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Sinotrans Shipping Limited

中外運航運有限公司

(Incorporated in Hong Kong with limited liability)

Creative Enterprise Holdings Limited

創毅控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3992)

JOINT ANNOUNCEMENT

**(1) SALE AND PURCHASE OF APPROXIMATELY 53.51% SHARES IN
CREATIVE ENTERPRISE HOLDINGS LIMITED**

AND

**(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY
CHINA MERCHANTS SECURITIES (HK) CO., LIMITED
FOR AND ON BEHALF OF SINOTRANS SHIPPING LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF CREATIVE ENTERPRISE
HOLDINGS LIMITED (OTHER THAN THOSE SHARES ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED
BY SINOTRANS SHIPPING LIMITED
AND PARTIES ACTING IN CONCERT WITH IT) (BEING THE
DISINTERESTED SHARES)**

Financial Adviser to the Offeror

CMS  招商證券國際

Financial Adviser to the Company



Independent Financial Adviser to the Independent Board Committee

** 川盟融資有限公司
Chanceton Capital Partners Limited**

THE SHARE PURCHASE AGREEMENT

The Board was informed by Genesis Group that on 5 March 2021 (after trading hours), Genesis Group, the Offeror, and the Guarantors entered into the Share Purchase Agreement, pursuant to which the Offeror has conditionally agreed to acquire, and Genesis Group has conditionally agreed to sell, the Sale Shares, being 267,562,500 Shares (representing approximately 53.51% of the entire issued share capital of the Company as at the date of this joint announcement), free from Encumbrances together with all rights attaching to them on or after the Completion Date, for a total Consideration of HK\$389,571,000, equivalent to HK\$1.456 per Sale Share.

Completion of the Share Purchase Agreement is conditional upon the conditions described in the section headed “THE SHARE PURCHASE AGREEMENT — Conditions” of this joint announcement.

Completion of the Share Purchase Agreement will take place on the fifth Business Day after the fulfillment (or, if applicable, waiver) of the Conditions (or such other date as the parties to the Share Purchase Agreement may agree in writing).

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it are not interested in any Shares, other than the interest in Shares under the Share Purchase Agreement.

Immediately after Share Sale Completion, the Offeror and parties acting in concert with it will own a total of 267,562,500 Shares, representing approximately 53.51% of the entire issued share capital of the Company. Accordingly, the Offeror will be required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares which are not owned or have been agreed to be acquired by the Offeror and parties acting in concert with it (being the Disinterested Shares).

Subject to and upon the Share Sale Completion, CMSHK will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.456 in cash

The Offer Price of HK\$1.456 per Offer Share equals the purchase price per Sale Share paid by the Offeror under the Share Purchase Agreement. The Offer Price will be reduced by any net dividend declared, paid, made or agree to be paid or made, by the Company on or after the date of this joint announcement and up to the close of the Offer. The Company does not have any intention to make, declare or pay any future dividend or make other distributions until after the close of the Offer.

Principal terms of the Offer are set out under the section headed “POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER” of this joint announcement. CMSHK has been appointed as the Financial Adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy the Sale Share Completion and full acceptance of the Offer.

POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL FROM LISTING

The Offeror intends (but is not obliged) to exercise the right to compulsorily acquire those Disinterested Shares not acquired by the Offeror pursuant to the Offer under Section 88 of the Cayman Islands Companies Act if it acquires not less than 90% of the Disinterested Shares within four months of the posting of the Composite Document as required by Rule 2.11 of the Takeovers Code.

Should compulsory acquisition rights arise and be exercised in full, the Company will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the Disinterested Shares validly tendered for acceptance under the Offer are less than 90% of the Disinterested Shares during the Compulsory Acquisition Entitlement Period, the Offeror will not be entitled to exercise the compulsory acquisition right and therefore the Company will not be delisted from the Stock Exchange.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Offer. Chanceton Capital Partners Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, the Offer, a letter of advice from the Independent Board Committee in relation to the Offer and a letter of advice from the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, will be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. As the making of the Offer is conditional upon the Share Sale Completion, if necessary, an application will be made to the Executive under Note 2 to Rule 8.2 of the Takeovers Code to extend the date of posting of the Composite Document to any time within seven (7) days upon the Share Sale Completion.

WARNING

The making of the Offer is subject to Share Sale Completion which in turn is subject to satisfaction and/or waiver of the conditions precedent contained in the Share Purchase Agreement. The Offer therefore may or may not be made. The Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their stock brokers, bank managers, solicitors or other professional advisers. The Offer, if made, will be on the terms mentioned below.

Reference is made to (i) the announcement of the Company issued on 14 December 2020 pursuant to Rule 3.7 of the Takeovers Code in relation to, among other things, the entering into of a memorandum of understanding between Genesis Group and SSH in respect of the possible sale and purchase of the Sale Shares; and (ii) the monthly update announcements of the Company issued on 14 January 2021, 16 February 2021 and 2 March 2021, respectively, pursuant to Rule 3.7 of the Takeovers Code in relation to, among other things, the update on the possible sale and purchase of the Sale Shares.

The Board was informed by Genesis Group that on 5 March 2021 (after trading hours), Genesis Group, the Offeror, and the Guarantors entered into the Share Purchase Agreement, pursuant to which the Offeror has conditionally agreed to acquire, and Genesis Group has conditionally agreed to sell, the Sale Shares, being 267,562,500 Shares (representing approximately 53.51% of the entire issued share capital of the Company as at the date of this joint announcement), free from Encumbrances together with all rights attaching to them (including the right to receive all dividends and other distributions declared, made or paid on or after the Completion Date), for a total Consideration of HK\$389,571,000, equivalent to HK\$1.456 per Sale Share.

THE SHARE PURCHASE AGREEMENT

Date

5 March 2021

Parties

- (a) Genesis Group (as seller);
- (b) the Offeror (as purchaser); and
- (c) Mr. Poon Kin Leung, Mr. Lee Siu Wah Albert, Mr. Lai Wai Man, and Mr. Wong King Cheung (collectively as guarantors).

Sale Shares

Pursuant to the terms of the Share Purchase Agreement, the Offeror has agreed to acquire, and Genesis Group has agreed to sell, the Sale Shares free from all Encumbrances together with all rights attaching to them (including the right to receive all dividends and other distributions declared, made or paid on or after the Completion Date).

The Sale Shares, comprising a total of 267,562,500 Shares, represent approximately 53.51% of the entire issued share capital of the Company as at the date of this joint announcement.

Consideration

The Consideration (inclusive of the Retention Amount and the Further Retention Amount) for the Sale Shares is HK\$389,571,000, equivalent to HK\$1.456 per Sale Share.

The Consideration was determined after arm's length negotiations between the Offeror and Genesis Group, after taking into account (i) the net asset value of the Group as at 30 September 2020; (ii) the financial position of the Group; (iii) the prevailing market prices of the Shares as further described in the section headed "POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER — Offer Price" below; (iv) the fact that the Offeror can obtain a controlling interest in the Company after the Share Sale Completion; and (v) development potential and business prospects of the Group.

The Consideration per Sale Share of HK\$1.456 represents a premium of 124.0% over the unaudited net asset value of the Group attributable to the Shareholders of approximately HK\$0.65 as at 30 September 2020. It represents a discount of 5.5% to the market price of the Shares of HK\$1.54 per Share as quoted on the Stock Exchange on the Last Trading Day.

Manner of payment of the Consideration

The Consideration is payable by the Offeror in cash in the following manner:

- (i) upon the Share Sale Completion, the Offeror shall pay to Genesis Group an amount that is equal to the Consideration minus (i) the Retention Amount (as defined below); and (ii) the Further Retention Amount (as defined below);
- (ii) the Offeror shall pay to Genesis Group a sum of HK\$43,680,000 (or the balance thereof after deduction(s), if any) which is equivalent to the price for 30,000,000 Sale Shares at the sale price of HK\$1.456 per each Sale Share (the “**Retention Amount**”) on a date after 31 December 2023 and before 30 June 2024; and
- (iii) the Offeror shall pay and release to Genesis Group such portion of a total sum of HK\$6,471,732.49 (the “**Further Retention Amount**”) being the amount of certain significant aged receivables of a subsidiary of the Company, if any such amount is recovered during the Further Retention Release Period.

The Retention Amount shall be deducted for satisfying any claim (if any) between the Completion Date and 29 June 2024 arising from any breach of warranties, obligations, covenants or undertakings by the Covenantors, any proceedings involving any member of the Group which arises out of any facts or circumstances occurring on or prior to the Completion Date, any liabilities or obligations owed by the Group to any of its employees of the subsidiaries of the Group which arises out of their employment with the Group on or before the Completion Date, any Leakage and/or the costs or expenses associated with any such claim. Any balance thereof shall then be paid to Genesis Group thereafter. In the event that the Retention Amount falls short of the amount payable under such claims (including any amount arising from any Leakage), Genesis Group shall pay to the Offeror such shortfall amount.

The Further Retention Amount (or such portion thereof) shall be released to Genesis Group if certain significant aged receivables are recovered by a subsidiary of the Company as reflected in the annual audited financial statements of the Group during the Further Retention Release Period, or failing which, an amount equivalent to any irrecoverable amount shall not be released to Genesis Group.

Warranties and indemnification

Each of the Covenantors has agreed to give certain customary warranties in favour of the Offeror. The warranties given by the Covenantors relate mostly to the Sale Shares and the condition and business of the Company and/or the Group. The Covenantors have also jointly and severally warranted and undertaken to procure that there would be no Leakage between 30 September 2020 and Completion Date. Otherwise, the Covenantors shall pay to such member of the Group as designated by the Offeror an amount that is equivalent to such Leakage.

Conditions

Completion of the Share Purchase Agreement (i.e. the Share Sale Completion) is subject to the following Conditions being fulfilled and remaining satisfied (or waived by the Offeror, if applicable) on or before the Long Stop Date:

- (i) the obtaining of all consents, approvals, clearances and authorisations of relevant Government Authorities (including the Stock Exchange and the SFC) necessary for the implementation of the transactions contemplated under the Share Purchase Agreement;
- (ii) the current listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange prior to the Completion Date (save for any temporary suspension solely in connection with the transaction contemplated under the Share Purchase Agreement) and neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the Share Purchase Agreement;
- (iii) no decision, order or judgment having been issued or made by any Government Authority in Hong Kong or the PRC at any time prior to the Completion Date that has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the Sale Shares to the Offeror;
- (iv) as at Share Sale Completion, none of the warranties contained in the Share Purchase Agreement is untrue, inaccurate and misleading;
- (v) the Stock Exchange and the Executive confirming in writing that they have no further comments on this joint announcement and the transactions contemplated thereunder and the Offer, and this joint announcement having been uploaded onto the website of the Stock Exchange pursuant to the Listing Rules; and
- (vi) consent for the implementation of the transactions contemplated under the Share Purchase Agreement and in the form and terms (including, without limitation, removal of the requirement to maintain the listing status of the Company and any other covenants, undertakings or restrictions which will be breached upon Share Sale Completion or transactions contemplated under the Share Purchase Agreement) satisfactory to the Offeror having been obtained from each of certain lending banks of the Group.

The Offeror may waive the Conditions listed in (ii), (iv) and (vi) above. As at the date of this joint announcement, save for Condition (v), the remaining Conditions are yet to be fulfilled or (as the case may be) waived. As at the date of this joint announcement, neither the Offeror nor Genesis Group is aware of and does not reasonably foresee any consent, approval, clearance and authorisation listed in (i) above is required.

Undertakings

Each of Covenantors has provided undertakings to the Offeror, with respect to, among other things, (i) the obtaining, renewing and maintaining of the required property management licences for the Group and its employees; (ii) the entering of employment contracts by certain key designated personnel of the Group in relation to their continued employment with the Group; (iii) the completion of certain filings and notifications due to change of control, beneficial ownership, directorship, authorised representatives and/or authorised signatories of the Group; (iv) the provision of sufficient contribution to the mandatory provident fund by the Group for all amounts payable immediately prior to Share Sale Completion; (v) the provision of a written non-solicit and non-compete undertaking by each shareholder of Genesis Group; and (vi) other post-completion obligations including the delivery of physical share certificate within ten Business Days after the Share Sale Completion and updating the registers of members and directors of the relevant members of the Group.

Completion

Completion of the Share Purchase Agreement will take place on the Completion Date, being the fifth Business Day after the fulfillment (or, if applicable, waiver) of the Conditions (or such other date as the parties to the Share Purchase Agreement may agree in writing).

The Company will publish a further announcement upon the Share Sale Completion.

Guarantee

The Guarantors have guaranteed to the Offeror the performance of the obligations and payment obligations of Genesis Group according to the Share Purchase Agreement until all the obligations of Genesis Group under the Share Purchase Agreement have been fulfilled.

Other termination events

The Offeror may also terminate the Share Purchase Agreement on or before the Completion Date by notice to Genesis Group if (i) the number of employees of the Group has reduced by more than 20% as compared with the number of employees as at 30 September 2020; (ii) more than 500 employees, clients, owners or residents of any projects managed by the Group have expressed discontent with the transaction contemplated under the Share Purchase Agreement; (iii) any Government Authority has commenced proceedings against any member of the Group, its directors or certain senior management personnel which will cause any adverse material effect on the financial position, business, prospects or results of operations or reputation of any

member of the Group; and (iv) the number of projects managed by the Group is reduced by more than five projects as compared with the number of projects being managed by the Group as at 30 September 2020.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it are not interested in any Shares, other than the interest in Shares under the Share Purchase Agreement.

Immediately after Share Sale Completion, the Offeror and parties acting in concert with it will own a total of 267,562,500 Shares, representing approximately 53.51% of the entire issued share capital of the Company. Accordingly, the Offeror will be required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares which are not owned or have been agreed to be acquired by the Offeror and parties acting in concert with it (being the Disinterested Shares).

The Offer, if made, will be on the terms mentioned below.

Principal Terms of the Offer

Subject to and upon the Share Sale Completion, CMSHK will, on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.456 in cash

The Offer Price of HK\$1.456 per Offer Share equals the purchase price per Sale Share payable by the Offeror under the Share Purchase Agreement. If, after the date of the despatch of the Composite Document, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offer Price will be reduced by all or any part of the amount or value of such net dividend, distribution and/or, as the case may be, return of capital, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

The Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

The Disinterested Shares to be acquired under the Offer will be fully paid, free from all liens, charges and Encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all

dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of the despatch of the Composite Document).

The Company confirms that as at the date of this joint announcement, (a) it has not declared any dividend, the record date of which falls on or after the expected date of despatch of the Composite Document; and (b) it does not have any intention to make, declare or pay any future dividend or make other distributions until after the close of the Offer.

Total Value of the Offer

As at the date of this joint announcement, the total number of issued shares of the Company is 500,000,000 Shares. Based on the Offer Price of HK\$1.456 per Offer Share, the entire issued share capital of the Company is valued at HK\$728,000,000.

As the Offeror and parties acting in concert with it will own 267,562,500 Shares subject to and immediately after Share Sale Completion, the total number of issued Shares subject to the Offer will be 232,437,500 Shares, being the Shares held by the Independent Shareholders. In the event that the Offer is accepted in full, the maximum aggregate amount payable by the Offeror under the Offer will be HK\$338,429,000.

Offer Price

The Offer Price of HK\$1.456 per Offer Share represents:

- (i) a discount of approximately 23.4% to the closing price of HK\$1.90 per Share as quoted on the Stock Exchange on 11 December 2020, the last trading day prior to the publication of the first announcement made pursuant to Rule 3.7 of the Takeovers Code;
- (ii) a discount of approximately 5.5% to the closing price of HK\$1.54 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 4.0% over the average closing price of approximately HK\$1.40 per Share for the last 10 trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 3.3% over the average closing price of approximately HK\$1.41 per Share for the last 30 trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 7.1% over the average closing price of approximately HK\$1.36 per Share for the last 90 trading days immediately prior to and including the Last Trading Day;

(vi) a premium of approximately 155.4% over the audited net asset value of the Group attributable to the Shareholders of approximately HK\$0.57 per Share as at 31 March 2020; and

(vii) a premium of approximately 124.0% over the unaudited net asset value of the Group attributable to the Shareholders of approximately HK\$0.65 per Share as at 30 September 2020.

Highest and Lowest Share Prices

During the six-month period immediately prior to and including the Last Trading Day, the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.97 on 7 September 2020 and the highest closing price per Share as quoted on the Stock Exchange was HK\$1.9 on 11 December 2020.

Confirmation of Financial Resources

The aggregate of the cash amount payable to Genesis Group as consideration for the Sale Shares under the Share Purchase Agreement is HK\$389,571,000. The maximum cash amount to be paid to the Shareholders in respect of acceptances under the Offer is approximately HK\$338,429,000, which is based on the Offer Price of HK\$1.456 per Disinterested Share and 232,437,500 Disinterested Shares and subject to the rounding up of payment to the nearest cent as described below. The total cash consideration payable for (i) the Sale Shares under the Share Purchase Agreement and (ii) the Offer will be funded by internal resources.

CMSHK, the Financial Adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror (i) for the Share Sale Completion; and (ii) to satisfy the amount of funds required for the full acceptance of the Offer.

Effect of Accepting the Offer

The Offer, subject to Share Sale Completion taking place, will be unconditional. By accepting the Offer, the Independent Shareholders will sell their Shares fully paid and free from all liens, charges, Encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them including the right to receive in full all dividends and other distributions, and/or as the case maybe, return of capital, if any, declared, made or paid on or after the date on which the Offer is made, being the date of posting of the Composite Document, unless the Offeror has reduced the Offer Price in respect of any net dividends and other distributions, and/or as the case maybe, return of capital, if any, declared, made or paid by the Company up to the close of the Offer. In the event that the Company decides to declare, make, pay or agree to make or pay any dividends other distributions and/or as the case maybe, return of capital on or after the date of this joint announcement and up to the close of the Offer, the Offer Price will be reduced by the amount of such amount or value.

Acceptance of the Offer by any Independent Shareholder will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Availability of the Offer

The Offeror intends to make the Offer available to all Independent Shareholders, including those with registered addresses outside Hong Kong. The availability of the Offer to any persons not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Independent Shareholders who are not resident in Hong Kong and who wish to accept the Offer should inform themselves about and observe any applicable requirements in their own jurisdictions. It is the responsibility of the Independent Shareholders who are not resident in Hong Kong who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such shareholder in respect of such jurisdictions) and, where necessary, consult their own professional advisers.

In the event that the receipt of the Composite Document by overseas Independent Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror), and subject to the Executive's consent the Composite Document will not be despatched to such overseas Independent Shareholders. For that purpose, the Offeror may apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Composite Document to such overseas Independent Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Composite Document is made available to such Independent Shareholders. If any such waiver is granted by the Executive, the Offeror reserves the right to make arrangements in respect of the Independent Shareholders not resident in Hong Kong in relation to the terms of the Offer. Such arrangements may include notifying any matter in connection with the Offer to the Independent Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given despite any failure by such Independent Shareholders to receive or see that notice.

Acceptance of the Offer by any overseas Independent Shareholder will be deemed to constitute a representation and warranty from such overseas Independent Shareholder to the Offeror that the local laws and requirements have been complied with. The overseas Independent Shareholders should consult their own professional advisers if in doubt.

Hong Kong Stamp Duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the amount of the consideration payable in respect of the relevant acceptances by the Shareholders or if higher, the market value of the Shares, will be deducted from the amount payable to the Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer.

Payment

Payment in cash in respect of acceptances of the Offers will be made within seven (7) business days (as defined under the Takeovers Code) following the date on which the Disinterested Shares are validly tendered for acceptance of the Offer. Relevant documents of title in respect of such acceptances must be received by the Offeror (or its agent) to render each acceptance of the Offer complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Taxation Advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and/or the parties acting in concert with it, CMSHK, the Company, and their respective directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Arrangements and Dealing in Securities

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Sale Shares, none of the Offeror and/or parties acting in concert with it owned or had control or direction over any voting rights or rights over the Shares, options, derivatives, warrants, or other securities convertible into Shares;

- (ii) save for the Sale Shares, none of the Offeror, Genesis Group and/or their respective concert parties had dealt for value in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period preceding the commencement of the offer period (as defined under the Takeovers Code) (i.e. 14 December 2020) up to and including the date of this announcement;
- (iii) save for the Share Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (iv) save for the Share Purchase Agreement, there is no agreement or arrangement to which the Offeror and/or any parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (v) none of the Offeror and/or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) none of the Offeror and/or parties acting in concert with it has received any irrevocable commitment to accept or reject the Offer;
- (vii) there is no outstanding derivative in respect of the securities of the Company entered into by the Offeror and/or parties acting in concert with it;
- (viii) save for payment arrangement and the Consideration under the Share Purchase Agreement, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror and any parties acting in concert with it to Genesis Group or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares under the Share Purchase Agreement;
- (ix) there is no understanding, arrangement or special deal (as defined in Rule 25 of the Takeovers Code) between Genesis Group or any party acting in concert with any of them on one hand, and the Offeror and the parties acting in concert with it on the other hand; and
- (x) there is no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror and any parties acting in concert with it or (b) the Company, its subsidiaries or associated companies.

POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF THE COMPANY

The Offeror intends (but is not obliged) to exercise the right to compulsorily acquire those Disinterested Shares not acquired by the Offeror pursuant to the Offer under Section 88 of the Cayman Islands Companies Act if it acquires not less than 90% of the Disinterested Shares within four months of the posting of the Composite Document as required by Rule 2.11 of the Takeovers Code (the “**Possible Compulsory Acquisition**”). Section 88 of the Cayman Islands Companies Act also requires the Offer to be accepted by the holders of not less than 90% of the Disinterested Shares. Should compulsory acquisition rights arise and be exercised in full, the Company will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where the Offeror seeks to acquire or privatise the Company by means of the Offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirement imposed by the Cayman Islands Companies Act, acceptance of the Offer and purchases made by the Offeror and the parties acting in concert with it during the four months after posting of the Composite Document total 90% or more of the Disinterested Shares.

If the Disinterested Shares validly tendered for acceptance under the Offer are less than 90% of the Disinterested Shares during the Compulsory Acquisition Entitlement Period, the Offeror will not be entitled to exercise the compulsory acquisition right and therefore the Company will not be delisted from the Stock Exchange.

PUBLIC FLOAT OF THE COMPANY

If the Offeror does not effect the Possible Compulsory Acquisition as set out above (whether by reason of not acquiring 90% of the Disinterested Shares or otherwise) and less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exist or may exist in the trading of the Shares or there are insufficient Shares in the public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares until appropriate steps have been taken to restore the minimum percentage of the Shares in public hands. In such circumstances, the Offeror will take appropriate steps to restore the sufficient public float of the Shares after the close of the Offer accordingly.

INFORMATION ON THE GROUP

The Group is principally engaged in providing property management services and other related services in Hong Kong for both public and private properties.

Set out below is a summary of the audited consolidated results of the Group for each of the two financial years ended 31 March 2019 and 2020, and the unaudited consolidated results of the Group for the six months ended 30 September 2020, as extracted from the annual reports of the Company for the two financial years ended 31 March 2019 and 2020 and the interim report of the Company for the six months ended 30 September 2020, respectively.

	For the six months ended 30 September 2020 (unaudited)	For the year ended 31 March 2020 2019 (audited) (audited)	
<i>HK\$'000</i>			
Revenue	432,019	783,935	715,807
Profit before income tax	45,393	36,932	18,742
Profit for the period/year	40,561	29,919	13,357

	For the six months ended 30 September 2020 (unaudited)	For the year ended 31 March 2020 2019 (audited) (audited)	
<i>HK\$'000</i>			
Total assets	437,521	392,813	360,557
Total liabilities	114,028	110,282	99,803
Net assets	323,493	282,531	260,754

Further financial information of the Group will be set out in the Composite Document to be despatched to the Shareholders.

Shareholding Structure of the Company

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement and immediately prior to Share Sale Completion; and (ii) immediately upon Share Sale Completion:

	As at the date of this joint announcement and immediately prior to Share Sale Completion		Immediately upon Share Sale Completion but before the commencement of the Offer ^(Note 12)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
The Offeror and parties acting in concert with it				
Offeror <i>(Note 13)</i>	—	—	267,562,500	53.51%
Non-public Shareholders				
Genesis Group <i>(Notes 1 to 11 and 13)</i>	267,562,500	53.51%	—	—
Ms. So Yee Nga, Eva	32,812,500	6.56%	32,812,500	6.56%
Sub-total	<u>300,375,000</u>	<u>60.07%</u>	<u>32,812,500</u>	<u>6.56%</u>
Public Shareholders	<u>199,625,000</u>	<u>39.93%</u>	<u>199,625,000</u>	<u>39.93%</u>
Total	<u>500,000,000</u>	<u>100.00%</u>	<u>500,000,000</u>	<u>100.00%</u>

Notes:

- The issued shares of Genesis Group are owned as to approximately 17.17%, 16.26%, 14.02%, 11.21%, 10.51%, 7.00%, 7.00%, 6.31%, 5.61% and 4.91% by Mr. Lee Siu Wah Albert, Mr. Poon Kin Leung, Mr. Wu Ka Chai, Mr. Lai Wai Man, Mr. Wong Wai Hung, Mr. Ho Io Tong, Mr. Lam Siu Hung Christopher, Mr. Tang Kin Sing, Mr. Wong King Cheung and Mr. Poon Sing Chit respectively. Pursuant to the deed of acting in concert dated 5 November 2018, each of the said persons confirm their acting-in-concert agreement. Under the SFO, each of Mr. Lee Siu Wah Albert, Mr. Poon Kin Leung, Mr. Wu Ka Chai, Mr. Lai Wai Man, Mr. Wong Wai Hung, Mr. Ho Io Tong, Mr. Lam Siu Hung Christopher, Mr. Tang Kin Sing, Mr. Wong King Cheung and Mr. Poon Sing Chit is taken to be interested in the Shares beneficially owned by Genesis Group.
- Ms. Chiu Yuet Ying Jennifer is the spouse of Mr. Lee Siu Wah Albert, an executive Director. Under the SFO, she is taken to be interested in the Shares in which Mr. Lee Siu Wah Albert is interested.
- Ms. Poon Tang Hou Chi is the spouse of Mr. Poon Kin Leung, an executive Director. Under the SFO, she is taken to be interested in the Shares in which Mr. Poon Kin Leung is interested.
- Ms. Chiu Shuk Yi Lydia is the spouse of Mr. Wu Ka Chai, an executive Director. Under the SFO, she is taken to be interested in the Shares in which Mr. Wu Ka Chai is interested.

5. Ms. Wong Pui Yan is the spouse of Mr. Lai Wai Man, an executive Director. Under the SFO, she is taken to be interested in the Shares in which Mr. Lai Wai Man is interested.
6. Ms. Lai Kam Ho Rose is the spouse of Mr. Wong Wai Hung. Under the SFO, she is taken to be interested in the Shares in which Mr. Wong Wai Hung is interested.
7. Ms. Cheng Shun Wa Esther is the spouse of Mr. Ho Io Tong. Under the SFO, she is taken to be interested in the Shares in which Mr. Ho Io Tong is interested.
8. Ms. Kwok Kuen is the spouse of Mr. Lam Siu Hung Christopher, an executive Director. Under the SFO, she is taken to be interested in the Shares in which Mr. Lam Siu Hung Christopher is interested.
9. Ms. Ma Wai Kwan is the spouse of Mr. Tang Kin Sing. Under the SFO, she is taken to be interested in the Shares in which Mr. Tang Kin Sing is interested.
10. Ms. Lam Siu Fong is the spouse of Mr. Wong King Cheung, an executive Director. Under the SFO, she is taken to be interested in the Shares in which Mr. Wong King Cheung is interested.
11. Ms. Chan Miu Hung is the spouse of Mr. Poon Sing Chit. Under the SFO, she is taken to be interested in the Shares in which Mr. Poon Sing Chit is interested.
12. The table assumes there will be no change in the issued share capital of the Company from the date of this joint announcement to the Completion Date.
13. Given the arrangement on the Retention Amount and the Further Retention Amount, Genesis Group may be presumed to be acting in concert with the Offeror in accordance with class 9 of the definition of “acting in concert” in the Takeovers Code. The Offeror will clarify with the Executive and (where applicable) make an application to the Executive for the rebuttal of the presumed concert party relationship between the Offeror and Genesis Group which may arise upon Share Sale Completion. If an application is made, it may or may not be granted by the Executive.

As at the date of this joint announcement, other than disclosed above, there are no outstanding options, warrants or convertible securities issued by the Company, and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Upon Share Sale Completion, Genesis Group and its shareholders (including the Guarantors and the spouse of these shareholders) will not be interested in any Shares.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Hong Kong with limited liability which is indirectly, through SSH, Sinomarine Limited and China Merchants Investment Development Company Limited, wholly-owned by CMG. The Offeror and its subsidiaries are principally engaged in provision of investing services, provision of ship management services, investment holding, and chartering of vessels. As at the date of this joint announcement, the board of directors of the Offeror comprises Mr. Wang Youliang and Mr. Ding Lei.

SSH is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment holding.

Sinomarine Limited is a limited liability company established in the PRC. It is principally engaged in ship trading, ship maintenance, ship leasing and consultation service, international freight forwarding and shipping information consultation service.

China Merchants Investment Development Company Limited is a limited liability company established in the PRC. It is principally engaged in industrial investment, corporate acquisition and re-structuring, consultation relating to investment, corporate management and business information, leasing of self-owned properties, development of computer software and system, sale of computer hardware and equipment, data processing and database technology services.

CMG is a state wholly-owned enterprise established under the laws of the PRC on 14 October 1986 under the direct control of the SASAC. CMG is a large-scale conglomerate with diversified businesses that mainly focus on three core industries, namely comprehensive transportation, featured finance, holistic development and operation of residential communities and industrial parks. It has also been engaging in the transformation from these three primary industries to the three platforms of industrial management, financial services, and investment and capital operation.

The Offeror, SSH, Sinomarine Limited, China Merchants Investment Development Company Limited, CMG and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons and not a party acting in concert with any of them.

REASONS FOR ACQUIRING THE SALE SHARES AND INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Having considered the market potential offered by the property management industry, the acquisition enables the Offeror to tap into the property management market in Hong Kong. Through the acquisition, the Offeror can leverage on the property management experience of the Group which can in turn facilitate the Offeror in diversifying its business scope into the property management market.

Accordingly, following the close or lapse of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The Offeror has no intention to (i) introduce any major changes to the existing business and operations of the Group following the close or lapse of the Offer; (ii) discontinue the employment of any employees of the Group; or (iii) dispose of or re-deploy the fixed assets of the Company other than in its ordinary and usual course of business. The Offeror will continue to ensure good corporate governance, monitor and review the Group's business and operations from time to time, and may take steps that it deems necessary

or appropriate to optimise the value of the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group. Furthermore, as disclosed in the announcement of the Company dated 2 March 2021, SSH would not nominate CMPOS to be the potential purchaser under the Share Purchase Agreement. Nevertheless, if CMPOS subsequently proposes to acquire any of the Shares that may be acquired/held by the Offeror in the future, CMG, SSH, the Offeror and CMPOS will liaise and coordinate with one another to discuss the feasibility of such proposal and (where applicable) ensure that such proposal will be implemented in compliance with the applicable laws and regulations.

Proposed change to the Board composition of the Company

The Board is currently made up of nine Directors, comprising six executive Directors (namely Mr. Poon Kin Leung, Mr. Lee Siu Wah Albert, Mr. Lam Siu Hung Christopher, Mr. Wong King Cheung, Mr. Lai Wai Man and Mr. Wu Ka Chai), and three independent non-executive Directors (namely, Mr. Wong Chung Kin Quentin, Mr. Tang Yiu Ming and Mr. Wong Si Yuen).

As at the date of this joint announcement, the Offeror has not yet decided on the future composition of the Board. A separate announcement will be made in this regard as and when appropriate. The Offeror intends to retain Mr. Poon Kin Leung as executive Director and nominate new Directors to the Board in compliance with the Takeovers Code and the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

As at the date of this joint announcement, the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Wong Chung Kin Quentin, Mr. Tang Yiu Ming and Mr. Wong Si Yuen, who have no direct or indirect interest in the Offer, has been formed to advise the Independent Shareholders in respect of the Offer.

As at the date of this joint announcement, Chanceton Capital Partners Limited has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer, and in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board to combine the offer document and the offeree response document into a Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, the Offer, a letter of advice from the Independent Board Committee in relation to the Offer and a letter of advice from the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, will be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. As the making of the Offer is conditional upon the Share Sale Completion, if necessary, an application will be made to the Executive under Note 2 to Rule 8.2 of the Takeovers Code to extend the date of posting of the Composite Document to any time within seven (7) days upon the Share Sale Completion.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

DISCLOSURE IN DEALINGS

All associates (including a person who owns or controls 5% or more of any class of relevant securities) of the Offeror and the Company are reminded to disclose their dealings in any relevant securities of the Company in accordance with Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associate of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

The making of the Offer is subject to Share Sale Completion which in turn is subject to satisfaction and/or waiver of the conditions precedent contained in the Share Purchase Agreement. The Offer therefore may or may not be made. The Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their stock brokers, bank managers, solicitors or other professional advisers.

This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders and potential investors of the Company of the possibility that the Offer may be made.

Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

Shareholders and potential investors of the Company are reminded to exercise caution when trading in the Shares.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	any day that is not a Saturday or Sunday, on which open in Hong Kong to the general public for business
“Cayman Islands Companies Act”	the Companies Act (2021 Revision) of the Cayman Islands, as revised, amended, supplemented or otherwise modified from time to time
“CMG”	China Merchants Group Limited, a state wholly-owned enterprise established under the laws of the PRC under the direct control of the SASAC, which is an indirect controlling shareholder of the Offeror
“CMSHK” or “Financial Adviser to the Offeror”	China Merchants Securities (HK) Co., Limited, a registered institution under the SFO, registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities and the financial adviser to the Offeror in respect of the Offer
“CMPOS”	China Merchants Property Operation and Service Co., Ltd.* (招商局積餘產業運營服務股份有限公司), a company incorporated under the laws of the PRC and the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 001914.SZ)
“Company”	Creative Enterprise Holdings Limited (創毅控股有限公司), an exempted company incorporated in the Cayman Islands under the laws of the Cayman Islands with limited liability on 16 May 2018, the Shares of which are listed on the Stock Exchange (Stock Code: 3992)

“Completion Date”	the date on which the Share Sale Completion takes place, being the fifth Business Day following all conditions are fulfilled or waived in accordance with the terms and conditions of the Share Purchase Agreement (or such later date as the Offeror and Genesis Group thereto may agree in writing)
“Composite Document”	the composite offer and response document in respect of the Offer to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offer
“Compulsory Acquisition Entitlement Period”	the period commencing on the date of the Composite Document and ending on the date falling four months after the date of the Composite Document (or such later date as the Executive may permit for the requisite level of acceptances to be reached in order for the Offeror to exercise the right of compulsory acquisition)
“Condition(s)”	closing condition(s) to Share Sale Completion, further details of which are set out in the section headed “THE SHARE PURCHASE AGREEMENT — Conditions” of this joint announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	consideration (inclusive of the Retention Amount and the Further Retention Amount) payable by the Offeror as purchaser for the sale and purchase of the Sale Shares under the Share Purchase Agreement, being a maximum amount of HK\$389,571,000
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Covenantors”	collectively Genesis Group and the Guarantors, and each a “Covenantor”
“Director(s)”	director(s) of the Company from time to time

“Disinterested Share(s)”	Shares that are subject to the Offer, which for the avoidance of doubt exclude those Shares which are to be acquired by the Offeror under the Share Purchase Agreement, being 232,437,500 Shares as at the date of this joint announcement
“Encumbrance(s)”	any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Further Retention Amount”	has the meaning ascribed to it under the section headed “THE SHARE PURCHASE AGREEMENT — Manner of payment of the Consideration” in this joint announcement
“Further Retention Release Period”	the period commencing on the Completion Date and ending on the later of (i) 31 December 2023; or (ii) the date on which a court of competent jurisdiction renders a final decision on the last proceeding where a certain subsidiary of the Group is a claimant/plaintiff in relation to certain significant aged receivables
“Government Authority(ies)”	any competent governmental, administrative, supervisory, regulatory, judicial, arbitral, determinative, disciplinary, enforcement or tax raising body, authority, agency, board, department, court or tribunal of any jurisdiction (including any relevant securities exchange and the SFC) and whether supranational, national, regional or local

“Genesis Group”	Genesis Group Limited, a company incorporated in the British Virgin Islands with limited liability on 3 May 2018 and owned as to 17.17%, 16.26%, 14.02%, 11.21%, 10.51%, 7.00%, 7.00%, 6.31%, 5.61% and 4.91% by Mr. Lee Siu Wah Albert, Mr. Poon Kin Leung, Mr. Wu Ka Chai, Mr. Lai Wai Man, Mr. Wong Wai Hung, Mr. Ho Io Tong, Mr. Lam Siu Hung Christopher, Mr. Tang Kin Sing, Mr. Wong King Cheung and Mr. Poon Sing Chit, respectively. Genesis Group Limited is the controlling shareholder of the Company as at the date of this joint announcement
“Group”	the Company and its subsidiaries
“Guarantors”	collectively, Mr. Poon Kin Leung, Mr. Lee Siu Wah Albert, Mr. Lai Wai Man, and Mr. Wong King Cheung, and each a “Guarantor”
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors (namely Mr. Wong Chung Kin Quentin, Mr. Tang Yiu Ming and Mr. Wong Si Yuen), formed to advise the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	Chanceton Capital Partners Limited, a registered institution under the SFO registered to conduct Type 6 (advising on corporate finance), the independent financial adviser appointed by the Company in relation to the Offer
“Independent Shareholder(s)”	holder(s) of the Disinterested Shares, which for the avoidance of doubt exclude(s) the Offeror and parties acting in concert with it
“Last Trading Day”	5 March 2021, being the last trading date immediately prior to the date of this joint announcement

“Leakage”	any payment, asset transfer or any other benefits conferred on Genesis Group from the Group for the period between 30 September 2020 and the Completion Date, but excludes matter which is agreed by the Offeror or any payment made pursuant to the Share Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5 p.m. on 31 May 2021 (or such other date as Genesis Group and the Offeror may agree in writing)
“Offer”	the possible mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) (being the Disinterested Shares) to be made by CMSHK on behalf of the Offeror at the Offer Price
“Offer Price”	HK\$1.456 per Offer Share
“Offeror”	Sinotrans Shipping Limited (中外運航運有限公司), a company incorporated in Hong Kong with limited liability, which is ultimately wholly-owned by CMG
“Possible Compulsory Acquisition”	has the meaning ascribed to it under the section headed “POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF THE COMPANY” in this joint announcement
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Retention Amount”	has the meaning ascribed to it under the section headed “THE SHARE PURCHASE AGREEMENT — Manner of payment of the Consideration” in this joint announcement

“Sale Shares”	267,562,500 Shares legally and beneficially owned by Genesis Group as at the date of this joint announcement and immediately prior to Share Sale Completion, representing an aggregate of approximately 53.51% of the entire issued share capital of the Company as at the date of this joint announcement, and each a “Sale Share”
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Purchase Agreement”	the conditional share purchase agreement dated 5 March 2021 entered into by and among the Offeror, Genesis Group and the Guarantors in relation to the sale and purchase of the Sale Shares
“Share Sale Completion”	the completion of the Share Purchase Agreement pursuant to the terms and conditions contained therein
“SSH”	Sinotrans Shipping (Holdings) Limited, a limited liability company incorporated in the British Virgin Islands which is directly wholly-owned by Sinomarine Limited and is ultimately wholly-owned by CMG
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

* *For identification purposes only*

By Order of the Board of
Sinotrans Shipping Limited
WANG Youliang and Ding Lei
Directors

By Order of the Board
Creative Enterprise Holdings Limited
Poon Kin Leung
Chairman and Executive Director

Hong Kong, 8 March 2021

As at the date of this joint announcement, the Board comprises Mr. Poon Kin Leung, Mr. Lee Siu Wah Albert, Mr. Lam Siu Hung Christopher, Mr. Wong King Cheung, Mr. Lai Wai Man and Mr. Wu Ka Chai as executive Directors; and Mr. Wong Chung Kin Quentin, Mr. Tang Yiu Ming and Mr. Wong Si Yuen as independent non-executive Directors.

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

As at the date of this joint announcement, the directors of the Offeror comprise Mr. WANG Youliang and Mr. Ding Lei.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Directors, Genesis Group and the Guarantors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.