31 January 2013, Courage Amego and Jason Chang entered into the Third Supplemental AIC-SP Agreement pursuant to which the parties agreed to further extend the Long Stop Date to 31 March 2013.

On 31 January 2013, the Seller, the JV Company and Shanghai Ji Jin entered into the Second Property Transfer Agreement, pursuant to which the latest date for completion of the Property Transfer Agreement was further extended to 31 March 2013.

Reference is made to the paragraphs under the heading “Sunrise Investment” on pages 99 to 100 (inclusive) of the Listing Document, the announcement of the Company dated 18 May 2012 (the “**1st Announcement**”) and the announcement of the Company dated 31 December 2012 (the “**2nd Announcement**”). Capitalised terms used herein shall have the same meaning as defined in the 1st Announcement and the 2nd Announcement.

As disclosed in the 1st Announcement, the Second Supplemental AIC-SP Agreement was entered into by Courage Amego and Jason Chang on 18 May 2012, pursuant to which the Long Stop Date was extended to 31 December 2012.

Pursuant to the Second Supplemental AIC-SP Agreement, the Seller, the JV Company and Shanghai Ji Jin had entered into the Property Transfer Agreement in relation to the transfer of the PRC Property by the Seller in favour of the JV Company on 18 May 2012 whereby the latest date for completion under the Property Transfer Agreement was 31 December 2012.

As set out in the 2nd Announcement, Jason Chang and the Seller had on 28 December 2012 informed the Company and Courage Amego that due to the delay of the relevant land bureau in processing the change of ownership of the PRC Property with reference to the Property Transfer Agreement filed in October 2012, the transfer of the PRC Property in favour of the JV Company could not be completed by 31 December 2012. The relevant land bureau had issued a letter in December 2012 acknowledging receipt of the application and would process it in accordance with applicable laws and regulations.

Jason Chang and the Seller had further estimated that the completion of the PRC Property transfer and the issuance of the real estate ownership certificate of the PRC Property in the name of the JV Company could take place by 31 March 2013 and requested that the Long Stop Date and the latest date for completion under the Property Transfer Agreement be amended from 31 December 2012 to 31 March 2013 respectively.

Upon the completion of the PRC Property transfer, the outstanding debt due from Jason Chang of US\$3,803,381 for the exercise of Courage Amego's exercise of the put option will be deemed settled and satisfied.

EXTENSION OF LONG STOP DATE

The Directors are reasonably satisfied that Jason Chang and the Seller have used their reasonable endeavours to attain "in-kind" completion under the AIC-SP Agreement (as amended by the AIC Confirmation, the First Supplemental AIC-SP Agreement and the Second Supplemental AIC-SP Agreement) and under the Property Transfer Agreement. The Directors believe that the extension of the Long Stop Date and the latest date for completion under the Property Transfer Agreement to 31 March 2013 will not pose material risk to the Group.

On the aforesaid basis, Courage Amego and Jason Chang had on 31 January 2013 entered into a supplemental agreement (the "**Third Supplemental AIC-SP Agreement**"), under which the Long Stop Date was further extended to 31 March 2013.

On 31 January 2013, the Seller, the JV Company and Shanghai Ji Jin entered into a supplemental agreement (the "**Second Supplemental Property Transfer Agreement**"), pursuant to which the latest date for completion under the Property Transfer Agreement shall be further extended to 31 March 2013.

Save as aforesaid, all other terms and conditions of the AIC-SP Agreement (as amended by the AIC Confirmation, the First Supplemental AIC-SP Agreement and the Second Supplemental AIC-SP Agreement) and the Property Transfer Agreement remain unchanged and continue in full force and effect.

RISKS AND PROTECTION

The Group may continue to face the following risks as disclosed in the 1st Announcement:–

- (i) the risk of enforcement of the cancellation right by the creditors of the Seller in respect of the Seller's Waiver;
- (ii) the risk of a breach of the Property Transfer Agreement by the Seller;
- (iii) the risk of breach by Jason Chang of his obligations under the AIC-SP Agreement (as amended by the AIC Confirmation, the First Supplemental AIC-SP Agreement, the Second Supplemental AIC-SP Agreement and the Third Supplemental AIC-SP Agreement); and
- (iv) the risk of Shanghai Ji Jin being a minority shareholder of the JV Company.

The Group shall continue to be protected against the aforesaid risks by the previously implemented measures as disclosed in the 1st Announcement. The previously implemented measures (including but not limited to the Seller's Undertaking, the Second Supplemental AIC-SP Agreement, the Second Indemnity and the articles of association of the JV Company) remain in full force and effect.

Furthermore, on 31 January 2013, the Covenantors had executed a deed of indemnity and undertaking (the "**Third Indemnity**") pursuant to which they agreed to jointly and severally confirm with the Company and Courage Amego that the indemnity and covenants provided by them under the Second Indemnity remain in full force and effect with the Long Stop Date be amended to 31 March 2013.

The Directors including the independent non-executive Directors but excluding the Covenantors consider that adequate protection has been provided to the Group against the exercise of cancellation right and any breach of Jason Chang's obligations under the AIC-SP Agreement (as amended by the AIC Confirmation, the First Supplemental AIC-SP Agreement, the Second Supplemental AIC-SP Agreement and the Third Supplemental AIC-SP Agreement) and any breach of the Seller's obligations under the Property Transfer Agreement.

Furthermore, adequate provisions to safeguard Shanghai Ji Jin's interest as minority shareholder of the JV Company had been incorporated in the articles of association of the JV Company. The Directors, including the independent non-executive Directors but excluding the Covenantors, consider that the terms of the Third Supplemental AIC-SP Agreement, the Second Supplemental Property Transfer Agreement and the Third Indemnity were entered into upon normal commercial terms following arm's length negotiation among the parties and that such terms are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

By Order of the Board
Courage Marine Group Limited
Hsu Chih-Chien
Chairman

Singapore and Hong Kong, 31 January 2013

As at the date of this announcement, the managing Director is Mr. Wu Chao-Huan, the Chairman and non-executive Director is Mr. Hsu Chih-Chien, the non-executive Directors are Mr. Sun Hsien-Long and Mr. Chang Shun-Chi, the independent non-executive Directors are Mr. Lui Chun Kin, Gary, Mr. Sin Boon Ann and Mr. Chu Wen Yuan.

* *for identification purposes*