

17 January 2025

To the Independent Board Committee

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL GENERAL CASH OFFER BY
GET NICE SECURITIES LIMITED FOR AND ON BEHALF OF
CHINA MARK LIMITED TO ACQUIRE
ALL OF THE ISSUED SHARES OF
COURAGE INVESTMENT GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
TO BE ACQUIRED BY CHINA MARK LIMITED)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms of the Offer, details of which are set out in this Composite Document dated 17 January 2025, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in this Composite Document unless the context requires otherwise.

References are made to the letter from the Board of this Composite Document (“**Board Letter**”) and the Joint Announcement dated 4 December 2024 whereby the Company and the Offeror jointly announced that the Board was notified by the Offeror on 26 November 2024, following the purchase of 315,990,132 Shares, representing approximately 28.79% of the total issued share capital of the Company, by the Offeror from the Vendor pursuant to the sale and purchase agreement entered into between the Offeror and the Vendor on 26 November 2024, that was completed on 28 November 2024, the Offeror would make a voluntary conditional general cash offer in compliance with the Takeovers Code to acquire all of the Offer Shares.

The total consideration of HK\$34,543,766.59 for the purchase of the Sales Shares was paid by the Offeror from its internal resources. Following the purchase and as at the Latest Practicable Date, the Offeror and the parties acting, and presumed to be acting in concert with it own 317,432,132 Shares, representing approximately 28.92% of the total issued share capital of the Company.

The Offer

Principal terms of the Offer

Subject to the Condition, the Offer is made by Get Nice on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.1094 in cash

The Offer Price of HK\$0.1094 per Offer Share is the same as, with rounding up from, the purchase price per Share of approximately HK\$0.10932 per Sale Share paid by the Offeror to the Vendor.

The Independent Board Committee comprising all the Independent Non-executive Directors has been established to make a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. We, Nuada Limited, have been appointed by the Company pursuant to Rule 2.1 of the Takeovers Code and with the approval of the Independent Board Committee, to advise the Independent Board Committee as to the fairness and reasonableness of the Offer and as to acceptance of the Offer.

OUR INDEPENDENCE

As at the Latest Practicable Date, we are not associated or connected with the Company, the Vendor, Mr. Suen Cho Hung, Paul, the Offeror, Ms. Liu, Get Nice, their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the Offer, there were no other engagements between us and the Company, the Vendor, Mr. Suen Cho Hung, Paul, the Offeror, Ms. Liu, Get Nice, their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Vendor, Mr. Suen Cho Hung, Paul, the Offeror, Ms. Liu, Get Nice, their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice on the Offer.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in this Composite Document and the information and representations provided to us by the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information and representations provided by the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors or the Offeror (as the case may be) in this Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth,

accuracy and completeness of the information and facts contained in this Composite Document, or the reasonableness of the opinions expressed by the Company, the Offeror, their respective advisers, the Directors, which have been provided to us.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than that expressed by the director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Vendor and the Group) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this Composite Document (other than that expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

Our review and analysis were based upon, among other things, (i) the Joint Announcement in relation to the Offer; (ii) this Composite Document; (iii) certain published information from the public domain including announcements in respect of Comparable Companies (as defined as “**Comparable Company(ies)**” below under the paragraph headed “4. Analysis of the Offer Price” in this letter); (iv) the annual report of the Company (“**Annual Report 2022**”) for the financial year ended 31 December 2022 (“**FY2022**”); (v) the annual report of the Company (“**Annual Report 2023**”) for the financial year ended 31 December 2023 (“**FY2023**”); and (vi) the interim report of the Company (“**Interim Report 2024**”) for the six months ended 30 June 2024 (“**FP2024**”).

We consider that we have been provided with sufficient information and have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group. We have not considered the taxation implication on the Group, the Offer Shareholders as a result of the Offer. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context. Our opinion is necessarily based on the financial market and other conditions in effect and the information made available to us as at the Latest Practicable Date, and the Offer Shareholders will be notified of any material changes (if any) to such statements, information, opinions and/or representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regards to the Offer, we have taken into account the following principal factors and reasons:

1. Information on the Group

(a) Principal business of the Group

With reference to the Board Letter and according to the Management, the principal activity of the Company is investment holding. The Group is principally engaged in the business of marine transportation (provision of vessel chartering services), investment holding, property holding and investment, and merchandise trading.

(b) Financial information of the Group

The table below summarises the financial results of the Group (i) for the financial year ended 31 December 2021 (“FY2021”), FY2022 and FY2023 respectively as extracted from the Annual Report 2022 and the Annual Report 2023; and (ii) for the six months ended 30 June 2023 (“FP2023”) and FP2024 as extracted from the Interim Report 2024.

Table 1: Financial information of the Group extracted from the condensed consolidated income statement/consolidated income statement of the Group

| | For the six months ended | | For the year ended | | |
|---|--------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| | 30 June 2024 | 30 June 2023 | 31 December 2023 | 31 December 2022 | 31 December 2021 |
| | (Unaudited) US\$'000 | (Unaudited) US\$'000 | (Audited) US\$'000 | (Audited) US\$'000 | (Audited) US\$'000 |
| Revenue | 5,070 | 3,989 | 8,512 | 12,372 | 9,738 |
| Direct expenses | (2,966) | (3,147) | (6,219) | (7,000) | (4,925) |
| Administrative expenses | (1,010) | (721) | (1,563) | (1,335) | (1,523) |
| Impairment loss (recognised) reversed on vessels, net | (299) | 109 | (1,008) | (797) | 13,430 |
| Allowance for credit losses on debt instruments at fair value through other comprehensive income, net | – | (704) | (1,146) | (1,402) | (5,360) |
| Loss on disposal of subsidiaries | – | – | (2,100) | – | – |
| Share of result of a joint venture | – | (591) | (788) | (758) | 87 |
| Profit(loss) for the period/year attributable to owners of the Company | 1,278 | (983) | (3,974) | 1,123 | 10,488 |

Financial performance for FY2022

The Group recorded a revenue of approximately US\$12.37 million for FY2022, marking an increase of approximately 27.00% compared to that for FY2021 (i.e. approximately US\$9.74 million) and such increase was mainly attributable to the improved market conditions of the marine chartering industry and the general increase in charter rates of the Group’s vessels during the year according to the Annual Report 2022 and the Management. The

revenue of the Group's marine transportation business increased by 34.52% to US\$12.08 million for FY2022 (FY2021: approximately US\$8.98 million), and with its profit increased by 38.07% to US\$5.44 million for FY2022 (FY2021: approximately US\$3.94 million). The direct expenses of the Group increased from approximately US\$4.93 million for FY2021 to approximately US\$7.00 million for FY2022. With reference to the breakdown of the direct expenses provided by the Management, such increase was mainly due to (i) the crew wages increased from approximately US\$1.79 million for FY2021 to approximately US\$2.49 million for FY2022; (ii) the depreciation increased from approximately US\$1.35 million for FY2021 to approximately US\$2.15 million for FY2022; and (iii) the repairs and maintenance increased from approximately US\$823,000 for FY2021 to approximately US\$1.35 million for FY2022.

With reference to note 15 to the consolidated financial statements in the Annual Report 2022, the fair value less costs of disposal of two vessels of the Group was determined based on prevailing market conditions, including second-hand prices and freight rate of similar vessels and amounted to approximately US\$30.23 million for FY2022 (approximately US\$31.97 million for FY2021) in aggregate, such fair values are higher than their respective value in use. As the recoverable amounts of these vessels were lower than their individual carrying amount before impairment, an impairment loss on vessels of US\$797,000 was recognised in profit or loss during FY2022 (an impairment loss on vessels of approximately US\$13.43 million was reversed for FY2021 as the recoverable amounts of the vessels were higher than their individual carrying amount).

In FY2022, a net allowance for credit losses on debt instruments at fair value through other comprehensive income of approximately US\$1.40 million was recognised in profit or loss with a corresponding adjustment to other comprehensive income, showing an improvement from approximately US\$5.36 million for FY2021. With reference to the section headed "Management Discussion and Analysis" in the Annual Report 2022, the recognition of these credit losses was primarily a result of the further deterioration of the financial position of the issuers of the corporate bonds held by the Group during FY2022. These bond issuers are all property companies based in the PRC and their credit ratings have been withdrawn or downgraded by the credit rating agencies. Additionally, some of the bonds held by the Group are in default status due to non-payments of interest and/or principal.

Despite the Group recorded an increase in revenue during FY2022 as mentioned above, the Group recorded a decrease in profit for the year attributable to owners of the Company. Such decline was mainly due to the impairment loss recognised on vessels for FY2022, in contrast to the impairment loss reversed on vessels for FY2021 as mentioned above. The profit for the year attributable to the owners of the Company decreased from approximately US\$10.49 million for FY2021 to approximately US\$1.12 million for FY2022.

Financial performance for FY2023

The Group recorded a revenue of approximately US\$8.51 million for FY2023, representing a decrease of approximately 31.20% as compared to approximately US\$12.37 million for FY2022. According to the Management and Annual Report 2023, the revenue generated from the Group's marine transportation business decreased from approximately

US\$12.08 million for FY2022 to approximately US\$8.45 million for FY2023. Throughout FY2023, the average freight rate charged by the Group's vessels was approximately 50% lower than that in FY2022 mainly due to the decrease in demand of dry bulk commodities worldwide according to the Management. The freight rates charged by the Group were in line with the movement of the Baltic Dry Index, which is closely correlated to the market freight rates. During FY2023, the Baltic Dry Index remained volatile and hovering between the 1,000 to 2,000 points level for most of FY2023, and was considerably lower than the 1,500 to 2,500 points level in FY2022.

With reference to note 29 to the consolidated financial statements of the Company in the Annual Report 2023, during FY2023, the Group disposed of its interest in a joint venture through the disposal of a subsidiary to an independent third party at a cash consideration of Renminbi 13.5 million (approximately US\$1.86 million at the date of transaction) and recorded a loss on disposal of subsidiaries of approximately US\$2.1 million.

Due to the aforesaid decrease in revenue and loss on disposal of subsidiaries, the Group experienced a turnaround from profit for the year attributable to owners of the Company of approximately US\$1.12 million for FY2022 to a loss for the year attributable to owners of the Company of approximately US\$3.97 million for FY2023.

Financial performance for FP2024

The Group recorded an unaudited revenue of approximately US\$5.07 million for FP2024, reflecting an increase of approximately 27.07% compared to that for FP2023 (i.e. approximately US\$3.99 million). According to the Management and Interim Report 2024, such increase was mainly due to the average freight rate charged by the Group's vessels in FP2024 was approximately 34% higher than that in FP2023 as a result of the reduced vessels supply in the market caused by the disruptions in the Panama and Suez Canals. Vessels in the market then have to take alternate routes leading to longer voyage. The increased freight rates were in line with the movements of the Baltic Dry Index, which was hovering between 1,500 to 2,000 points level for much of FP2024, which was noticeably higher than the range of 500 to 1,500 points level observed in FP2023.

According to the Interim Report 2024, the Group experienced a turnaround from an unaudited loss for the period attributable to owners of the Company of approximately US\$983,000 for FP2023 to an unaudited profit for the period attributable to owners of the Company of approximately US\$1.28 million for FP2024. According to the Management and the Interim Report 2024, such turnaround was mainly the combined effect of (i) an increase in profit contribution from the Group's marine transportation operation to approximately US\$2.17 million for FP2024 (approximately US\$796,000 for FP2023); (ii) the absence of the allowance for credit losses on debt instruments at fair value through other comprehensive income for FP2024 (approximately US\$704,000 for FP2023); (iii) the absence of the loss of a joint venture shared by the Group for FP2024 (approximately US\$591,000 for FP2023) and (iv) the impairment loss recognised on vessels of approximately US\$299,000 (a net reversal of impairment loss of approximately US\$109,000 for FP2023).

Table 2: Financial position of the Group

| | As at 30 June 2024 <i>US\$'000</i> (Unaudited) | As at 31 December 2023 <i>US\$'000</i> (Audited) |
|---|--|--|
| Non-current assets | | |
| – Property, plant and equipment | 38,444 | 39,733 |
| – Right-of-use asset | 56 | 105 |
| – Debt instruments at fair value through other comprehensive income | 389 | 389 |
| | 38,889 | 40,227 |
| Current assets | | |
| – Trade receivables | 56 | 323 |
| – Other receivables and prepayments | 554 | 635 |
| – Bank deposits | 18,050 | 16,535 |
| – Cash and cash equivalents | 1,914 | 1,314 |
| | 20,574 | 18,807 |
| Total assets | 59,463 | 59,034 |
| Current liabilities | | |
| – Deposits received, other payables and accruals | 890 | 1,072 |
| – Contract liabilities | 138 | – |
| – Borrowings | – | 756 |
| – Lease liabilities | 59 | 99 |
| | 1,087 | 1,927 |
| Net current assets | 19,487 | 16,880 |
| Total equity | 58,376 | 57,098 |
| Non-current liabilities | | |
| – Lease liabilities | – | 9 |

As stated in the Interim Report 2024, as at 30 June 2024, the current assets of the Group amounted to approximately US\$20.57 million (unaudited) as compared with that of approximately US\$18.81 million (audited) as at 31 December 2023 mainly attributable to (i)

the bank deposits of the Group slightly increased from approximately US\$16.54 million as at 31 December 2023 to approximately US\$18.05 million as at 30 June 2024; and (ii) the cash and cash equivalents of the Group increased from approximately US\$1.31 million as at 31 December 2023 to approximately US\$1.91 million as at 30 June 2024.

With reference to the condensed consolidated statement of cash flows in the Interim Report 2024, the increase of cash and cash equivalents of the Group was the combined effect of (i) the net cash generated from operating activities of approximately US\$2.92 million for FP2024; (ii) the net cash used in investing activities of approximately US\$1.52 million for FP2024; and (iii) the net cash used in financing activities of approximately US\$0.81 million for FP2024.

The non-current assets of the Group slightly decreased from approximately US\$40.23 million (audited) as at 31 December 2023 to approximately US\$38.89 million (unaudited) as at 30 June 2024, mainly due to a slight decrease in property, plant and equipment from approximately US\$39.73 million as at 31 December 2023 to approximately US\$38.44 million as at 30 June 2024.

The current liabilities of the Group decreased from approximately US\$1.93 million (audited) as at 31 December 2023 to approximately US\$1.09 million (unaudited) as at 30 June 2024, which was mainly due to the decrease of borrowings from approximately US\$756,000 as at 31 December 2023 to nil as at 30 June 2024. With reference to note 15 to the condensed consolidated financial statements of the Group for FP2024, the loans of the Group were fully repaid during FP2024.

The total equity increased slightly from approximately US\$57.10 million (audited) as at 31 December 2023 to approximately US\$58.38 million (unaudited) as at 30 June 2024. Such increase was mainly attributable to the profit and total comprehensive income for the period of approximately US\$1.28 million for FP2024 according to the condensed consolidated statement of changes in equity in the Interim Report 2024.

(c) Prospects of the Group

As discussed in the paragraph headed “(b) Financial information of the Group” above, for FY2023, the Group recorded an approximately 31.20% decrease in revenue compared to FY2022. The deteriorated revenue for FY2023 were mainly due to the fact that the freight rates charged by the Group’s vessels were 50% lower than for FY2022 as a result of decreased in demand of dry bulk commodities worldwide according to the Management. The revenue of the Group recovered for FP2024 and recorded an increase of approximately 27.07% compared to that for FP2023 attributed by higher freight rates charged by the Group’s vessels in FP2024 compared to FP2023 as a result of the reduced vessels supply in the market caused by the disruptions in the Panama and Suez Canals. Vessels in the market then have to take alternate routes leading to longer voyage. According to the Management, they expect that the disruptions in the Panama and Suez Canals will be lessened in 2025 and vessels supply in the market will improve in 2025. Based on the above, we are of the view

that the revenue of the Group has been influenced by fluctuations in freight rates. If disruptions in the Panama and Suez Canals lessen and vessel supply in the market improves in 2025, the freight rates may decrease in 2025 and it could negatively impact the revenue of the Company in the short future.

According to the “Review of Maritime Transport 2024” (the “**Maritime Transport Report**”) published by the United Nations Conference on Trade and Development (“**UNCTAD**”) in October 2024 (source: <https://unctad.org/publication/review-maritime-transport-2024>), looking beyond 2024, UNCTAD projects global maritime trade to grow at an average annual rate of 2.4% between 2025 and 2029, with containerised trade expected to increase by 2.7% during the same period. This growth will be supported by technological advancements, the transition to cleaner energy and infrastructure developments. Although the prospects for maritime trade are positive, it is further stated in the Maritime Transport Report that downside risks persist, including potential disruptions from geopolitical tensions, economic uncertainties, trade related tensions and environmental challenges. The global economy faces numerous challenges that could impact medium-term growth prospects. Persistent inflation, particularly in the services sector, makes it more difficult to normalise monetary policies, with central banks cautious about easing too quickly. Inflationary pressures are expected to remain high in several regions. Furthermore, geopolitical tensions, such as those involving trade-related and regional tensions, add complexity to the economic landscape. The potential for significant swings in economic policy, driven by elections and fiscal constraints, increases the uncertainty around global growth projections. High public debt levels in many economies, combined with elevated borrowing costs, constrain fiscal space and limit the ability of governments to respond to economic shocks. Based on the above, while UNCTAD forecasts a 2.4% average annual growth in global maritime trade between 2025 and 2029, the downside risks such as potential disruptions from geopolitical tensions and economic uncertainties persist and therefore we are of the view that the prospect of the global marine transportation industry is uncertain.

On 13 September 2024, the Company announced that (i) Peak Prospect Global Limited (a wholly-owned subsidiary of the Company) as purchaser and Fortune Marine Holdings Limited (the “**Seller**”) entered into the sale and purchase agreement (the “**Acquisition Agreement**”) in relation to the acquisition (the “**Acquisition**”) of the entire issued share capital of Poly Odyssey Marine Corp., (the “**Acquisition Target**”) and an interest-free shareholder’s loan advanced by Seller to the Acquisition Target as at the date of completion of the Acquisition Agreement, for a maximum consideration of US\$15,450,100 and the handling fee of US\$22,125. The sole asset of the Acquisition Target would be a vessel named “Diva” (the “**Acquisition Vessel**”); and (ii) Courage Marine (Holdings) Co., Limited (an indirect wholly-owned subsidiary of the Company) (“**Courage Marine**”) as seller and VELDA MARINE CORP., as purchaser entered into the sale and purchase agreement (the “**Disposal Agreement**”) in relation to the disposal (“the “**Disposal**”) of the entire issued share capital of Zorina Navigation Corp., (the “**Disposal Target**”) and an interest-free shareholder’s loan advanced by Courage Marine to the Disposal Target as at the date of completion of the Disposal Agreement, for a consideration of US\$13,800,000. The sole asset of the Disposal Target was a vessel named “Zorina” (the “**Disposal Vessel**”) (details of the Acquisition and the Disposal are set out in the Company’s announcement (the “**Transactions Announcement**”) dated 13 September 2024 and the Company’s circular dated 1 November 2024).

According to the Management, the Acquisition with the Disposal represents the replacement 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 Acquisition Vessel can use less costly fuel oil to comply with the relevant regulations of the International Maritime Organization. Additionally, the Disposal Vessel was built by a shipyard that, 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 became difficult for the Group to obtain technical support for the repairs and maintenance of the Disposal Vessel. In contrast, the Acquisition Vessel was built by Jiangsu New Hantong, a reputable shipbuilder in the PRC, which would be able to provide technical support as required by the Group for the repairs and maintenance of the Acquisition Vessel. Based on the above, we are of the view that the Acquisition Vessel would enhance operation efficiency and reduce maintenance costs for the Group.

As stated in the section headed "Management Discussion and Outlook" in the Interim Report 2024, the Group is prudently optimistic about the prospects of the marine transportation business in the medium to long term, given that global trading activities have increased alongside the recovery and growth of the global economy. Nevertheless, ongoing conflicts in Ukraine and Palestine, and disruptions in the Panama and Suez Canals, are adding uncertainties to the market.

Notwithstanding that the Acquisition Vessel could enhance operation efficiency and reduce maintenance costs for the Group, having also considered that (i) if disruptions in the Panama and Suez Canals lessen and vessel supply in the market improves in 2025, freight rates may decrease in 2025 and it could negatively impact the revenue of the Company in the short future; and (ii) the potential disruptions from geopolitical tensions and economic uncertainties which may affect the prospect of the global marine transportation industry as stated in the Maritime Transport Report, we are of the view that the prospect and outlook of the Group and the global marine transportation industry is uncertain. We are of the opinion that the Offer provides an opportunity for Offer Shareholders to realise their investment in the Company for cash, especially if the Group faces challenges and the Group's performance is negatively impacted by the upcoming uncertainties.

2. Information on the Offeror and the Offeror's intention regarding the Group

(a) Information on the Offeror

As stated in the "Letter from Get Nice" in this Composite Document, the Offeror is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. Save for the purchase of the Sale Shares, the Offeror did not engage in any other business activities. The Offeror is wholly-owned by Ms. Liu.

Ms. Liu, aged 41, is a Chinese entrepreneur with over 10 years of experience in the construction, real estate development, coal mining and investment industries. She served as the executive president from May 2018 to November 2022 of Wuhai Jintian Real Estate Co., Ltd* (烏海市金田房地產有限公司), which is principally engaged in real estate development. Ms. Liu has served as the chairman of Hainan Sairui Zhenghe Consulting Management Co., Ltd* (海南賽睿正和諮詢管理有限公司) and Hainan Saihe Landao Trading Co., Ltd* (海南賽和藍島貿易有限公司),

which are principally engaged in investment holding for coal mining business, since November 2022 and April 2023 respectively. Ms. Liu obtained a bachelor's degree in International Trade from Dongbei University of Finance and Economics (東北財經大學) in July 2005.

Based on (i) the background information of the Offeror and Ms. Liu as stated above; and (ii) the intention of the Offeror to continue the existing principal businesses of the Group immediately after completion of the Offer as at the Latest Practicable Date, as detailed in the paragraph below, we are of the view that Ms. Liu did not have relevant work experience related to the existing business of the Group and how the Offeror and Ms. Liu may contribute to the existing businesses of the Group in the near future is uncertain.

(b) Intention of the Offeror in relation to the Group

As stated in the "Letter from Get Nice" in this Composite Document, it is the Offeror's intention to acquire a majority interest in the Company pursuant to the Offer. The Offeror intended to continue the existing principal businesses of the Group immediately after completion of the Offer as at the Latest Practicable Date. However, the Offeror also intended to review the operation and business activities and financial position of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business opportunities and consider whether any asset acquisitions/disposals, business rationalisation, restructuring of the business and/or fund raising will be appropriate in order to enhance the long-term growth potential of the Group.

As at the Latest Practicable Date, (i) the Offeror had no intention to make material changes to the employment of the employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); (ii) the Offeror had no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (iii) no investment or business opportunity had been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

(c) Changes to the composition of the Board

As stated in the "Letter from Get Nice" in this Composite Document, the Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable Date, except that the Offeror intended to nominate Ms. Liu as a director to the Board after the close of the Offer, the Offeror had not identified any potential candidate to be appointed as a new director to the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

(d) Maintaining the listing status of the Company

As stated in the “Letter from Get Nice” in this Composite Document, the Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends for the Company to remain listed on the Stock Exchange and the Singapore Stock Exchange. If the level of acceptances of the Offer Shares resulting in the shareholding of the Offeror and parties acting in concert with it reaches 75% of the total issued share capital of the Company, the sole director of the Offeror and the new directors to be appointed to the Board, if any, will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. In this connection, in the event that the public float of the Company falls below 25% upon the close of the Offer, the Offeror will, as soon as practicable, dispose of such number of Shares either directly in the market or through a placing agent to be appointed by the Offeror to ensure that the public float requirement under the Listing Rules can be met. No such arrangements have been confirmed or put in place as at the Latest Practicable Date. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

(e) Our view

Having considered that (i) the Offeror had no intention to make material changes to the employment of the employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); (ii) the intention of the Offeror is that the Company’s existing principal activities will be maintained, and at the same time after completion of the Offer, the Offeror intends to review the operation and business activities and financial position of the Group to formulate a long-term business strategy for the Group, as at the Latest Practicable Date, no investment or business opportunity had been identified; (iii) the Offeror had no intention to dispose or re-deploy the assets of the Group other than those in its ordinary and usual course of business; and (iv) the Offeror intended to nominate Ms. Liu as a director to the Board after the close of the Offer, however, Ms. Liu did not have relevant work experience related to the existing business of the Group, we expect that there would not be substantial change in the principal business activities of the Group as a direct result of the Offer and how the Offeror and Ms. Liu may contribute to the existing businesses of the Group in the near future is uncertain.

3. Principal terms of the Offer

Subject to the Condition, the Offer is made by Get Nice on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

The Offer

For each Offer Share HK\$0.1094 in cash

The Offer Price of HK\$0.1094 per Offer Share is the same as, with rounding up from, the purchase price per Share of approximately HK\$0.10932 per Sale Share paid by the Offeror to the Vendor.

Under the terms of the Offer, the Offer Shares will be acquired with all rights and benefits attaching to them, including, without limitation, the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of despatch of this Composite Document, and free from all Encumbrances.

As at the Latest Practicable Date, the Company had 1,097,703,568 Shares in issue and the Company did not have any other outstanding Shares, options, warrants, derivatives or other securities which are convertible into Shares or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, warrants, derivatives or other relevant securities which are convertible or exchangeable into Shares.

Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$0.1094 per Offer Share, 781,713,436 Shares will be subject to the Offer and the Offer is valued at HK\$85,519,449.90.

The Offer is extended to all Shareholders other than the Offeror in accordance with the Takeovers Code. The Offer will also be opened for acceptance by Offer Shareholders whose Shares are traded on the Singapore Stock Exchange.

Condition of the Offer

The Offer is conditional upon valid acceptances of the Offer having been received (and where permitted, not withdrawn) on or before 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares, which together with the Shares already held by the Offeror and parties acting in concert with it, would result in the Offeror and the parties acting in concert with it holding more than 50% of the voting rights of the Company as at the Closing Date. This Condition cannot be waived.

If the Condition cannot be fulfilled by the Closing Date, the Offer will lapse. The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules.

The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

The Offer may or may not become unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares. Those who are in doubt as to the action should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

Comparison of value

The Offer Price of HK\$0.1094 represents:

- a premium of approximately 4.19% over the closing price of HK\$0.105 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- a discount of approximately 8.83% to the closing price of HK\$0.12 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 13.72% to the average closing price of approximately HK\$0.1268 per Share as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 19.79% to the average of the closing prices of approximately HK\$0.1364 per Share as quoted on the Stock Exchange for the 10 trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 25.73% to the average of the closing prices of approximately HK\$0.1473 per Share as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 6.63% over the average of the closing prices of approximately HK\$0.1026 per Share as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 73.66% to the Group's unaudited consolidated net assets attributable to the Shareholders per Share of approximately US\$0.0532 (equivalent to approximately HK\$0.4153) as at 30 June 2024 (calculated based on (i) a total of 1,097,703,568 Shares as at the Latest Practicable Date, (ii) the Group's unaudited consolidated net assets attributable to the Shareholders of approximately US\$58,376,000 as at 30 June 2024 and (iii) the exchange rate of US\$1: HK\$7.809 as at 28 June 2024,); and
- a discount of approximately 73.08% to the Group's audited consolidated net assets attributable to the Shareholders per Share of approximately US\$0.0520 (equivalent to approximately HK\$0.4063) as at 31 December 2023 (calculated based on (i) a total of 1,097,703,568 Shares as at the Latest Practicable Date, (ii) the Group's audited

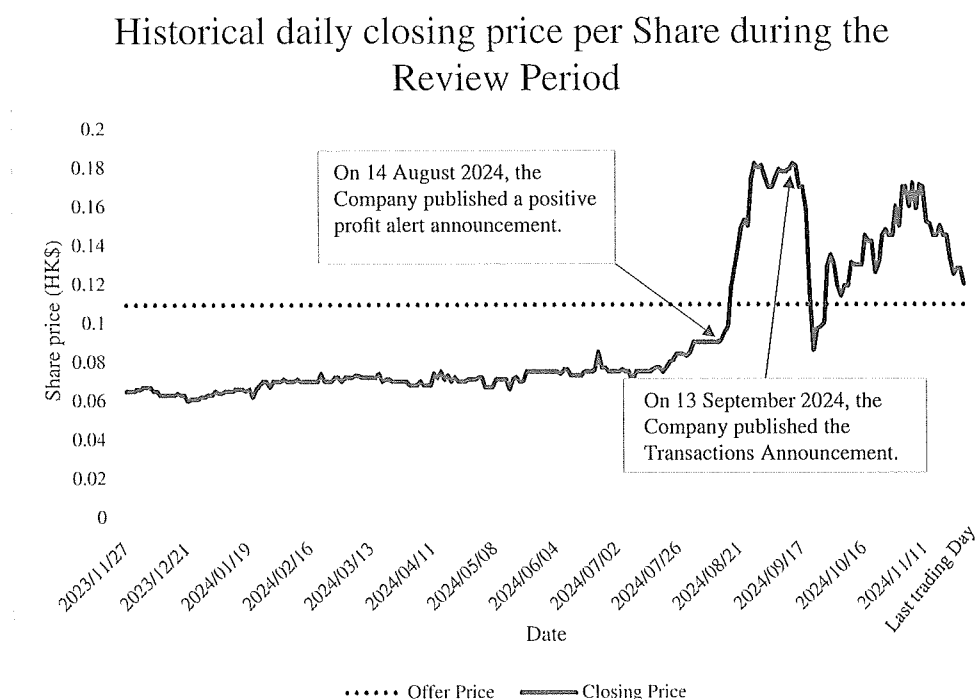
consolidated net assets attributable to the Shareholders of approximately US\$57,098,000 as at 31 December 2023 and (iii) the exchange rate of US\$1: HK\$7.811 as at 28 December 2023).

4. Analysis of the Offer Price

(a) Historical price performance of the Shares

Set out below are out analysis on the Offer Price to the Share price during the Review Period:

Graph 1: Historical daily closing price per Share during the Review Period



Source: Website of the Stock Exchange (www.hkex.com.hk)

We have analysed the movements in the closing price of the Shares for the period commencing from 27 November 2023 to the Last Trading Day (i.e. 26 November 2024), being the 12-month period prior to the Last Trading Day (the “**Review Period**”), including key/relevant events that have been identified. In determining the length of the Review Period, we have ensured that it is sufficiently long to effectively demonstrate the correlation between the recent trend of the closing price of the Shares and the Offer Price.

Based on the chart above, closing prices of the Shares fluctuated within a range from HK\$0.060 per Share to HK\$0.182 per Share recorded with an average closing price of approximately HK\$0.093 per Share (the “**Average Closing Price**”) during the Review Period. The Offer Price (i.e.

HK\$0.1094) represents a premium of approximately 17.63% to the Average Closing Price. We also found that out of 246 trading days during the Review Period, there were 181 trading days that the closing prices of the Shares were trading below the Offer Price and only 65 trading days that the closing prices of the Shares were trading over the Offer price.

We observed that the daily closing prices of the Shares remained stable from the beginning of the Review Period until the middle of August 2024. Subsequently, the closing price of the Share surged from HK\$0.095 on 14 August 2024 to HK\$0.118 on 16 August 2024. We attribute such increase to the Company's positive profit alert announcement dated 14 August 2024, where the Group anticipated recording a profit attributable to owners of the Company for FP2024 of not less than US\$1.0 million, compared to the loss attributable to owners of the Company of approximately US\$1.0 million reported for FP2023. The closing price of the Share reached its peak during the Review Period (i.e. HK\$0.182) on 27 August 2024 and 12 September 2024.

The closing price of the Shares subsequently declined from HK\$0.182 on 12 September 2024 to HK\$0.086 on 23 September 2024. During that period, the Company published the Transactions Announcement on 13 September 2024 regarding the Acquisition and the Disposal. As discussed with the Management, other than the Transactions Announcement, they were not aware of any Group's affairs that could potentially related to the drop in the closing price of the Share during September 2024.

Immediately following the aforesaid drop, the closing price of the Shares followed an upward trend from HK\$0.086 on 23 September 2024 to HK\$0.172 on 5 November 2024 before retracting to HK\$0.120 on the Last Trading Day. As discussed with the Management, besides the disclosed information, they were not aware of any Group's affairs that could potentially lead to fluctuations in the trading price of the Share during the Review Period.

(b) Historical trading liquidity of the Shares during the Review Period

The following table sets out the historical trading liquidity of the Shares during the Review Period:

Table 3: Historical trading liquidity of the Shares during the Review Period

| Month/Period | Number of trading days in each month/period | Total trading volume in each month/period (Shares) | Average daily trading volume in each month/period (Note 1) (Shares) | Percentage of average trading volume to | Percentage of number of Shares held by public Shareholders to total number of Shares in issue at the month/period end | Percentage of average trading volume to total number of Shares held by public Shareholders at the month/period end |
|--------------|---|---|---|---|---|--|
| | | | | total number of Shares in issue at the month/period end (Note 2) | Shares in issue at the month/period end (Note 3) | Shares held by public Shareholders at the month/period end (Note 4) |
| 2023 | | | | | | |
| November | 4 | 720,000 | 180,000 | 0.016% | 71.21% | 0.023% |
| December | 19 | 45,780,000 | 2,409,474 | 0.220% | 71.21% | 0.308% |
| 2024 | | | | | | |
| January | 22 | 15,784,000 | 717,455 | 0.065% | 71.21% | 0.092% |
| February | 19 | 13,130,600 | 691,084 | 0.063% | 71.21% | 0.088% |
| March | 20 | 16,620,000 | 831,000 | 0.076% | 71.21% | 0.106% |
| April | 20 | 10,640,000 | 532,000 | 0.048% | 71.21% | 0.068% |
| May | 21 | 4,646,600 | 221,267 | 0.020% | 71.21% | 0.028% |
| June | 19 | 11,833,600 | 622,821 | 0.057% | 71.21% | 0.080% |
| July | 22 | 12,796,000 | 581,636 | 0.053% | 71.21% | 0.074% |
| August | 22 | 42,498,000 | 1,931,727 | 0.176% | 71.21% | 0.247% |
| September | 19 | 28,675,000 | 1,509,211 | 0.137% | 71.21% | 0.193% |
| October | 21 | 18,160,000 | 864,762 | 0.079% | 71.21% | 0.111% |
| November | 18 | 9,103,000 | 505,722 | 0.046% | 71.21% | 0.065% |
| | | | Minimum | 0.016% | | 0.023% |
| | | | Maximum | 0.220% | | 0.308% |
| | | | Average | 0.081% | | 0.114% |

Source: the Stock Exchange's website (www.hkex.com.hk)

Notes:

1. It is calculated by dividing the total trading volume of the Shares for the month/period by the corresponding number of trading days of that month/period.
2. It is calculated by dividing the average daily trading volume of the Shares by the total number of Shares in issue at each month/period end.
3. We calculated the number of Shares held by public Shareholders by using the number of issued Shares of the Company at the end of each month based on the monthly return of the Company available from the Stock Exchange's website minus the number of Shares held by substantial Shareholder(s) of the

Company, which are available from disclosure of interests of the Stock Exchange's website and according to the Management. The number of Shares held by the substantial Shareholder(s) have remained constant during the Review Period according to the Management.

4. It is calculated by dividing the average daily trading volume of the Shares by the total number of Shares held by public Shareholders at each month/period end.

As shown above, during the Review Period, the average daily trading volume for each month or period ranged from approximately 0.016% to 0.220% of the total number of Shares in issue at the end of the respective month or period. The average daily trading volume of the Shares on the Stock Exchange during the Review Period was approximately 936,531 Shares, representing approximately 0.085% of the Company's existing total issued Shares as at the Latest Practicable Date. The average daily trading volume for each month or period ranged from approximately 0.023% to 0.308% of the total number of Shares held by public Shareholders at the end of the respective month or period with an average of approximately 0.114%. Based on the above, we consider that the liquidity of the Shares had been generally thin during the Review Period.

While the Offer provides an exit alternative at the Offer Price for the Offer Shareholders who would like to realise their investments in the Shares at a fixed price and within a short period of time, we also advise these Offer Shareholders to consider selling their Shares in the open market instead of accepting the Offer if the closing prices of the Shares are above the Offer Price. This recommendation takes into account the potential pressure on the Share price when selling in bulk.

(c) Comparable analysis

In assessing the fairness and reasonableness of the Offer, we attempted to compare the pricing of other recent cash offers announced by other listed companies in Hong Kong with principal business similar to that of the Company. However, we could not identify any cash offer announced by other listed companies in Hong Kong with principal business similar to that of the Company during the Review Period. Instead, we compared the price-to-earnings ratio ("PE Ratio"), the price-to-book ratio ("PB Ratio") and the price-to-sales ratio ("PS Ratio") of the Company implied by the Offer Price with other listed companies in Hong Kong with business similar to that of the Company. PE Ratio, PB Ratio and PS Ratio are the commonly used valuation benchmarks in assessing the valuation of a company since the data for calculating these ratios can be obtained directly from publicly available information and reflect the value of the company determined by the open market. However, given that the Group recorded loss for the year attributable to the owners of the Company for FY2023, PE Ratio is not applicable and we have relied on the PB Ratio and PS Ratio for our comparable analysis.

Given that (i) the revenue of the Group is mainly generated from marine transportation (provision of vessel chartering services) with reference to note 6 to the consolidated financial statements of the Annual Report 2023 and according to the Management; and (ii) the market capitalisation of the Company was approximately HK\$139 million as at the Last Trading Day (based on the total issued shares of 1,097,703,568 Shares and the average closing price of Share for the five consecutive trading days immediately prior to the Last Trading Day, HK\$0.1268), we attempted to identify companies listed on the Stock Exchange based on the selection criteria that (a) over 80% of their revenue were generated from provision of vessel chartering services in their respective latest

financial year; (b) market capitalisation of which is below HK\$300.0 million as at the Last Trading Day; and (c) have their shares listed on the Main Board of the Stock Exchange. However, we could only identify one comparable company. In this regard, we adjusted the selection criteria to those companies that (a) over 40% of their revenue were generated from provision of vessel chartering services in their respective latest financial year; (b) market capitalisation of which is lower than HK\$500 million as at the Last Trading Day; and (c) have their shares listed on the Main Board of the Stock Exchange. Based on these selection criteria, we identified an exhaustive list of four comparable companies (“Comparable Company(ies)”) as shown below. We consider that while the Company and the Comparable Companies are not closely related in terms of, among others, financial performance, financial position and market capitalisation, the principal activities of such companies are in general affected by similar macro-economic factors including but not limited to, economy and outlook. The Comparable Companies represent a complete and an exhaustive list of companies meeting the aforementioned criteria. The following table sets out the details of the Comparable Companies:

Table 4: Information of the Comparable Companies

| Company No. | (Stock code) | Principal business | Market capitalisation | | Average closing price of the share of the respective Comparable Company as quoted | Net asset value attributable to the shareholders of the respective Comparable Company/ | PB Ratio | PS Ratio |
|-------------|--|--|----------------------------|----------------------------|---|--|---------------------|---------------------|
| | | | as at the Last Trading Day | the latest financial year | on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day | | | |
| | | | (HK\$ million) (Note 1) | (HK\$ million) (Note 2) | (HK\$) (Note 3) | (HK\$ million) (Note 4) | (times) (Note 5) | (times) (Note 6) |
| 1. | Jinhui Holdings Company Limited (137) | Ship chartering and ship owning | 357.4 | 638.6 | 0.674 | 1,618.28 | 0.22 | 0.56 |
| 2. | Asia Energy Logistics Group Limited (351) | Shipping and logistics and telecommunications related business | 239.4 | 143.7 | 0.120 | 170.14 | 1.41 | 1.67 |
| 3. | Yun Lee Marine Group Holdings Limited (2682) | Provision of vessel chartering and related services, ship management services and marine construction services | 124.0 | 334.6 | 0.124 | 265.50 | 0.47 | 0.37 |

| Company No. | (Stock code) | Principal business | Average closing price of the share of the respective Comparable Company as quoted | | | | | PB Ratio | PS Ratio |
|-------------|---|--------------------------------|---|--|---|--|----------------|-----------|----------|
| | | | Market capitalisation as at the Last Trading Day | Revenue of the respective Comparable Company/ Company in the latest financial year | on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day | Net asset value attributable to the shareholders of the respective Comparable Company/ Company | (HK\$ million) | | |
| | | | (HK\$ million) | (HK\$ million) | (HK\$) | (HK\$ million) | (times) | (times) | |
| | | | (Note 1) | (Note 2) | (Note 3) | (Note 4) | (Note 5) | (Note 6) | |
| 4. | Great Harvest Maeta Holdings Limited (3683) | Chartering of vessels business | 179.1 | 105.3 | 0.188 | 82.13 | 2.18 | 1.70 | |
| | | | | | | Minimum | 0.22 | 0.37 | |
| | | | | | | Maximum | 2.18 | 1.70 | |
| | | | | | | Average | 1.07 | 1.07 | |
| | | | | | | Median | 0.94 | 1.11 | |
| | The Offer/The Company | | 120.1 | 66.5 | 0.1094 | 455.86 | 0.26 | 1.81 | |
| | | | (Note 7) | | (Note 8) | | (Note 9) | (Note 10) | |

Source: the website of the Stock Exchange (www.hkex.com.hk) and the latest published financial reports of the respective Comparable Companies.

Notes:

1. Based on the average closing price of the share of the respective Comparable Company as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day and their respective issued shares (excluding treasury shares) as quoted on the latest published monthly return available on the website of the Stock Exchange.
2. Based on the figures from respective Comparable Companies' latest published annual reports.
3. The figures are calculated based on the figures available from the website of the Stock Exchange.
4. Based on the figures from respective Comparable Companies' latest published financial results.
5. The figures are calculated based on the average closing price of the share of the respective Comparable Company as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day (please refer to note 1 above) divided by net asset value attributable to the shareholders of the respective Comparable Company per issued share of the respective Comparable Company.

6. The figures are calculated based on the market capitalisation of the respective Comparable Company (please refer to note 1 above) divided by the revenue of the respective Comparable Company in the latest financial year.
7. Being the market capitalisation of the Company implied by the Offer Price.
8. Being the Offer Price.
9. The figure is calculated by dividing the Offer Price by the net asset value attributable to the Shareholders of the Company as at 30 June 2024 (i.e. US\$58.38 million (equivalent to approximately HK\$455.86 million based on the exchange rate of US\$1: HK\$7.809 as at 28 June 2024) according to the Interim Report 2024) per issued Share.
10. The figure is calculated by dividing the market capitalisation of the Company implied by the Offer Price and the revenue of the Company for FY2023 from the Annual Report 2023.

As shown above, the PB Ratios of the Comparable Companies ranged from approximately 0.22 times to approximately 2.18 times, with an average of 1.07 times and a median of approximately 0.94 times. Consequently, the PB Ratio of the Company implied by the Offer Price of approximately 0.26 times is (i) higher than one out of four Comparable Companies' PB Ratios; and (ii) lower than the average and median of the PB Ratios presented by the Comparable Companies.

The PS Ratios of the Comparable Companies ranged from approximately 0.37 times to approximately 1.70 times, with an average of 1.07 times and a median of approximately 1.11 times. Consequently, the PS Ratio of the Company implied by the Offer Price of approximately 1.81 times is higher than that of all of the Comparable Companies.

Although the Offer Price represents a discount of approximately 73.66% to the Group's unaudited consolidated net assets attributable to the Shareholders per Share as at 30 June 2024, having considered that (i) the PB Ratio of the Company implied by the Offer Price of approximately 0.26 times is within the range of the PB Ratios presented by the Comparable Companies; (ii) the Average Closing Price during the Review Period (HK\$0.093) represents a deep discount of approximately 77.61% to the net asset value attributable to the Shareholders of the Company per Share as at 30 June 2024 (HK\$0.4153) ("**NAV per Share**"), indicating the trading price of the Share has been significantly lower than the NAV per Share for an extended period; and (iii) the PS Ratio of the Company implied by the Offer Price is higher than that of all of the Comparable Companies, we are of the view that the Offer Price is fair and reasonable.

Given the closing price of the Shares has continued to fluctuate since the publication of the Joint Announcement and up to the Latest Practicable Date, Offer Shareholders who intend to realise their investment in the Company should, considering their own circumstances, contemplate selling the Shares in the open market instead of accepting the Offer if the net proceeds from the sale of such Shares in the open market would exceed what they would receive under the Offer. Offer Shareholders should carefully weigh the various factors outlined in different sections of this letter before deciding whether to accept the Offer.

RECOMMENDATION

The Offer

Having taken into account the principal factors and reasons as discussed above and summarised as follows (to be read in conjunction with and interpreted in the full context of this letter):

- (i) despite the Group turned around from an unaudited loss for the period attributable to the owners of the Company of approximately US\$983,000 for FP2023 to an unaudited profit for the period attributable to the owners of the Company of approximately US\$1.28 million for FP2024 as stated under the paragraph headed “1. Information on the Group – (b) Financial information of the Group” above in this letter, we remain cautious about the financial performance of the Group based on the uncertainties as stated in the paragraph headed “1. Information on the Group – (c) Prospects of the Group” above in this letter that freight rates may decrease in 2025 because of the disruptions in the Panama and Suez Canals may lessen and vessel supply in the market may improve in 2025, which could in turn negatively impact the revenue of the Company in the short future;
- (ii) notwithstanding that the Acquisition Vessel could enhance operation efficiency and reduce maintenance costs for the Group, having also considered that (a) if disruptions in the Panama and Suez Canals lessen and vessel supply in the market improves in 2025, freight rates may decrease in 2025 and it could negatively impact the revenue of the Company in the short future; and (b) the potential disruptions from geopolitical tensions and economic uncertainties which may affect the prospect of the global marine transportation industry as stated in the Maritime Transport Report, we are of the view that the prospect and outlook of the Group and the marine transportation industry is uncertain as stated in the paragraph headed “1. Information on the Group – (c) Prospects of the Group” above in this letter;
- (iii) despite there would not be a substantial change in the principal business activities of the Group resulting from the Offer, we are of the view that Ms. Liu did not have relevant work experience related to the existing businesses of the Group and the contribution from the Offeror and Ms. Liu to the existing business of the Group is uncertain based on the background of the Offeror as stated in paragraph headed “2. Information on the Offeror and the Offeror’s intention regarding the Group” above in this letter;
- (iv) the PS Ratio of the Company implied by the Offer Price is higher than that of all of the Comparable Companies; and
- (v) given the low trading liquidity of the Shares during the Review Period and the uncertainty regarding whether there would be sufficient liquidity in the Shares for the Offer Shareholders to dispose of a significant number of the Shares in the open market without affecting the price of the Shares and downward pressure on the trading price as stated under the paragraph headed “4. Analysis of the Offer Price” above in this letter, the Offer provides an alternative exit to the Offer Shareholders of the Company;

we are of the view that the terms of the Offer are fair and reasonable so far as the Offer Shareholders are concerned. Accordingly, we recommend that the Independent Board Committee advise the Offer Shareholders to accept the Offer.

However, Offer Shareholders intending to accept the Offer are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, especially because disposing of large blocks of Shares in the open market may trigger price slump due to the relatively inactive trading in the Shares. Offer Shareholders considering realising their investment in the Company should, based on their own circumstances, evaluate selling the Shares in the open market instead of accepting the Offer if the net proceeds from such a sale would exceed what they would receive under the Offer.

Yours faithfully,
For and on behalf of
Nuada Limited



Kim Chan
Director

Mr. Kim Chan is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 20 years of experience in corporate finance industry.

* *The English names of PRC nationals, entities, facilities and localities are unofficial translation or transliteration from their Chinese names and are for identification purposes only.*