



Courage Investment Group Limited

勇利投資集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

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17 January 2025

To the Shareholders

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)**

1. INTRODUCTION

Reference is made to the Joint Announcement made jointly by the Company and the Offeror.

On 26 November 2024 (after trading hours), the Board was informed by the Offeror that, 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.

As the Company's primary listing is not on the Singapore Stock Exchange and the Company is not a Singapore incorporated public company, the Singapore Code on Takeovers and Mergers will not apply to the Offer.

The purpose of this Composite Document is to provide you with, among other things:

- (a) information relating to the Group and the Offeror;
- (b) further information regarding the terms and procedures of the Offer;
- (c) a letter from Get Nice containing, among other things, details of the Offer;
- (d) a letter from the Independent Board Committee containing its recommendation to the Offer Shareholders; and
- (e) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee.

2. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Rules 2.1 and 2.8 of the Takeovers Code require the Company to establish an independent committee of the Board to give a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer and that such independent committee should comprise all the non-executive Directors who have no direct or indirect interest in the Offer other than as a Shareholder.

The Independent Board Committee, which comprises Mr. Zhou Qijin, Mr. Pau Shiu Ming and Mr. Tsao Hoi Ho, being all the Independent Non-executive Directors, has been established by the Board to make a recommendation to the Offer Shareholders as to whether the terms of the Offer is fair and reasonable and as to acceptance of the Offer.

The Independent Financial Adviser, Nuada Limited, has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Offer pursuant to Rule 2.1 of the Takeovers Code and, in particular, as to whether the terms of the Offer is fair and reasonable and as to the acceptance of the Offer. The full texts of the letter from the Independent Board Committee addressed to the Offer Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out in this Composite Document. You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

3. THE OFFER

As set out in the “Letter from Get Nice” on pages 7 to 16 of this Composite Document, the Offer is made by Get Nice for and on behalf of the Offeror 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.

As at the Latest Practicable Date, the Company has 1,097,703,568 Shares in issue and the Company does 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.

The Directors confirm that, as at the Latest Practicable Date, the Company has no outstanding dividend or other distribution that has been declared, made but not yet paid. In addition, the Company does not intend to declare, make and/or pay any dividend or other distribution on the Shares until after the close of the Offer.

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.

The details of the total value of the Offer are set out in the section headed “The Offer” in the “Letter from Get Nice” in this Composite Document.

Further details of the Offer including, among other things, information on stamp duty, procedures for acceptance and settlement and acceptance period are set out in the “Letter from Get Nice” and Appendix I to this Composite Document and Form of Acceptance.

4. CONDITION OF THE OFFER

The Condition to the Offer is set out in the section headed “Condition of the Offer” in the “Letter from Get Nice” in this Composite Document.

5. SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the Latest Practicable Date is as follows:

	As at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximate %</i> <i>(Note 4)</i>
Offeror and parties acting in concert with it <i>(Note 1)</i>	315,990,132	28.79
Mr. Hung Hon Man <i>(Note 2)</i>	<u>1,442,000</u>	<u>0.13</u>
Sub-total of the Offeror and the parties acting, and presumed to be acting, in concert with it	317,432,132	28.92
Other Shareholders	<u>780,271,436</u>	<u>71.08</u>
Total	<u><u>1,097,703,568</u></u>	<u><u>100.00</u></u>

Notes:

1. These Shares are held by the Offeror.
2. Mr. Hung Hon Man is presumed to be acting in concert with the Offeror by virtue of class (5) of the definition of acting in concert in the Takeovers Code. Under class (5) of the definition of “acting in concert” in the Takeovers Code, a financial or other professional adviser (including a stockbroker) with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser (except in the capacity of an exempt principal trader or exempt fund manager) are presumed to be acting in concert with others in the same class unless the contrary is established. As such, Mr. Hung Hon Man, being the ultimate controlling shareholder of Get Nice, who is the financial adviser to the Offeror in respect of the Offer, is presumed to be acting in concert with the Offeror until the close or lapse of the Offer.
3. None of the Directors holds any Shares or other securities of the Company.
4. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as total may not be an arithmetic aggregation of the figures preceding them.

6. INFORMATION ON 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.

The following table is a summary of certain consolidated financial information of the Group for the two financial years ended 31 December 2022 and 31 December 2023 as extracted from the annual report of the Company for the year ended 31 December 2023, and for the six months ended 30 June 2023 and 30 June 2024 as extracted from the interim report of the Company for the six months ended 30 June 2023 and 30 June 2024:

	For the year ended		For the six months ended	
	31 December		30 June	
	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	12,372	8,512	3,989	5,070
Profit/(Loss) before taxation	1,123	(3,974)	(983)	1,278
Profit/(Loss) attributable to owners of the Company	1,123	(3,974)	(983)	1,278
Total comprehensive (expense)/income attributable to owners of the Company	(314)	(4,040)	(1,232)	1,278
	As at 31 December		As at 30 June	
	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Net assets	61,138	57,098	59,906	58,376

Further financial information of the Group is set out in Appendix III to this Composite Document.

7. INFORMATION OF THE OFFEROR AND INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the sections headed “Information on the Offeror” and “Intentions of the Offeror regarding the Group” in the “Letter from Get Nice” set out in this Composite Document. The Board is open to working with the Offeror in reviewing the operation and business activities and financial position of the Group which is in the interests of the Company and the Shareholders as a whole.

8. PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

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:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) 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 Company understands that 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 director of the Offeror and the new directors to be appointed to the Board will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

9. RECOMMENDATION AND ADDITIONAL INFORMATION

The recommendation from the Independent Board Committee to the Offer Shareholders in relation to the Offer is set out in the “Letter from the Independent Board Committee” in this Composite Document. The advice from Nuada Limited, being the Independent Financial Adviser, to the Independent Board Committee in relation to the Offer and the principal factors considered by Nuada Limited in arriving at its advice are set out in the “Letter from the Independent Financial Adviser” in this Composite Document.

Additional information is also set out in the appendices to this Composite Document. You are recommended to read carefully Appendix I titled “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

By Order of the Board
Courage Investment Group Limited



Lee Chun Yeung, Catherine
Chief Executive Officer