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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) UPDATE ON THE STATUS OF THE CONDITIONS  
TO THE SHARE SALE COMPLETION  
(2) SECOND SUPPLEMENTAL AGREEMENT  
TO THE SHARE PURCHASE AGREEMENT  
AND  
(3) ESCROW AGREEMENT  
IN RELATION TO  
SALE AND PURCHASE OF APPROXIMATELY 53.51% SHARES IN  
CREATIVE ENTERPRISE HOLDINGS LIMITED**

**Financial Adviser to the Offeror**

**CMS  招商證券國際**

**Financial Adviser to the Company**

 **瓏盛資本有限公司  
Draco Capital Limited**

**Independent Financial Adviser  
to the Independent Board Committee**

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

Reference is made to (i) the announcement dated 8 March 2021 jointly issued by Sinotrans Shipping Limited (the “**Offeror**”) and Creative Enterprise Holdings Limited (the “**Company**”) in relation to, among other things, the sale and purchase of the Sale Shares and the Offer (the “**Joint Announcement**”); (ii) the announcement dated 26 March 2021 jointly issued by the Offeror and the Company in relation to, among other things, the delay in despatch of the Composite Document and update on the status of the conditions to the Share Sale Completion; (iii) the announcement dated 26 April 2021 jointly issued by the Offeror and the Company in relation to, among other things, update on the progress of the acquisition of the Sale Shares; (iv) the announcement dated 31 May 2021 jointly issued by the Offeror and the Company in relation to, among other things, the entering into of the Supplemental Agreement, the further delay in despatch of the Composite Document and the intention to make an application under Note 2 to Rule 8.2 of the Takeovers Code; and (v) the announcement dated 9 June 2021 jointly issued by the Offeror and the Company in relation to, among other things, the grant of consent by the Executive in relation to the further delay in despatch of the Composite Document (collectively, the “**Announcements**”). Unless otherwise defined herein, terms used in this joint announcement shall have the same meanings as those defined in the Announcements.

## **STATUS OF FULFILLMENT OF THE CONDITIONS TO THE SHARE SALE COMPLETION**

As disclosed in the Announcements, the making of the Offer is conditional upon the Share Sale Completion, which is in turn subject to the satisfaction (or waiver, if applicable) of the Conditions. The Offeror and the Company would like to provide a further update on the status of fulfilment of the Conditions.

On 29 June 2021, the Offeror formally received the SASAC Approval letter dated 28 June 2021 for the implementation of the transactions contemplated under the Share Purchase Agreement and the Offer. Accordingly, Condition (i) to the Share Sale Completion has been satisfied. On 30 June 2021, the Group has obtained consents from each of the lending banks of the Group for the implementation of the transactions contemplated under the Share Purchase Agreement. Thus, Condition (vi) to the Share Sale Completion has been satisfied. As disclosed in the Joint Announcement, Condition (v) has been satisfied.

As at the date of this joint announcement, save for Conditions (ii), (iii) and (iv), all Conditions have been satisfied. Subject to the satisfaction of Conditions (ii), (iii) and (iv), the Share Sale Completion is expected to take place on or about 12 July 2021 (or such other date as the parties to the Share Purchase Agreement may agree in writing).

A further announcement will be made upon Share Sale Completion.

## SECOND SUPPLEMENTAL AGREEMENT

On 30 June 2021 (after trading hours), the Offeror, Genesis Group and the Guarantors entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) to amend and supplement certain terms of the Share Purchase Agreement.

Prior to the entering into the Second Supplemental Agreement, the Retention Amount and the Further Retention Amount, which form part of the Consideration, shall be paid and released by the Offeror to the Genesis Group in the manner as disclosed in the section headed “The Share Purchase Agreement — Manner of payment of the Consideration” in the Joint Announcement.

The main objective of entering into the Second Supplemental Agreement is for the Offeror to pay the Retention Amount and the Further Retention Amount to the Escrow Agent (as defined below) upon Share Sale Completion. The Escrow Agent shall hold in escrow the Retention Amount and the Further Retention Amount until such amount is released to Genesis Group and/or the Offeror (as the case may be).

In respect of the Retention Amount, the manner in which the Retention Amount will be released by the Escrow Agent to Genesis Group and/or the Offeror (as the case may be) is the same as that disclosed in the section headed “The Share Purchase Agreement — Manner of payment of the Consideration” in the Joint Announcement.

In respect of the Further Retention Amount, the manner in which the Further Retention Amount will be released by the Escrow Agent to Genesis Group and/or the Offeror (as the case may be) is the same as the manner in which the Further Retention Amount will be released to Genesis Group and/or retained by the Offeror as disclosed in the section headed “The Share Purchase Agreement — Manner of payment of the Consideration” in the Joint Announcement, save that:

- (i) the definition of “Further Retention Release Period” shall be amended and supplemented as follows: “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 subsidiary of the Group is a claimant/plaintiff in relation to certain significant aged receivables, but in any event, no later than 29 June 2024”.
- (ii) if certain significant aged receivables are not recovered by a subsidiary of the Company as reflected in the annual audited financial statements of the Group during the Further Retention Release Period, an amount equivalent to any irrecoverable amount shall be released to the Offeror.

(iii) if any such significant aged receivables are adjudged to be recoverable by a subsidiary of the Company in a final decision of proceedings where it is a claimant/plaintiff but such amount is only subsequently recovered after the Further Retention Release Period, the Offeror shall pay to Genesis Group an amount equivalent to the said recovered amount after deduction of costs and expenses to be incurred in connection with its recovery (including taxes). Nevertheless, the aggregate amounts to be released to Genesis Group in this regard would in any event not exceed the Further Retention Amount.

For the avoidance of doubt, save for the aforesaid supplements/amendments and other consequential and corresponding changes and the amendments made under the Supplemental Agreement, all other terms of the Share Purchase Agreement (as amended and supplemented by the Supplemental Agreement) shall remain unchanged and continue in full force and effect.

## **ESCROW AGREEMENT**

In accordance with the provisions set out in the Second Supplemental Agreement, on 30 June 2021 (after trading hours), the Offeror, Genesis Group and an independent escrow agent (the “**Escrow Agent**”) entered into an escrow agreement (the “**Escrow Agreement**”) pursuant to which the Escrow Agent shall open and operate an escrow account in the name of the Offeror (the “**Escrow Account**”) to hold and release the Retention Amount and the Further Retention Amount (collectively, the “**Escrow Fund**”). The Escrow Agent is a third party independent of the Offeror, Genesis Group and the Guarantors (i.e. the parties to the Share Purchase Agreement, the Supplemental Agreement and the Second Supplemental Agreement) and their respective concert parties.

The Escrow Account shall be non-interest bearing and any part of the Escrow Fund shall be held by the Escrow Agent in the Escrow Account in the name of the Offeror. The Escrow Fund can only be released in accordance with the instructions signed by the authorised representatives appointed by each of the Offeror and Genesis Group, who shall provide such written instructions to the Escrow Agent in accordance with the terms of the Share Purchase Agreement (as amended and supplemented by the Supplemental Agreement and the Second Supplemental Agreement). If the Escrow Agent has not received any instructions to the contrary to release the Escrow Fund (or any portions thereof) or otherwise on or before 31 December 2024 (the “**Final Release Date**”), the Escrow Agent shall release the Escrow Fund then remaining in the Escrow Account to the Offeror within five (5) Business Days after the Final Release Date and escrow arrangement will end accordingly.

The Escrow Agreement shall terminate if, among other things, (i) unless parties agree otherwise, no Escrow Fund or any portion thereof has been deposited to the Escrow Account on or before 6 August 2021 so that the Escrow Agreement shall automatically

terminate forthwith (i.e. if the Share Sale Completion does not materialize on or before the fifth Business Day following the Revised Long Stop Date); or (ii) prior notice of not less than ninety (90) days is given by the Escrow Agent to terminate the Escrow Agreement or it has or will become unlawful for the Escrow Agent to perform its obligations contemplated by the Escrow Agreement, in which event, the Escrow Agreement shall be terminated on the date as specified in the prior notice by the Escrow Agent, whichever is the earlier. In the event of (ii) where the Escrow Agreement is terminated prior to the Final Release Date, the Offeror and Genesis Group shall instruct the Escrow Agent to release the remaining Escrow Fund (if any) from the Escrow Account to another escrow account being operated by another escrow agent as designated by the Offeror and Genesis Group (the “**Another Escrow Arrangement**”) which shall be effective until at least the Final Release Date unless being terminated earlier under the circumstances as specified therein under the Another Escrow Arrangement (if any).

After taking into consideration the provisions under the Share Purchase Agreement, the Supplemental Agreement, the Second Supplemental Agreement and the Escrow Agreement, Genesis Group is not presumed to be acting in concert with the Offeror under class 9 of the definition of “acting in concert” under the Takeovers Code with effect from the entering into of the Escrow Agreement.

## **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 (as supplemented and amended by the Supplemental Agreement and the Second Supplemental Agreement). The Offer therefore may or may not be materialised. 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.**

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

By Order of the board of  
**Sinotrans Shipping Limited**  
**Deng Wei Dong and Zhang Yi**  
*Directors*

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

Hong Kong, 30 June 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 Dr. Deng Wei Dong and Mr. Zhang Yi.*

*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.*