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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 27 July 2018 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 91,475,000 new Shares to not less than six Places at the Placing Price of HK\$0.473 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the Placing Shares represent approximately 20.00% of the Company's existing issued share capital and approximately 16.67% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will be allotted and issued under the General Mandate.

The Placing is conditional upon, among others, the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds and net proceeds (after deducting all applicable costs and expenses) from the Placing will be approximately HK\$43,268,000 and approximately HK\$42,070,000 respectively. The Company intends to use (i) approximately 80% of the net proceeds as general working capital for the Group's marine transportation services business and (ii) the remaining 20% as general working capital for the Group's other businesses. The Group is currently contemplating to expand its marine transportation services business through acquisition of an additional vessel, if such acquisition materialized, the 80% net proceeds allocated to this business as general working capital will be re-designated for funding such acquisition.

As completion of the Placing is subject to the satisfaction of a number of conditions under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 27 July 2018 (after trading hours), the Placing Agreement has been entered into between the Company and the Placing Agent. Summarised below are the principal terms of the Placing Agreement.

THE PLACING AGREEMENT

Date

27 July 2018 (after trading hours)

Issuer

The Company

Placing Agent

Emperor Securities Limited

The Placing Agent has conditionally agreed to place up to 91,475,000 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 2.5% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Placees

The Placing Shares are to be placed to not less than six (6) Placees which will be professional, institutional and/or other investors, who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date (save for the allotment and issue of the Placing Shares), the Placing Shares represent approximately 20.00% of the Company's existing issued share capital and approximately 16.67% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be US\$5,488,500 (equivalent to approximately HK\$43,085,000, based on an exchange rate of HK\$7.85:US\$1.00 as at 27 July 2018).

Placing Price

The Placing Price of HK\$0.473 per Placing Share represents:

- (i) a discount of approximately 12.41% to the closing price of HK\$0.540 per Share as quoted on the Hong Kong Stock Exchange on 27 July 2018, being the date of the Placing Agreement; and
- (ii) a discount of approximately 2.07% to the average closing price of HK\$0.483 per Share as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including 26 July 2018.

The Placing Price, which was agreed after arm's length negotiation between the Company and the Placing Agent, was determined with reference to the prevailing market price of the Shares. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

Under the General Mandate, the Company is authorised to issue up to 91,475,356 Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate. Thus the maximum number of new Shares which could be issued by the Company under the General Mandate

is 91,475,356 Shares. As such, the General Mandate is sufficient for allotment and issue of the maximum of 91,475,000 Placing Shares. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfillment of the following:

- (i) the passing of resolution(s) by the Board to approve the Placing Agreement and the transactions contemplated hereunder; and
- (ii) the Listing Committee of the Hong Kong Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares with or without conditions.

If the above conditions are not fulfilled on or prior to the Long Stop Date, the Placing Agreement will lapse and none of the parties thereto shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Placing Agreement.

Application for listing

Application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination and force majeure

The Placing Agent may, by notice to the Company given in accordance with the Placing Agreement prior to 10:00 a.m. on the Completion Date, terminate the Placing Agreement without any liability to the Company, upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Hong Kong Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or make it inadvisable or inexpedient for the Placing to proceed.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

The Directors are not aware of the occurrence of any of the above events as at the date of this announcement.

Completion

Completion will take place at 4:00 p.m. (Hong Kong time) within five Business Days after the date on which all the conditions as set out in the paragraph headed "Conditions of the Placing" above are satisfied or such other date as the Company and the Placing Agent may agree in writing.

As completion of the Placing is subject to the satisfaction of a number of conditions under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding and the principal activities of the Group are provision of marine transportation services, property holding and investment, investment holding and merchandise trading.

The maximum gross proceeds and net proceeds (after deducting all applicable costs and expenses) from the Placing will be approximately HK\$43,268,000 and approximately HK\$42,070,000 respectively. The Company intends to use (i) approximately 80% of the net proceeds as general working capital for the Group's marine transportation services business and (ii) the remaining 20% as general working capital for the Group's other businesses. The Group is currently contemplating to expand its marine transportation services business through acquisition of an additional vessel, if such acquisition materialized, the 80% net proceeds allocated to this business as general working capital will be re-designated for funding such acquisition.

The Board is of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

The Company has not conducted any other equity fund raising exercises in the past twelve months immediately before the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structures of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming the Placing Shares are placed in full and there is no change in the share capital of the Company between the date of this announcement and the Completion Date) are set out below for illustration purpose:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholder:				
Success United Development Limited (<i>Note</i>)	87,270,066	19.08	87,270,066	15.90
Public Shareholders:				
Placees	–	–	91,475,000	16.67
Others	<u>370,106,718</u>	<u>80.92</u>	<u>370,106,718</u>	<u>67.43</u>
Total	<u>457,376,784</u>	<u>100.00</u>	<u>548,851,784</u>	<u>100.00</u>

Note: Success United Development Limited is wholly owned by Brilliant Epic Asia Limited which in turn is wholly owned by Mr. Suen Cho Hung, Paul.

DEFINITIONS

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

“Board”	Board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Company”	Courage Investment Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are primarily listed on the Main Board of the Hong Kong Stock Exchange and secondarily listed on the Singapore Exchange Securities Trading Limited

“Completion Date”	means a day within five Business Days after the date on which all the conditions of the Placing are satisfied (or such other date as the Company and the Placing Agent may agree in writing) and on which completion of the Placing will take place
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 22 June 2018 to allot, issue and deal with up to 20% of the then issued Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party(ies)”	party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Long Stop Date”	15 August 2018 or such later date as the Company and the Placing Agent may agree
“Placee(s)”	any professional, institutional and/or other investors, who and whose ultimate beneficial owners are Independent Third Parties, to be procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	placing of up to 91,475,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement

“Placing Agent”	Emperor Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a conditional placing agreement dated 27 July 2018 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.473 per Placing Share
“Placing Shares”	up to 91,475,000 new Shares to be allotted and issued under the Placing Agreement and “Placing Share” means any one of them
“Share(s)”	ordinary share(s) at par value of US\$0.06 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 27 July 2018

As at the date of this announcement, the Board comprises one Non-executive Director, namely Mr. Sue Ka Lok (Chairman); three Executive Directors, namely Mr. Zhang Liang (Chief Executive Officer), Ms. Wang Yu and Ms. Wan Jia; and three Independent Non-executive Directors, namely Mr. Zhou Qijin, Mr. To Yan Ming, Edmond and Mr. Pau Shiu Ming.