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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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The Board of Directors (the “**Board**”) of Courage Investment Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2024 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	<i>Notes</i>	Six months ended 30 June	
		2024	2023
		<i>US\$'000</i>	<i>US\$'000</i>
		(Unaudited)	(Unaudited)
Revenue			
Marine transportation income		5,070	3,953
Interest income		<u>–</u>	<u>36</u>
Total revenue	3	5,070	3,989
Direct expenses		(2,966)	(3,147)
Other income	5	502	344
Other gains and losses, net		–	(147)
Administrative expenses		(1,010)	(721)
Impairment loss (recognised) reversed on vessels, net	10	(299)	109
Allowance for credit losses on debt instruments at fair value through other comprehensive income, net	11	–	(704)
Share of result of a joint venture		–	(591)
Finance costs		(19)	(115)

		Six months ended 30 June	
		2024	2023
	<i>Notes</i>	<i>US\$'000</i>	<i>US\$'000</i>
		(Unaudited)	(Unaudited)
Profit (loss) before tax	6	1,278	(983)
Income tax expense	7	<u>—</u>	<u>—</u>
Profit (loss) for the period attributable to owners of the Company		<u>1,278</u>	<u>(983)</u>
Other comprehensive (expense) income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of financial statements of the foreign operation of a joint venture		—	(164)
Net decrease in fair value of debt instruments at fair value through other comprehensive income		—	(789)
Allowance for credit losses on debt instruments at fair value through other comprehensive income, net	11	<u>—</u>	<u>704</u>
Other comprehensive expense for the period, net of income tax		<u>—</u>	<u>(249)</u>
Total comprehensive income (expense) for the period attributable to owners of the Company		<u>1,278</u>	<u>(1,232)</u>
Basic earnings (loss) per share attributable to owners of the Company (US cent)	8	<u>0.12</u>	<u>(0.09)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		At 30 June 2024 <i>US\$'000</i> (Unaudited)	At 31 December 2023 <i>US\$'000</i> (Audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	<i>10</i>	38,444	39,733
Right-of-use asset		56	105
Debt instruments at fair value through other comprehensive income	<i>11</i>	<u>389</u>	<u>389</u>
		<u>38,889</u>	<u>40,227</u>
Current assets			
Trade receivables	<i>12</i>	56	323
Other receivables and prepayments	<i>13</i>	554	635
Bank deposits		18,050	16,535
Cash and cash equivalents		<u>1,914</u>	<u>1,314</u>
		<u>20,574</u>	<u>18,807</u>
Total assets		<u>59,463</u>	<u>59,034</u>

		At 30 June 2024 <i>US\$'000</i> (Unaudited)	At 31 December 2023 <i>US\$'000</i> (Audited)
Current liabilities			
Deposits received, other payables and accruals	<i>14</i>	890	1,072
Contract liabilities		138	–
Borrowings	<i>15</i>	–	756
Lease liabilities		<u>59</u>	<u>99</u>
		<u>1,087</u>	<u>1,927</u>
Net current assets		<u>19,487</u>	<u>16,880</u>
Total assets less current liabilities		<u>58,376</u>	<u>57,107</u>
Capital and reserves			
Share capital		1,098	1,098
Reserves		<u>57,278</u>	<u>56,000</u>
Total equity		<u>58,376</u>	<u>57,098</u>
Non-current liabilities			
Lease liabilities		<u>–</u>	<u>9</u>
Total liabilities and equity		<u><u>59,463</u></u>	<u><u>59,034</u></u>

Notes:

1. General information

The Company (Registration No. 36692) was incorporated in Bermuda on 5 April 2005 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Room 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The Company is primarily listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and secondarily listed on the Main Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The condensed consolidated financial statements are presented in United States dollar (“**US\$**”), which is the functional currency of the Company, and all values are rounded to the nearest thousand (US\$’000) where appropriate or as indicated.

2. Principal accounting policies

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Hong Kong Listing Rules**”).

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of the relevant reporting period.

Other than changes in accounting policies resulting from the application of the amendments to International Financial Reporting Standards (“**IFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s audited consolidated financial statements for the year ended 31 December 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

3. Revenue

Disaggregation of revenue from contracts with customers

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Six months ended 30 June 2024

	Marine transportation <i>US\$'000</i> (Unaudited)	Investment holding <i>US\$'000</i> (Unaudited)	Total <i>US\$'000</i> (Unaudited)
Type of services:			
Marine transportation	<u>4,391</u>	<u>–</u>	<u>4,391</u>
Revenue from contracts with customers	4,391	–	4,391
Leases	<u>679</u>	<u>–</u>	<u>679</u>
Total revenue	<u>5,070</u>	<u>–</u>	<u>5,070</u>

Six months ended 30 June 2023

	Marine transportation <i>US\$'000</i> (Unaudited)	Investment holding <i>US\$'000</i> (Unaudited)	Total <i>US\$'000</i> (Unaudited)
Type of services:			
Marine transportation	<u>3,145</u>	<u>–</u>	<u>3,145</u>
Revenue from contracts with customers	3,145	–	3,145
Leases	808	–	808
Interest income from debt instruments at fair value through other comprehensive income (“FVTOCI”)	<u>–</u>	<u>36</u>	<u>36</u>
Total revenue	<u>3,953</u>	<u>36</u>	<u>3,989</u>

4. Segment information

The following is an analysis of the Group's revenue and results by operating segments, based on information provided to the executive directors and chief executive of the Company, being the chief operating decision makers, for the purposes of resources allocation and assessment of segment performance. This is also the current basis of organisation in the Group, whereby the management organises the Group based on different operating activities.

Specifically, the Group's reportable and operating segments are as follows:

1. Marine transportation
2. Investment holding
3. Property holding and investment
4. Merchandise trading

Segment results represent the profit/loss from each segment without allocation of corporate income, corporate expenses, impairment loss recognised/reversed on vessels, net, share of result of a joint venture and finance costs. The allowance for credit losses on debt instruments at FVTOCI, net is included in the result of the investment holding segment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2024

	Marine transportation US\$'000 (Unaudited)	Investment holding US\$'000 (Unaudited)	Property holding and investment US\$'000 (Unaudited)	Merchandise trading US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
Segment revenue	<u>5,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,070</u>
Segment results	<u>2,170</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>2,169</u>
Unallocated:					
Corporate income					415
Corporate expenses					(988)
Impairment loss recognised on vessels, net					(299)
Finance costs					<u>(19)</u>
Profit before tax					<u><u>1,278</u></u>

Six months ended 30 June 2023

	Marine transportation <i>US\$'000</i> (Unaudited)	Investment holding <i>US\$'000</i> (Unaudited)	Property holding and investment <i>US\$'000</i> (Unaudited)	Merchandise trading <i>US\$'000</i> (Unaudited)	Total <i>US\$'000</i> (Unaudited)
Segment revenue	<u>3,953</u>	<u>36</u>	<u>–</u>	<u>–</u>	<u>3,989</u>
Segment results	<u>796</u>	<u>(771)</u>	<u>(10)</u>	<u>–</u>	15
Unallocated:					
Corporate income					336
Corporate expenses					(737)
Impairment loss reversed on vessels, net					109
Share of result of a joint venture					(591)
Finance costs					<u>(115)</u>
Loss before tax					<u>(983)</u>

5. Other income

	Six months ended 30 June	
	2024	2023
	<i>US\$'000</i>	<i>US\$'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	385	311
Other income	<u>117</u>	<u>33</u>
	<u>502</u>	<u>344</u>

6. Profit (loss) before tax

Profit (loss) before tax has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Employee benefits expenses (including directors' emoluments):		
– Salaries and other benefits	401	334
– Contributions to retirement benefits scheme	16	13
Total employee benefits expenses	417	347
Marine crew expenses	961	1,267
Depreciation of property, plant and equipment	992	1,019
Depreciation of right-of-use asset	49	51
Interest income from banks	(385)	(311)

7. Income tax expense

There was no assessable profit arising in Hong Kong for the six months ended 30 June 2024 and 2023. In the opinion of the directors of the Company, there is no taxation arising in other jurisdictions.

8. Earnings (loss) per share

The calculation of basic earnings (loss) per share attributable to owners of the Company are based on the following data:

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Earnings (loss)		
Profit (loss) for the period attributable to owners of the Company	1,278	(983)

	Six months ended 30 June	
	2024	2023
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue during the period	1,097,704	1,097,704

For the six months ended 30 June 2024 and 2023, no diluted earnings (loss) per share are presented as there were no dilutive potential ordinary shares outstanding during both periods.

9. Dividend

During the six months ended 30 June 2024, no dividend was paid, declared or proposed (30 June 2023: nil). The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

10. Property, plant and equipment

During the six months ended 30 June 2024, addition of property, plant and equipment amounted to US\$2,000 (30 June 2023: US\$64,000).

The directors of the Company conduct a review of the carrying amount of the Group's vessels at the end of every reporting period to determine whether there is any indication that the vessels have suffered an impairment loss. An impairment loss is recognised when the carrying amount of a vessel exceeds its recoverable amount, which in turn is the higher of its value in use and its fair value less costs of disposal.

During the current interim period, the Baltic Dry Index ("BDI"), an index that was closely correlated to the market freight rate, remained volatile and gave an indication that conducting an impairment assessment on the carrying amounts of the Group's vessels was warranted.

The fair values of the Group's vessels were determined based on the valuation carried out by JP Assets Consultancy Limited, an independent qualified professional valuer not connected to the Group, and the market approach was principally adopted for the valuation as there was a known market for used vessels. The fair values of the vessels were primarily determined based on the direct comparison method by making reference to the recent sale transactions of similar vessels with similar age and condition (Level 2 fair value hierarchy).

At 30 June 2024, the fair values less costs of disposal of two vessels were determined with reference to prevailing market conditions (including second-hand prices and freight rate of similar vessels) and amounted to US\$27,963,000 (31 December 2023: US\$28,919,000) in aggregate, as such fair values were higher than the respective values in use of the vessels, the fair values represented the recoverable amounts of the two vessels. Furthermore, as the recoverable amounts of these vessels were lower than their individual carrying amount before impairment, an impairment loss on vessels of US\$299,000 (30 June 2023: a net reversal of impairment loss of US\$109,000) was recognised in profit or loss during the period.

11. Debt instruments at fair value through other comprehensive income

These debt instruments are listed on either the Hong Kong Stock Exchange or SGX-ST. At 30 June 2024, debt instruments at FVTOCI were stated at fair values which were determined based on quoted market closing prices. These debt instruments carried coupon from 5.25% to 11.95% (31 December 2023: 5.25% to 11.95%) per annum and their contractual maturity dates were from 22 March 2022 to 28 June 2025 (31 December 2023: from 22 March 2022 to 28 June 2025).

For the six months ended 30 June 2024, there was no significant change in the aggregate fair value of these debt instruments when compared with that of the prior year end and no allowance for credit losses on these debt instruments at FVTOCI was recognised in profit or loss. For the six months ended 30 June 2023, a net allowance for credit losses on debt instruments at FVTOCI of US\$704,000 was recognised in profit or loss with a corresponding adjustment to other comprehensive income.

12. Trade receivables

Trade receivables arose from the marine transportation business and aged within 30 days from the invoice date. The credit periods for customers of time charter are from 0 day to 30 days (31 December 2023: from 0 day to 30 days). At 30 June 2024 and 31 December 2023, none of the Group's trade receivables were past due nor impaired and all were subsequently settled.

13. Other receivables and prepayments

	At 30 June 2024 <i>US\$'000</i> (Unaudited)	At 31 December 2023 <i>US\$'000</i> (Audited)
Other receivables	369	481
Account balances with brokers	10	10
Prepayments and other deposits for operating expenses	<u>175</u>	<u>144</u>
	<u><u>554</u></u>	<u><u>635</u></u>

14. Deposits received, other payables and accruals

	At 30 June 2024 <i>US\$'000</i> (Unaudited)	At 31 December 2023 <i>US\$'000</i> (Audited)
Accrued expenses and other payables for operations	341	337
Deposits received from lessee of vessel	<u>549</u>	<u>735</u>
	<u><u>890</u></u>	<u><u>1,072</u></u>

15. Borrowings

	At 30 June 2024 US\$'000 (Unaudited)	At 31 December 2023 US\$'000 (Audited)
Secured loans	<u>–</u>	<u>756</u>
The carrying amounts of the loans were repayable within a period not exceeding one year*	–	756
Less: Amounts due within one year shown under current liabilities	<u>–</u>	<u>(756)</u>
Amounts shown under non-current liabilities	<u>–</u>	<u>–</u>
Effective interest rate (%) per annum	<u>8.65 – 9.04</u>	<u>8.65 – 9.46</u>

* *The amounts due were based on the scheduled repayment dates set out in the loan agreements.*

During the six months ended 30 June 2024, the loans were fully repaid. At 31 December 2023, the Group's borrowings were denominated in United States dollars which were also the functional currencies of the respective entities of the Group.

At 31 December 2023, the loans were carrying interest at Secured Overnight Financing Rate plus certain basis points. The outstanding loans at 31 December 2023 were repayable within one year.

The borrowings at 31 December 2023 were secured by the following:

- (i) corporate guarantee from the Company;
- (ii) first preferred mortgage over the vessels held by Heroic Marine Corp. and Polyworld Marine Corp., named MV Heroic and MV Polyworld respectively; and
- (iii) assignment of insurance proceeds in respect of vessels MV Heroic and MV Polyworld.

16. Pledge of assets

At 30 June 2024, no assets were pledged by the Group as all the loans had been fully repaid during the current interim period. At 31 December 2023, two vessels with an aggregate carrying amount of US\$25,574,000 (including dry-docking) were pledged to a financial institution as security for the loan facilities granted to the Group.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024 (30 June 2023: nil).

BUSINESS REVIEW

During the six months ended 30 June 2024 (“**HY2024**”), the Group continued to principally engage in the businesses of marine transportation, investment holding, property holding and investment, and merchandise trading.

Overall speaking, the market conditions of the Group’s marine transportation business had improved with the market freight rates for dry bulk vessels rising considerably during HY2024. The rise was mainly the combined effect of the increased commodity demand and the reduced vessel supply caused by the disruptions in the Panama and Suez Canals. During HY2024, despite concerns over global economic growth, the elevated interest rate environment, and conflicts in Ukraine and Palestine, the general improvement in business conditions of the vessel chartering industry contributed to the turnaround results recorded by the Group. For HY2024, the Group reported an increase in revenue by 27% to US\$5,070,000 (30 June 2023: US\$3,989,000), primarily due to the increase in revenue of the marine transportation business, and recorded a profit attributable to owners of the Company of US\$1,278,000, against the loss results of US\$983,000 in the prior period. Basic earnings per share for the period was US0.12 cent (30 June 2023: basic loss per share of US0.09 cent).

Marine transportation

For HY2024, the revenue of the Group’s marine transportation business increased by 28% to US\$5,070,000 (30 June 2023: US\$3,953,000), while its profit increased by 173% to US\$2,170,000 (30 June 2023: US\$796,000). The increases in revenue and profit of the operation were mainly attributable to the general improvement in market conditions and the considerable increase in freight rates for dry bulk vessels, which were in turn largely the results of the increased global demand for commodity and the reduced vessel supply caused by the disruptions in the Panama and Suez Canals.

During HY2024, the freight rates charged by the Group’s vessels were in general higher than those of the prior period, which were in line with the movements of the BDI, an index closely correlated to the market freight rate. During the interim period, the BDI remained volatile by hitting its low of about 1,300 points in January 2024, reaching its peak of about 2,400 points in March 2024, hovering between the 1,500 to 2,000 points level for much of the period, and was noticeably higher than the 500 to 1,500 points level in the first half of 2023. Although the market freight rates fluctuated considerably during the review period, as global trading activities have increased alongside the recovery and growth of the global economy, the Group remains prudently optimistic about the prospects of the marine transportation business in the medium to long term.

The carrying capacity of the Group's dry bulk fleet, which currently comprises three Supramax size vessels, is approximately 171,000 dwt. The Group has been considering to acquire a second-hand Supramax or Panamax size vessel and is currently evaluating acquisition opportunities of certain target vessels, barring unforeseeable circumstances, the Group expects to complete the acquisition of a target vessel within twelve months from the date of this announcement. The Group will inform shareholders of any update of the vessel acquisition as and when appropriate.

For HY2024, with reference to the prevailing market conditions (including second-hand prices of similar vessels in terms of country of built, tonnage and age and market freight rate) at the period end, an impairment loss on vessels amounted to US\$299,000 (30 June 2023: a net reversal of impairment loss of US\$109,000) was recognised.

Investment holding

During HY2024, no revenue (30 June 2023: US\$36,000) or profit or loss (30 June 2023: loss of US\$771,000) was booked for the Group's investment holding business. For the six months ended 30 June 2023, the revenue of the business represented interest income from corporate bonds and the loss incurred represented mainly the recognition of net allowance for credit losses on debt instruments (i.e., corporate bonds) at FVTOCI of US\$704,000.

During the review period, the Group had not made any new investments in corporate bonds. At the period end, the corporate bonds held by the Group were issued by seven property companies with a yield to maturity upon initial acquisition of these bonds ranging from approximately 5.37% to 12.33% per annum, the total carrying amount of these bonds amounted to US\$389,000 (31 December 2023: US\$389,000) and was classified as non-current. There was no significant change in the aggregate fair value of these bonds when compared with that of the prior year end and no allowance for credit losses on these bonds was recognised during the interim period.

Property holding and investment

During HY2024, the Group was not holding any investment property and no revenue (30 June 2023: nil) was booked. The recorded loss of US\$1,000 (30 June 2023: US\$10,000) was administrative costs of the operation. The Group has been seizing acquisition opportunities of investment properties with good rental yield and/or high appreciation potential. However, as the conditions of the property market in Hong Kong have been unstable in the past years, the management has acted prudently in evaluating potential acquisition opportunities.

Merchandise trading

During HY2024, as market conditions continued to be volatile, the Group's merchandise trading business, which focusing on trading of electronic components, remained in temporary halt and no revenue (30 June 2023: nil) or profit or loss (30 June 2023: nil) was booked. The management has stepped up its effort in seizing business opportunities with a view to reactivating the Group's merchandise trading business.

Share of result of a joint venture

In September 2023, the Group entered into an agreement to dispose of a subsidiary that held an indirect holding of 41.7% equity interest in a joint venture, which in turn held an industrial property in Shanghai, China. The disposal of the subsidiary was completed in October 2023. For the six months ended 30 June 2023, the loss of the joint venture shared by the Group amounted to US\$591,000 and was mainly related to the decrease in fair value of the aforementioned industrial property.

OVERALL RESULTS

For HY2024, the Group recorded a profit attributable to owners of the Company of US\$1,278,000 (30 June 2023: loss of US\$983,000) and a total comprehensive income attributable to owners of the Company of US\$1,278,000 (30 June 2023: total comprehensive expense of US\$1,232,000). Such turnaround of the Group's results was mainly the combined effect of (i) the increase in profit contribution from the Group's marine transportation operation to US\$2,170,000 (30 June 2023: US\$796,000); (ii) the absence of the allowance for credit losses on debt instruments at FVTOCI (30 June 2023: US\$704,000); (iii) the absence of the loss of a joint venture shared by the Group (30 June 2023: US\$591,000) and (iv) the impairment loss recognised on vessels of US\$299,000 (30 June 2023: a net reversal of impairment loss of US\$109,000).

FINANCIAL REVIEW

Liquidity, financial resources and capital structure

During HY2024, the Group financed its operation mainly by cash generated from operations as well as shareholders' funds. At 30 June 2024, the Group had current assets of US\$20,574,000 (31 December 2023: US\$18,807,000) and liquid assets comprising bank deposits and cash and cash equivalents totalling US\$19,964,000 (31 December 2023: US\$17,849,000). The Group's current ratio, calculated based on current assets over current liabilities of US\$1,087,000 (31 December 2023: US\$1,927,000), was at a strong ratio of about 18.93 (31 December 2023: 9.76) at the period end.

At 30 June 2024, the equity attributable to owners of the Company amounted to US\$58,376,000 (31 December 2023: US\$57,098,000), an increase of US\$1,278,000 from the prior year end and was a result of the profit earned by the Group during the review period.

The Group's borrowings represented loans from a financial institution and were fully repaid during HY2024. At 31 December 2023, such borrowings were mainly applied for financing the holding of vessels, and were all due within one year, denominated in United States dollars, bore interests at floating rates, and secured by two vessels owned by the Group. For HY2024, the Group's finance costs of US\$19,000 (30 June 2023: US\$115,000) represented mainly interests for the borrowings, finance costs decreased by 83% was mainly a result of the full repayment of borrowings during the period.

At 30 June 2024, the Group's gearing ratio was zero. At 31 December 2023, such ratio, calculated on the basis of total borrowings of US\$756,000 divided by total equity of US\$57,098,000, was at a low ratio of about 1%.

The Group's interest income from banks increased by 24% to US\$385,000 (30 June 2023: US\$311,000), which was mainly a result of additional surplus funds on hand and the general rise in bank deposit rates.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirement.

Use of proceeds from the Open Offer

In January 2021, the Company successfully raised US\$9,148,000 before expenses by way of an open offer of 548,851,784 offer shares (with aggregate nominal value of US\$548,851.784) at the subscription price of HK\$0.13 per offer share (the closing price of the Company's shares was HK\$0.193 on the day when the subscription price was fixed) on the basis of one offer share for every one share of the Company held on the record date (the "**Open Offer**"). The net proceeds from the Open Offer were US\$8,621,000 (equivalent to a net subscription price of approximately HK\$0.12 per offer share), of which a sum of US\$2,821,000 was utilised as intended to repay a bank revolving loan to achieve immediate saving in finance costs, whilst the remainder of the net proceeds of US\$5,800,000 was earmarked as working capital for the Group's marine transportation business. As opposed to the original intention to apply approximately 50% of the remainder of the proceeds to its marine transportation business, approximately 40% to its investment holding business and approximately 10% to its merchandise trading business as working capital, the net proceeds from the Open Offer were not applied as working capital for the Group's merchandise trading and investment holding businesses as the Group was not active in its merchandise trading and investment activities during the period concerned primarily owing to the adverse economic impact brought by the prolonged continuation of the COVID pandemic. The Company has therefore earmarked the remaining net proceeds of US\$5,800,000 as working capital for the Group's marine transportation business before any acquisition of a vessel is proceeded with. Such working capital would be continually used and replenished in the course of operation on an ongoing basis.

The management has been evaluating acquisition opportunities of target vessels and it is still the Group's intention to reutilise the remaining net proceeds of the Open Offer of US\$5,800,000 to acquire a second-hand dry bulk vessel. Barring unforeseeable circumstances, the Group expects to complete the acquisition of a target vessel within twelve months from the date of this announcement. The management will continue to closely follow the market conditions and will inform shareholders of any update of the vessel acquisition as and when appropriate.

PROSPECTS

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.

The Group has yet to acquire a second-hand Supramax or Panamax vessel and is currently evaluating certain acquisition opportunities. The Group will inform shareholders of any update of the vessel acquisition as and when appropriate. Looking ahead, the Group will continue to manage its businesses in a disciplined manner, as well as to explore potential investment and acquisition opportunities and business enhancement strategies which are expected to bring long-term benefits to the shareholders.

CORPORATE GOVERNANCE

The Company had complied with all the applicable provisions of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules throughout the six months ended 30 June 2024.

AUDIT COMMITTEE

The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2024 have not been audited, but have been reviewed by the Audit Committee of the Company and have been duly approved by the Board under the recommendation of the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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

Hong Kong, 26 August 2024

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