

1 November 2024

**The Board of Directors
Courage Investment Group Limited**

Room 1501, 15th Floor,
Great Eagle Centre,
23 Harbour Road,
Wanchai,
Hong Kong

Dear Sirs or Madams,

In accordance with your instructions, we have made an appraisal of a vessel named MV Zorina (“**Vessel**”) exhibited to us as that to be disposed by Courage Marine (Holdings) Co., Limited, a wholly-owned subsidiary of Courage Investment Group Limited (the “**Company**”), through the disposal of the entire issued share capital of and shareholder’s loan to Zorina Navigation Corp.

We confirm that we have made relevant inquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the fair value of the Vessel as at 31 July 2024.

It is our understanding that this appraisal report was prepared for the purpose of incorporation in this circular and for the reference of the shareholders of the Company.

1. INTRODUCTION

Courage Investment Group Limited is an investment holding company primarily listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1145) and secondarily listed on the Main Board of SGX-ST (stock code: CIN). The principal activities of the Group are provision of marine transportation services, property holding and investment, merchandise trading and investment holding. The Vessel exhibited to us as that to be disposed by the Group, is appraised in fair value.

2. PARTICULARS OF THE VESSEL

References are made to the Particulars of Vessel provided by the Company where detailed information is stated.

PARTICULARS OF THE VESSEL:

Owner	:	Zorina Navigation Corp.
Vessel Name/IMO No.	:	MV Zorina/9599391
Vessel Type	:	Bulk Carrier
Age	:	13 years
Built	:	December 2011
Built By	:	Zhejiang Zengzhou Shipbuilding Co., Ltd. (a literal translation of its Chinese name 浙江增洲造船有限公司)
Port of Registration	:	Panama
Design Deadweight Tonnage	:	56,757 tonnes
Estimated Gross Tonnage	:	32,987 tonnes
Light Weight Tonnage	:	10,924 tonnes
Length between perpendicular	:	185.64 m
Molded Breadth	:	32.26 m
Molded Depth	:	18.01 m
Estimated Useful Life	:	25 years

3. BASIS OF VALUATION

The basis of valuation will be fair value which is defined as the following:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

4. VALUATION METHODOLOGIES

There are generally three accepted approaches for our valuation, namely:

The Cost Approach

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets including costs of transport, installation, commissioning and consultants' fees. Adjustment is then made for accrued depreciation, which encompasses condition, utility, age, wear and tear, functional and economic obsolescence.

The Market Approach

The market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised assets relative to the market comparables.

The Income Approach

The income approach is the present worth of the future economic benefits of ownership. This approach is generally applied to an aggregation of assets which consists of all assets of a business enterprise including working capital and tangible and intangible assets.

General

In most valuations, one or more approach(es) may be applicable to the subject assets. In some situations, elements of the three approaches may be combined to reach a value conclusion.

5. ANALYSIS

In developing our opinion on the fair value for the Vessel, the income approach is excluded as reasonable projections of the amounts and timing of future income are not available for the valuation of the Vessel, and the financial projections require inputs of different assumptions which might inherit uncertainties; we therefore put more of our emphasis on the market approach and the cost approach. In respect of the cost approach, it will generally only be considered if there is a lack of market comparables. In this appraisal, we have an ample amount of sales transaction information that could be used for market comparison. Hence, the market approach served as the principal method adopted to determine our opinion of value.

Under the market approach, the value of the appraised Vessel is estimated through an analysis of recent sales of comparable items to the Vessel. The analysis is employed in the valuation of the Vessel for which there is a known used market. Under the premise of continued use assuming adequate earnings, consideration is given to the price to acquire similar items in the used-vessel market.

According to its carrying capacity, the Vessel under appraised, namely MV Zorina is today commonly classified as Supramax type bulk carrier. Supramax vessels are small-sized vessel with carrying capacities between 50,000 to 60,000 DWT (dead weight tonnage), these vessels are specialised in that they are designed to navigate through both the Panama Canal and Suez Canal.

The DWT of MV Zorina is approximately 56,757 tonnes. For the valuation, we have selected seven comparable vessels (the “**Comparable Vessels**”) from the website of Hellenic Shipping News Worldwide (www.hellenicshippingnews.com). The Comparable Vessels were chosen from week 28 to week 31 of 2024 (5 July 2024 to 2 August 2024) (the “**Selected Period**”) and were recorded in the Advanced Weekly Shipping Market Report and the Monthly Report of Athenian Shipbrokers S.A. in July 2024. The sales transaction records in the Selected Period cover the valuation date and represent an ample amount of comparables collected which is considered sufficient for our valuation purpose, it is also a fair and reasonable reflection of the market condition as of the valuation date. In addition, we selected all the

appropriate comparables from the market transactions published in the website above, based on (i) type of vessels as Supramax type; (ii) use of vessels as bulk carriers; (iii) vessel's capacity; (iv) age of vessels; and (v) built location being in the PRC, on an exhaustive basis, which are considered fair and representative. Detailed information about the Comparable Vessels is provided below:

	Deadweight		Shipyard/		Adjusted	Adjustment
Vessel Name	Tonnage	Year Built	Country of Built	Selling Price	Selling Price	Rate
				(US\$)	(US\$)	
				A	B	(B/A-1)
						x100%
Oracle	58,018	2009	Yangzhou, China	12,500,000	13,560,000	+8.5%
UM Elhanaya	56,726	2010	Qingshan, China	12,700,000	13,350,000	+5.1%
Seacon Yantai	56,944	2010	Cosco, China	13,800,000	14,500,000	+5.1%
Olympus	57,374	2013	Stx Dalian, China	17,300,000	15,460,000	-10.6%
H Juno	57,353	2011	Stx Dalian, China	14,000,000	13,850,000	-1.1%
Heilan Cruiser	56,922	2012	Shanghai, China	14,200,000	13,490,000	-5.0%
Mirinoir	56,784	2009	Jiangsu, China	13,000,000	14,480,000	+11.4%

Estimated mean value 14,100,000

The selection criteria of the Comparable Vessels are as follows:

- (1) Type of the vessels – the Vessel and the Comparable Vessels are all Supramax type.
- (2) Use of the vessels – the Vessel and the Comparable Vessels are all utilised as bulk carriers.
- (3) The vessel's capacity – the deadweight tonnage of the Vessel is 56,757 and the deadweight tonnage of the Comparable Vessels ranges from 56,726 to 58,018.
- (4) Age – the Vessel has an age of 13 years, while the age of the Comparable Vessels ranges from 11 to 15 years.
- (5) Country of built – MV Zorina was built in China, and the Comparable Vessels were also all built in China.

We have made appropriate selection of comparables from the market transactions, and it is crucial to ensure that the vessels in the selected range are appropriately adjusted to match the vessel being appraised. When compiling price information, we have compared the key attributes of the selected vessels as mentioned above, and made adjustments to the price of the Comparable Vessels as follows:

- (i) The vessel's carrying capacity – this involves converting the price of the Comparable Vessels to a dollar-per-tonne basis, and then applying an upward or downward adjustment to align their prices with the same deadweight tonnage as the vessel being appraised.

- (ii) The age – assuming a normal useful life of 25 years for the vessels, we have calculated the annual depreciation rate of the Comparable Vessels. A downward adjustment would be made to the prices of the Comparable Vessels with longer remaining useful life, while an upward adjustment would be made to the prices of the Comparable Vessels with shorter remaining useful life. The adjustments have been made with reference to the benchmark of a 13 years old vessel.
- (iii) The country of built – no adjustment has been made to the prices of the Comparable Vessels as they were all built in China.

After making adjustments to the transaction prices of the Comparable Vessels for the adjustment factors detailed in (i) to (iii) above, as shown in the table above, we have determined that the estimated fair values (i.e., adjusted selling prices) of the Comparable Vessels range from US\$13,350,000 to US\$15,460,000 and the estimated mean fair value of MV Zorina is US\$14,100,000 (the adjustment rate stated in the table above encompasses the combined effect of the adjustments, derived from the adjustment factors as detailed in (i) to (iii) above). The deviations from the estimated mean fair value of MV Zorina range from – 5.32% to + 9.65%, which are considered acceptable.

In the course of valuation, we have perused records, conducted interviews with senior management and obtained relevant information with regard to the Vessel.

6. SCOPE OF INVESTIGATION, ASSUMPTIONS AND CONSIDERATIONS

As no inspection could be arranged, we have assumed that the Vessel was in good working condition showing no signs of heavy corrosion, deformation or fractures to the side shell plate. Each of the ship hull and frame were structurally sound, free from any deterioration, and the associated equipment was in normal working condition. We have relied to a very considerable extent on the information provided by the Company and have accepted records furnished by the Company as properly describing the Vessel and reasonably representing the facts.

Consideration had been given to accrued depreciation that was based on the assumed condition and present and prospective serviceability in comparison with new units of like kind, including factors like maintenance policy, characteristics, levels of use and all other factors that were deemed to have an influence on the Vessels' value, as well as recent market prices of comparable items to the Vessel in a similar classification with due consideration to their age and condition.

In forming our opinion of the fair value of the Vessel, we have assumed that they will continue to be used in their present existing state for business of the Company for which they were designed and built without specific reference to income.

The opinion of fair value of the Vessel as constructed for the intended utilisation is not necessarily intended to represent the amount that might be realised from piecemeal disposition of the Vessel in the open market or from alternative uses of the Vessel.

We have assumed that the Vessel will be used in their present existing state with the benefit of continuity during the foreseeable future.

We have made no investigation of and assumed no responsibility for the title to the Vessel. We have also assumed in our valuation that the Vessel is free from any encumbrance.

Our valuation of the Vessel did not attempt to arrive at any conclusion of the total value of the Company as a business entity.

We did not investigate any financial data pertaining to the present or prospective earning capacity of the operation in which the Vessel was used.

We had not carried out a mechanical survey, nor had we inspected covered or inaccessible areas of the Vessel. Also, no investigation was conducted as to whether the operation of specific pieces of the Vessel complied with the relevant environmental standards and ordinances; we had assumed that the Vessel continued and would continue to comply with the current environmental standards and ordinances. We made no allowance in our valuation for costs, if any, associated with the disposal or handling of materials required to comply with the current or changing environment legislations.

We have relied on the information provided by the Company in valuing the Vessel.

7. LIMITING CONDITIONS

We have totally disregarded such items of the Vessel which, in our opinion, have no practical take-up value or are normally charged as operating expenses.

We are not prepared to give testimony or attendance in court or to any government agency with reference to the Vessel.

Unless otherwise stated, the Vessel has been valued in United States Dollars (US\$).

8. CONCLUSION OF VALUE

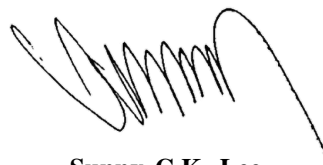
Based on the investigation described, it is our opinion that as of 31 July 2024, the fair value of the Vessel is reasonably represented by the amount of UNITED STATES DOLLARS FOURTEEN MILLION ONE HUNDRED THOUSAND (US\$14,100,000).

For the purpose of this appraisal, we have reviewed the shipping records and survey report as well as other related technical specifications and documents supplied to us by the Company. We have relied to a considerable extent on such records, listings, specifications and documents in arriving at our opinion of value.

We have not investigated the title to or any liabilities against the Vessel.

We hereby certify that we have neither present nor a prospective interest in the Vessel or the value reported.

Respectfully submitted,
For and on behalf of
JP ASSETS CONSULTANCY LIMITED

A handwritten signature in black ink, appearing to read 'Sunny C.K. Lee', with a large, sweeping flourish at the end.

Sunny C.K. Lee
*MSc, BEng (Hons), CEng., MIMechE,
MSAE, AMHKIE*

Note: Mr. Sunny C.K. Lee is a Chartered Mechanical Engineer and he has extensive experience in plant and machinery valuation in Greater China and the Asia-Pacific Region.