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COURAGE INVESTMENT GROUP LIMITED
勇利投資集團有限公司

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 1145)

(Singapore Stock Code: CIN)

MAJOR TRANSACTIONS
ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF A COMPANY
AND
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF A COMPANY

THE ACQUISITION AND THE DISPOSAL

The Board is pleased to announce that on 13 September 2024 (after trading hours), Peak Prospect (a wholly-owned subsidiary of the Company) entered into the Acquisition Agreement with the Seller for the acquisition of the Acquisition Sale Shares, representing the entire issued share capital of the Acquisition Target, and the Acquisition Sale Loan, for a maximum Acquisition Consideration of US\$15,450,100 and the Handling Fee of US\$22,125. The sole asset of the Acquisition Target will be the Target Vessel (or a contractual right to acquire the Target Vessel under the MOA). On the same day, Courage Marine (another indirect wholly-owned subsidiary of the Company) entered into the Disposal Agreement with the Buyer for the disposal of the Disposal Sale Shares, representing the entire issued share capital of the Disposal Target, and the Disposal Sale Loan, for the Disposal Price of US\$13,800,000. The sole asset of the Disposal Target is the Disposal Vessel. The proposed Acquisition and Disposal are not inter-conditional.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.

SGM

The SGM will be convened and held for the Shareholders to consider, and if thought fit, approve the Acquisition and the Disposal.

A circular containing, among other things, further details of the Agreements and the transactions contemplated thereunder and other information as required to be disclosed under the Listing Rules, and a notice of the SGM and a form of proxy, is expected to be despatched to the Shareholders on or before 8 October 2024.

The completion of the Acquisition and the Disposal is conditional upon the satisfaction of the terms and conditions set out in the Acquisition Agreement and the Disposal Agreement, respectively, and each of them may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

THE ACQUISITION

The Board is pleased to announce that on 13 September 2024 (after trading hours), Peak Prospect (a wholly-owned subsidiary of the Company) entered into the Acquisition Agreement with the Seller for the acquisition of the Acquisition Sale Shares, representing the entire issued share capital of the Acquisition Target, and the Acquisition Sale Loan, for a maximum Acquisition Consideration of US\$15,450,100 and the Handling Fee of US\$22,125. The sole asset of the Acquisition Target will be the Target Vessel (or a contractual right to acquire the Target Vessel under the MOA).

The Acquisition Agreement

The principal terms of the Acquisition Agreement are as follows:

Date: 13 September 2024

Parties: Peak Prospect (as purchaser)

Seller (as vendor)

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Seller and its ultimate beneficial owner are Independent Third Parties.

The MOA, Acquisition**Target and Target Vessel:**

Parallel to the Acquisition Agreement and on the same day as the Acquisition Agreement, the Acquisition Target entered into the MOA pursuant to which the Acquisition Target agreed to purchase and the Ultimate Seller agreed to sell the Target Vessel at a price of US\$14,750,000. Under the MOA, the Deposit of US\$1,475,000 is to be paid by the Acquisition Target into an escrow account within 3 Banking Days of the MOA, and will be released to the Ultimate Seller on delivery of the Target Vessel; the Balance of US\$13,275,000 is to be paid by the Acquisition Target to the Ultimate Seller on the delivery of the Target Vessel.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the parties to the MOA and their ultimate beneficial owners are Independent Third Parties.

As it is impracticable to enter into a conditional agreement with the Ultimate Seller subject to Shareholders' approval, the Seller agreed to facilitate the Group's acquisition of the Target Vessel by procuring the Acquisition Target to enter into the MOA, with the intention of transferring the Target Vessel to the Group through the sale of the Acquisition Sale Shares and the Acquisition Sale Loan to the Group.

Consideration:

The maximum Acquisition Consideration totalling US\$15,450,100 comprises:

- (1) the par value of the Acquisition Sale Shares of US\$100;
- (2) the Acquisition Sale Loan advanced by the Seller to the Acquisition Target on a dollar-for-dollar basis which represents the aggregate of:
 - (a) the Purchase Price of US\$14,750,000:
 - if, and only if, the purchase of the Target Vessel by the Acquisition Target under the MOA is completed before completion of the Acquisition, the Balance of US\$13,275,000;
 - to the extent that the Acquisition Target has paid the Deposit pursuant to the terms of the MOA, the Deposit of US\$1,475,000; and

- (b) the Ancillary Expenditure of a maximum of US\$700,000 (the exact amount of which will only be ascertainable at completion of the Acquisition); and

as consideration for the Seller to facilitate the Group's acquisition of the Target Vessel, the Handling Fee of US\$22,125 (being 0.15% of the Purchase Price) is also payable by Peak Prospect to the Seller.

Payment terms:

The Acquisition Consideration and the Handling Fee are payable on completion of the Acquisition. Since completion of the Acquisition is not conditional on completion of the transactions under the MOA, if the completion of the Acquisition takes place before the completion of the transactions under the MOA, the maximum consideration in such case will be US\$1,545,100, which represents approximately 10% of the maximum Acquisition Consideration. This is reflective of (i) the part of the Acquisition Sale Loan that represents the Balance (i.e. 90% of the Purchase Price) will not be payable by the Group to the Seller; and (ii) the Ancillary Expenditure in such circumstances is not expected to exceed US\$70,000.

Condition precedent:

Completion is conditional upon:

- (1) the passing of the resolution(s) by the Shareholders at the SGM to be convened to approve the Acquisition Agreement and the transactions contemplated thereunder;
- (2) if the transactions under the MOA have not completed, the MOA remaining valid and legally binding;
- (3) if the transactions under the MOA have not completed, there are no circumstances of which the Seller is aware that may cause the MOA to be terminated; and
- (4) the representations and warranties given by the Seller remaining true, complete, accurate and not misleading as of the completion date of the Acquisition.

Condition (1) above is not capable of being waived whereas the remaining conditions may be waived at the option of Peak Prospect.

Termination: If the condition precedent is not fulfilled on or before 31 December 2024 or such other date as may be agreed by Peak Prospect and the Seller, or if the MOA is terminated before completion of the Acquisition, the Acquisition Agreement shall terminate.

The Consideration

The Acquisition Consideration and Handling Fee were determined upon arm's length negotiations between the Group and the Seller. To the best of the knowledge, information and belief of the Directors, the Acquisition Target has not entered into any business transaction and has no assets prior to entering into the MOA. Accordingly, the Acquisition Consideration represents the sum of (i) the par value of the Acquisition Sale Shares; (ii) if, and only if, the sale and purchase of the Target Vessel under the MOA is completed, the Purchase Price, which is equivalent to the price of the Target Vessel under the MOA which was itself determined after arm's length negotiations between the parties to the MOA (together with the participation of the Group) on normal commercial terms with reference to prevailing market prices of vessels of similar age, capacity and conditions; and (iii) the amount of the Ancillary Expenditure incurred by the Seller and the Acquisition Target in relation to the acquisition and operation of the Target Vessel from the date of the MOA up to the completion of the Acquisition, upon production of evidence satisfactory to the Group. In agreeing to the Purchase Price (as part of the Acquisition Consideration), the Group had made reference to (i) the valuation of the Target Vessel at approximately US\$15,600,000 as at 31 July 2024 as appraised by the Independent Valuer (as further detailed below); (ii) prevailing market prices and transactions of vessels with similar age and carrying capacity; (iii) the design of the Target Vessel and the shipyard where it was built; and (iv) the types of cargoes the Target Vessel can carry.

The consideration will be funded by the Group's internal resources, including the remaining net proceeds from the fund raised by way of an open offer in January 2021, which is detailed in page 9 of the Company's 2023 Annual Report published in April 2024, intended for the acquisition of a second-hand dry bulk vessel. As at the date of this announcement, the remaining net proceeds raised from the said open offer is US\$5.8 million. The Group may raise further funds by way of bank borrowings subject to the business and financial needs of the Group.

Delivery of the Vessel under the MOA

The Target Vessel shall be delivered charter free and free from registered encumbrances and mortgages, and taken over safely afloat at a safe and accessible berth or anchorage in Singapore or Hong Kong or in the PRC, inside port limits in the Ultimate Seller's option. The notice of readiness shall not be tendered before 15 November 2024. The Acquisition Target has an option to terminate the MOA if the Ultimate Seller fails to give notice of readiness or fails to be ready to validly complete a legal transfer of the Target Vessel by 22 December 2024. In such case, the Deposit together with interest earned, if any, will be returned to the Acquisition Target immediately.

Information on the parties to the Acquisition Agreement and the MOA

The principal activity of Peak Prospect is investment holding.

The Seller is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best knowledge, information and belief of the Directors, the Seller is ultimately owned by Mr. Su Ning.

The Ultimate Seller is a company incorporated in the Marshall Islands with limited liability and is principally engaged in ship owning. To the best knowledge, information and belief of the Directors, the Ultimate Seller is independent from the Seller and Mr. Su Ning.

The Acquisition Target and the Target Vessel

The Acquisition Target was incorporated on 8 July 2024 in the Marshall Islands and is wholly owned by the Seller. It has no assets and has not conducted any business or activities other than entering into the MOA. As such, no net profit or loss before and after taxation of the Acquisition Target for the two financial years immediately preceding the entering of the Acquisition Agreement is presented in this announcement. The unaudited net assets of the Acquisition Target as at 31 July 2024 was approximately US\$100.

The Target Vessel is a second-hand dry bulk Supramax vessel named “Diva” and was built by Jiangsu New Hantong in 2011 with a carrying capacity of approximately 57,000 dwt for transportation of dry bulk commodities. It is under charter and is operating in normal operating condition.

The Company understands that the Target Vessel has been operated by the Ultimate Seller under time charter trip. While the income from such time charter trip for the three financial years ended 31 December 2023 were provided to the Company, the Ultimate Seller refused to provide to the Company the expenses for the Target Vessel to generate such income. Accordingly, the Company was not able to ascertain the net profits (or loss) attributable to the Target Vessel for the preceding financial years from the Ultimate Seller. To the best knowledge, information and belief of the Company, the revenue attributable to the Target Vessel for the three years ended 31 December 2023 and the six months ended 30 June 2024 are set out below, where the revenue for the year ended 31 December 2023 was relatively low as the Target Vessel was put to repair and maintenance for three months that year:

| | For the year ended 31 December | | | For the six |
|---------|---------------------------------------|---------------------|---------------------|---------------------|
| | 2021 | 2022 | 2023 | months ended |
| | <i>US\$ million</i> | <i>US\$ million</i> | <i>US\$ million</i> | 30 June 2024 |
| | | | | <i>US\$ million</i> |
| Revenue | 7.5 | 9.5 | 5.5 | 4 |

In any event, the net profits attributable to the Target Vessel in the financial years prior to the signing of the Acquisition Agreement are only indicative of the performance of the Target Vessel as operated by the Ultimate Seller under the historical market conditions, the Ultimate Seller's shipping contracts (which were time charter trip) and their management and operating practices. As the Group intends to operate the Target Vessel with its own shipping contracts (which could be a combination of time charter, voyage charter and time charter trip) and under its own management and operating practices, the previous financial performance attributable to the Target Vessel would not provide meaningful benchmark of its value or the financial performance attributable to it under the Group's operation in future and therefore is not a relevant consideration for the valuation and determination of the consideration of the Target Vessel.

For these reasons, the Company applied for, and the Stock Exchange granted, a waiver from strict compliance with Rule 14.58(7) of the Listing Rules requiring the Company to include the net profits (both before and after taxation) attributable to the Acquisition Target and to the Target Vessel for the two preceding financial years in this announcement, and from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules requiring the Company to include in the circular to be despatched to the Shareholders a profit and loss statement for the three preceding financial years of the identifiable net income stream of the Target Vessel. The Company is of the view that the lack of such information is not an omission of material facts and will not render the information contained in this announcement and the circular to be despatched misleading or deceptive.

Valuation of the Target Vessel

The valuation of the Target Vessel by the Independent Valuer adopted the market approach and made the following principal assumptions:

- (a) the Target Vessel will continue to be used in its present existing state for the business of the Group for which it was designed and built without specific reference to income; and
- (b) the Target Vessel will be used in its present existing state with the benefit of continuity during the foreseeable future.

In the course of considering the appropriate valuation approach and methodology adopted in the valuation of the Target Vessel, the Independent Valuer excluded the income approach as the relevant data was not available. Given that there are ample amount of vessel sales transaction information that could be used for market comparison, the Independent Valuer determined to adopt the market approach as the principal method to determine the valuation of the Target Vessel.

The Independent Valuer selected comparables from the market transactions based on (i) type of vessels as Supramax type; (ii) use of vessels as bulk carriers; (iii) vessel's capacity; (iv) age of vessels; and (v) built location being in the PRC, on an exhaustive basis. As advised by the Independent Valuer, the transaction prices paid for the comparable vessels during the period from 5 July 2024 to 2 August 2024 based on available market data fall within the range of approximately US\$12,500,000 to US\$17,300,000. In arriving at the valuation of the Target Vessel, adjustments were

made to the transaction prices of the comparable vessels to account for the difference in age and carrying capacity. For the age adjustment, annual depreciation rates of the comparable vessels were computed assuming a normal useful life of 25 years for the vessels. A downward adjustment would be made to the prices of the comparable vessels with longer remaining useful life, while an upward adjustment would be made to the prices of the comparable vessels with shorter remaining useful life. For the carrying capacity, this involves converting the prices of the comparable vessels to a dollar-per-tonnage basis, and then applying an upward or downward adjustment to align their prices with the same dwt as the vessel being appraised. Upon adjustment, the estimated fair values of the comparable vessels fall within the range of approximately US\$13,300,000 to US\$15,430,000 with a mean value of US\$14,050,000.

Since the Target Vessel installed an exhaust gas cleaning system (also known as a scrubber system) in 2020 which allows its sulphur emission to comply with regulations of the IMO that took effect since 1 January 2020 limiting the sulphur content of ships' fuel oil to 0.5% without the need to switch to using low-sulphur compliant fuel oil which is more costly, the Independent Valuer reviewed the relevant information from one of the world's leading ship classification societies and quotation from a scrubber system supplier in the PRC and adjusted upwards the Target Vessel's valuation by US\$1,550,000 from the mean value of the estimated fair values of the comparable vessels.

After taking into account the above factors, the Independent Valuer reached the opinion that the Target Vessel's valuation reflected the market value of the Target Vessel as at the date of valuation (i.e., 31 July 2024), and that the estimated fair value of the Target Vessel is reasonably represented by the amount of US\$15,600,000. The Purchase Price thus represent a discount to the valuation of the Target Vessel of approximately 5.45%.

Reasons for and benefits of the Acquisition

The Acquisition is in line with the business strategy of the Group to upgrade its dry bulk fleet when appropriate opportunities arise. Upon completion of the transactions contemplated under the Acquisition Agreement and the MOA, the Acquisition Target will become a wholly-owned subsidiary of the Company and the Target Vessel will be owned by the Group. The Acquisition represents the addition (or replacement if the Disposal is completed) of a vessel of the Group's dry bulk fleet which is expected to be easier to maintain and less costly to operate. With the scrubber system installed, the Target Vessel can use less costly fuel oil to comply with the relevant regulations of the IMO. Additionally, the Disposal Vessel was built by a shipyard which, to the best knowledge, information and belief of the Directors, has ceased to engage in the building of dry bulk vessels. As a result, it becomes difficult for the Group to obtain technical support for the repairs and maintenance of the Disposal Vessel to maintain the conditions of the Disposal Vessel. On the other hand, the Target Vessel was built by Jiangsu New Hantong, a reputable shipbuilder in the PRC, which would be able to provide technical support, when requires by the Group, for the repairs and maintenance of the Target Vessel. Therefore, the Acquisition together with the Disposal effectively represent an upgrade of the Group's dry bulk fleet and would enable the Group to provide better services to its customers.

The Directors are of the view that the Acquisition is in the interest of the Company and the Shareholders as a whole, and that the Acquisition Agreement is on normal commercial terms and the terms are fair and reasonable.

THE DISPOSAL

The Board is pleased to announce that on 13 September 2024 (after trading hours), Courage Marine (an indirect wholly-owned subsidiary of the Company) entered into the Disposal Agreement with the Buyer for the disposal of the Disposal Sales Shares, representing the entire issued share capital of the Disposal Target, and the Disposal Sale Loan, for the Disposal Price of US\$13,800,000. The sole asset of the Disposal Target is the Disposal Vessel. The Acquisition and the Disposal are not inter-conditional.

The Disposal Agreement

The principal terms of the Disposal Agreement are as follows:

Date: 13 September 2024

Parties: Courage Marine (as vendor)

Buyer (as purchaser)

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Buyer and its ultimate beneficial owner are Independent Third Parties.

Consideration: The Disposal Price is US\$13,800,000 and comprises the disposal prices for the Disposal Sale Shares of US\$10,000 and for the Disposal Sale Loan of US\$13,790,000.

Payment terms: The Disposal Price is payable on completion of the Disposal Agreement.

Condition precedent: Completion is conditional upon the passing of the resolution(s) by the Shareholders at the SGM to be convened to approve the Disposal Agreement and the transactions contemplated thereunder.

Termination: If the condition precedent is not fulfilled on or before 30 November 2024 or such other date as may be agreed by Courage Marine and the Buyer, the Disposal Agreement shall terminate.

The Consideration

The consideration for the Disposal was determined upon arm's length negotiations between the Group and the Buyer. The Disposal Price was determined with reference to prevailing market prices of vessels of similar age, capacity and conditions and valuation of the Disposal Vessel at approximately US\$14,100,000 as at 31 July 2024 as appraised by the Independent Valuer (as further detailed below). The Company intends to use the proceeds from the Disposal as general working capital of the Group.

Information on the parties to the Disposal Agreement

The principal activity of Courage Marine is investment holding.

The Buyer is a company incorporated in the Republic of Panama with limited liability and is principally engaged in investment holding. To the best knowledge, information and belief of the Directors, the Buyer is ultimately owned by Ms. Yeh Hung Mei-Chih.

The Disposal Target and the Disposal Vessel

The Disposal Target was incorporated in the Republic of Panama and it is principally engaged in the ownership and operation of the Disposal Vessel, its only asset. Assuming the Disposal completes, the Company will no longer hold any interest in the Disposal Target and the Disposal Target will cease to be a subsidiary of the Company.

According to the management accounts of the Disposal Target, the net profits before and after tax for the years ended 31 December 2022 and 2023 are set out below:

| | For the year ended | |
|--------------------------|---------------------------|------------------------|
| | 31 December | |
| | 2022 | 2023 |
| | <i>US\$'000</i> | <i>US\$'000</i> |
| Profit before tax | 827 | 469 |
| Profit after tax | 827 | 469 |

The unaudited adjusted net assets of the Disposal Target as at 31 July 2024 was approximately US\$13,299,000 (after adjusting for the shareholder loan due to Courage Marine).

The Disposal Vessel is named "Zorina" and was built in 2011 with a carrying capacity of approximately 57,000 dwt. It is under charter and is operating in normal operating condition. The carrying value of the Disposal Vessel as at 31 July 2024 was approximately US\$13,605,000.

Valuation of the Disposal Vessel

The valuation of the Disposal Vessel by the Independent Valuer adopted the market approach and made the following principal assumptions:

- (a) the Disposal Vessel will continue to be used in its present existing state for which it was designed and built without specific reference to income; and
- (b) the Disposal Vessel will be used in its present existing state with the benefit of continuity during the foreseeable future.

In the course of considering the appropriate valuation approach and methodology adopted in the valuation of the Disposal Vessel, the Independent Valuer is of the view that the income approach is not appropriate. The international shipping market is highly volatile with freight rates subject to significant fluctuations due to macroeconomic and geopolitical factors. If income approach is to be used, various projections, including contract terms and operating costs, have to be made which cannot be easily justified or ascertained, thus reasonable projections of the amounts and timing of future income are not available for the valuation. As for the cost approach, it will generally only be considered if there is a lack of market comparables. Accordingly, the market approach is adopted by the Independent Valuer to determine the valuation of the Disposal Vessel.

The Independent Valuer selected market comparables based on (i) type of vessels as Supramax type; (ii) use of vessels as bulk carriers; (iii) vessel's capacity; (iv) age of vessels; and (v) built location being in the PRC, on an exhaustive basis. As advised by the Independent Valuer, the transaction prices paid for the comparable vessels during the period from 5 July 2024 to 2 August 2024 based on available market data fall within the range of approximately US\$12,500,000 to US\$17,300,000. In arriving at the valuation of the Disposal Vessel, adjustments were made to the transaction prices of the comparable vessels to account for the difference in age and carrying capacity. For the age adjustment, annual depreciation rates of the comparable vessels were computed assuming a normal useful life of 25 years for the vessels. A downward adjustment would be made to the prices of the comparable vessels with longer remaining useful life, while an upward adjustment would be made to the prices of the comparable vessels with shorter remaining useful life. For the carrying capacity, this involves converting the prices of the comparable vessels to a dollar-per-tonnage basis, and then applying an upward or downward adjustment to align their prices with the same dwt as the vessel being appraised. Upon adjustment, the estimated fair values of the comparable vessels fall within the range of approximately US\$13,350,000 to US\$15,460,000 with a mean value of US\$14,100,000.

After taking into account the above factors, the Independent Valuer reached the opinion that the Disposal Vessel's valuation reflected the market value of the Disposal Vessel as at the date of valuation (i.e., 31 July 2024), and that the estimated fair value of the Disposal Vessel is reasonably represented by the amount of US\$14,100,000. The Disposal Price thus represent a discount to the Disposal Vessel's valuation of approximately 2.13% .

Financial impact of the Disposal

Assuming the Disposal completes, the Company expects to record a gain of approximately US\$501,000. The expected gain is calculated with reference to the Disposal Price and the unaudited adjusted net assets of the Disposal Target as at 31 July 2024 of approximately US\$13,299,000 (after adjusting for the shareholder loan due to Courage Marine). The actual gain or loss of the Disposal will be subject to change depending on the adjusted net assets of the Disposal Target as at the date of completion of the Disposal Agreement and is subject to any accounting adjustment and audit by the Company's auditor.

Reasons for and benefits of the Disposal

The Group's dry bulk fleet currently comprises three Supramax size vessels, of which the Disposal Vessel is one of the oldest. The Disposal is in line with the business strategy of the Group to upgrade its dry bulk fleet when appropriate opportunities arise. Subject to the Acquisition being completed, the Disposal represents the replacement of a vessel of the Group's dry bulk fleet by one which is expected to be easier to maintain and less costly to operate given the Disposal Vessel does not have a scrubber system installed. Also, the Disposal Vessel was built by a shipyard which, to the best knowledge, information and belief of the Directors, has ceased to engage in the building of dry bulk vessel. As a result, it becomes difficult for the Group to obtain technical support for the repairs and maintenance of the Disposal Vessel to maintain the conditions of the Disposal Vessel. On the other hand, the Target Vessel was built by Jiangsu New Hantong, a reputable shipbuilder in the PRC, which would be able to provide technical support, when requires by the Group, for the repairs and maintenance of the Target Vessel. Therefore, the Acquisition together with the Disposal effectively represent an upgrade of the Group's dry bulk fleet and would enable the Group to provide better services to its customers. Upon completion of the transactions contemplated under the Disposal Agreement, the Group may reallocate the net proceeds from the Disposal as general working capital which may be used, if and when appropriate opportunities arise, to expand the capacity or improve the efficiency of the Group's dry bulk fleet.

The Directors are of the view that the Disposal is in the interest of the Company and the Shareholders as a whole, and that the Disposal Agreement is on normal commercial terms and the terms are fair and reasonable.

INFORMATION OF THE GROUP

The principal activity of the Company is investment holding. The Group, comprising the Company and its subsidiaries, is principally engaged in the business of marine transportation, investment holding, property holding and investment, and merchandise trading.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.

SGM

The SGM will be convened and held for the Shareholders to consider, and if thought fit, approve the Acquisition and the Disposal.

A circular containing, among other things, further details of the Agreements and the transactions contemplated thereunder and other information as required to be disclosed under the Listing Rules, and a notice of the SGM and a form of proxy, is expected to be despatched to the Shareholders on or before 8 October 2024.

The completion of the Acquisition and the Disposal is conditional upon the satisfaction of the terms and conditions set out in the Acquisition Agreement and the Disposal Agreement, respectively, and each of them may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

| | |
|-----------------------------|--|
| “Acquisition” | proposed acquisition of the Acquisition Sale Shares and Acquisition Sale Loan pursuant to the terms and conditions of the Acquisition Agreement; |
| “Acquisition Agreement” | sale and purchase agreement dated 13 September 2024 entered into between Peak Prospect as purchaser and the Seller as seller in relation to the Acquisition; |
| “Acquisition Consideration” | the maximum amount of US\$15,450,100 payable by Peak Prospect to the Seller under the Acquisition Agreement for the Acquisition; |

| | |
|---------------------------|--|
| “Acquisition Sale Loan” | the aggregate amount of an interest-free shareholder’s loan advanced by Seller to the Acquisition Target as at the date of completion of the Acquisition Agreement; |
| “Acquisition Sale Shares” | 100 ordinary shares of US\$1 each in the Acquisition Target, representing the entire issued share capital of the Acquisition Target; |
| “Acquisition Target” | Poly Odyssey Marine Corp., a company incorporated in the Marshall Islands with limited liability; |
| “Agreements” | the Acquisition Agreement and the Disposal Agreement; |
| “Ancillary Expenditure” | all costs, fees and expenses (including legal and professional fees) incurred by the Seller and/or the Acquisition Target in connection with the set up and operation of the Acquisition Target, and the preparation, negotiation and entering into of the MOA; and all costs, fees and expenses (including legal and professional fees, finance costs, fuels, lubricants and running costs) related to the acquisition and operation of the Target Vessel by the Acquisition Target from the date of the MOA up to the completion of the Acquisition; |
| “Balance” | 90% of the price of the sale and purchase of the Target Vessel under the MOA; |
| “Banking Days” | days on which banks are open in the United States of America, Greece, Netherlands, Singapore, PRC and Hong Kong; |
| “Board” | Board of Directors; |
| “Buyer” | VELDA MARINE CORP., a company incorporated in the Republic of Panama with limited liability; |
| “Company” | Courage Investment Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are primarily listed on the Main Board of the Stock Exchange and secondarily listed on the Main Board of Singapore Exchange Securities Trading Limited; |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules; |
| “Courage Marine” | Courage Marine (Holdings) Co., Limited, a company incorporated in Hong Kong with limited liability; |

| | |
|------------------------|--|
| “Deposit” | 10% of the price of the sale and purchase of the Target Vessel under the MOA; |
| “Disposal” | proposed disposal of the Disposal Sale Shares and Disposal Sale Loan pursuant to the terms and conditions of the Disposal Agreement; |
| “Disposal Agreement” | sale and purchase agreement dated 13 September 2024 entered into between the Buyer as purchaser and Courage Marine as seller in relation to the Disposal; |
| “Disposal Price” | the price under the Disposal Agreement of US\$13,800,000 for the Disposal; |
| “Disposal Sale Loan” | the aggregate amount of an interest-free shareholder’s loan advanced by Courage Marine to the Disposal Target as at the date of completion of the Disposal Agreement; |
| “Disposal Sale Shares” | 100 ordinary shares of US\$100 each in the Disposal Target, representing the entire issued share capital of the Disposal Target; |
| “Disposal Target” | Zorina Navigation Corp., a company incorporated in the Republic of Panama with limited liability; |
| “Disposal Vessel” | a vessel named “Zorina”; |
| “Director(s)” | director(s) of the Company; |
| “dwt” | an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including bunkers, fresh water, crew and provisions; |
| “Group” | the Company and its subsidiaries; |
| “Handling Fee” | the handling fee of US\$22,125 payable by Peak Prospect to the Seller under the Acquisition Agreement for the Acquisition; |
| “Hong Kong” | The Hong Kong Special Administrative Region of the PRC; |
| “IMO” | International Maritime Organization; |

| | |
|--------------------------------|---|
| “Independent Third Party(ies)” | person(s) who is/are independent of the Group and independent of connected persons of the Company; |
| “Independent Valuer” | JP Assets Consultancy Limited, an independent qualified valuer, is a professional firm providing valuation and consulting services for a wide range of industries and business functions; |
| “Jiangsu New Hantong” | Jiangsu New Hantong Ship Heavy Industry Co., Ltd. (a literal translation of its Chinese name 江蘇新韓通船舶重工有限公司), a company incorporated in the PRC with limited liability; |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange; |
| “MOA” | memorandum of agreement dated 13 September 2024 entered into between the Acquisition Target as buyer and the Ultimate Seller as seller in relation to the sale and purchase of the Target Vessel; |
| “Peak Prospect” | Peak Prospect Global Limited, a company incorporated in the British Virgin Islands with limited liability; |
| “PRC” | the People’s Republic of China (and for the purpose of this announcement does not include Hong Kong, Macao Special Administrative Region, and Taiwan Region); |
| “Purchase Price” | part of the Acquisition Consideration which represents and is equivalent to the price of the sale and purchase of the Target Vessel under the MOA, comprising the Deposit and the Balance; |
| “Seller” | Fortune Marine Holdings Limited, a company incorporated in the British Virgin Islands with limited liability; |
| “SGM” | a special general meeting of the Shareholders to be convened by the Company to consider, and if thought fit, to approve the Acquisition and the Disposal; |
| “Shareholder(s)” | Shareholder(s) of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Target Vessel” | a vessel named “Diva”; |
| “Ultimate Seller” | STAR TRIDENT VII LLC, a company incorporated in Marshall Islands with limited liability; |

“US\$” United States dollars, the lawful currency of the United States of America; and

“%” per cent.

By Order of the Board
Courage Investment Group Limited
Sue Ka Lok
Chairman

Hong Kong, 13 September 2024

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Sue Ka Lok (Chairman), Ms. Lee Chun Yeung, Catherine (Chief Executive Officer) and Ms. Wang Yu; and three Independent Non-executive Directors, namely Mr. Zhou Qijin, Mr. Pau Shiu Ming and Mr. Tsao Hoi Ho.