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## CONNECTED TRANSACTIONS

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### LEASE OF SHANGHAI PREMISES

Our Group has entered into, and expects to continue to engage in the transaction as listed below, which our Group expects will continue from time to time. The transaction set out below will be regarded as continuing connected transactions under the Listing Rules.

Lease of Shanghai Premises by Chou Hsiu-Ma (周秀曼) (“Chou”) to Courage Marine Shanghai Office.

Pursuant to a lease agreement made between Chou as lessor and Courage Marine Shanghai Office as lessee (“Lease Agreement”), Chou has let the Shanghai Premises to Courage Marine Shanghai Office for office purpose. The term of the Lease Agreement commences on 1 January 2010 and expires on 31 December 2011 with no early termination clause. Any renewal of the Lease Agreement shall have to be negotiated between the parties. Under the Lease Agreement, it is provided that the area of Shanghai Premises is 120 square metres. The monthly rental is RMB5,865 plus US\$1,338.5 which shall apply throughout the said term of two years.

The annual rent under the Lease Agreement was determined on an arm’s length basis between Courage Marine Shanghai Office and Chou. Our Company’s independent valuer RHL Appraisal Limited has confirmed that the rental payable by Courage Marine Shanghai Office under Lease Agreement is fair and reasonable.

Shanghai Premises is used entirely by Courage Marine Shanghai Office as its office.

The lessor, Chou, is the wife of Chang Shun-Chi who is a non-executive director of our Company. Chou is an associate of a Director and hence a connected person herself.

The Directors are of the view that the Lease Agreement has been entered into and will be carried out in the ordinary course of business of our Group on normal commercial terms. As such the Directors consider that the entering into the Lease Agreement by Courage Marine Shanghai Office are fair and reasonable and in the interests of our Company and the Shareholders.

As the annual rent under the Lease Agreement payable by Courage Marine Shanghai Office to Chou for each of the 2 years of the term is approximately US\$13,000, and all of the percentage ratios (other than the profit ratio) under Rule 14.07 of the Listing Rules is less than 5% and the annual consideration is less than HK\$1 million, the above transaction falls below the de minimus threshold under Rule 14A.33(3)(c) of the Listing Rules and are not subject to any reporting, announcement or independent shareholders’ approval requirements under Rule 14A of the Listing Rules.