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## **COSCO SHIPPING Ports Limited** **中遠海運港口有限公司**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1199)**

### **UPDATE ON DISCLOSEABLE TRANSACTION ACQUISITION OF INTEREST IN A CONTAINER TERMINAL IN HAMBURG GERMANY**

Reference is made to (i) the announcement of COSCO SHIPPING Ports Limited (the “**Company**”) dated 21 September 2021 in relation to, among others, the acquisition of interest in the Target Company, which operates the Container Terminal Tollerort in the Port of Hamburg, Germany by Grand Dragon (a wholly-owned subsidiary of the Company) (the “**2021 Announcement**”); (ii) the announcement of the Company dated 20 September 2022 in relation to the extension of the Long Stop Date (the “**September 2022 Announcement**”); (iii) the announcement of the Company dated 26 October 2022 in relation to the press statement of the German Federal Ministry for Economic Affairs and Climate Action (formerly known as the German Federal Ministry of Economics and Energy) (the “**Ministry**”) of the same date (the “**October 2022 Announcement**”); and (iv) the announcement of the Company dated 6 January 2023 in relation to the expiry of the Extended Long Stop Date (together with the 2021 Announcement, the September 2022 Announcement and the October 2022 Announcement, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

In view of the Ministry’s administrative act dated 31 October 2022 under which the Ministry partially prohibited the transaction contemplated under the Share Purchase Agreement (the “**Administrative Order**”), the parties had been discussing with the Ministry in relation to the permitted scope of the transaction under the Administrative Order. In accordance with the Administrative Order and following discussions with the Ministry, on 19 June 2023 (after trading hours), Grand Dragon (as purchaser), the Company (as guarantor of the purchaser) and HHLA (as seller) (i) amended and restated the Share Purchase Agreement (such Share Purchase Agreement as amended and restated being the “**Amended and Restated Share Purchase Agreement**”); and (ii) entered into a shareholders’ agreement with certain amendments based on the Shareholders’ Agreement (the “**Amended Shareholders’ Agreement**”).

#### **AMENDED AND RESTATED SHARE PURCHASE AGREEMENT**

Set out below is a summary of the principal terms of the Amended and Restated Share Purchase Agreement.

#### **Subject Matter**

Pursuant to the Amended and Restated Share Purchase Agreement, HHLA agreed to sell and Grand Dragon agreed to purchase:

- (1) 1,924,230 shares in, representing 24.99% of the registered share capital of, the Target Company (the “**Sale Shares**”); and
- (2) 24.99% of EUR80,000,000 being the outstanding amount of the shareholder loan owed to HHLA by the Target Company (the “**Closing Shareholder Loan**”), by accession of Grand Dragon to the shareholder loan agreement between HHLA and the Target Company.

Upon completion of the transactions contemplated under the Amended and Restated Share Purchase Agreement (“**Closing**”), the Target Company will be owned as to 24.99% by Grand Dragon and 75.01% by HHLA.

### **Consideration**

At Closing, Grand Dragon will pay to HHLA:

- (1) the consideration for the sale of the Sale Shares in an amount of EUR46,410,000; and
- (2) the consideration for the acquisition of the Closing Shareholder Loan, in an amount equal to:
  - (i) the nominal amount of the Closing Shareholder Loan; and
  - (ii) interest charged on EUR24,446,546.68, being 24.99% of the amount owed to HHLA by the Target Company under the group clearing agreement between HHLA and the Target Company as at 31 December 2020, calculated based on an interest rate of EURIBOR plus 2% per annum for the period from 1 January 2022 until the date of Closing

(together the “**Consideration**”).

### **Conditions precedent to Closing**

Closing is conditional on the satisfaction or waiver (if applicable) of certain conditions precedent, including, among others:

- (1) applicable merger control clearances having been obtained;
- (2) the Non-objection Condition having been satisfied or the confirmation in writing from the Ministry that:
  - (i) the obligations of the Administrative Order are lawfully mirrored in the Amended and Restated Share Purchase Agreement; or
  - (ii) the Amended and Restated Share Purchase Agreement and its consummation are not in contravention to the Administrative Order;
- (3) applicable regulatory and government approvals having been obtained;

- (4) no Material Adverse Change having occurred after 21 September 2021; and
- (5) HHLA having provided to Grand Dragon a full set of the Target Group's IFRS consolidated audited report as at 31 December 2020.

As at the date of this announcement, all conditions precedent to Closing have been satisfied.

### **Closing**

Closing is subject only to the receipt of the Consideration by HHLA and will take place once the Consideration is received by HHLA.

### **Other Key Terms – the Termination of DPLTA**

HHLA shall procure that the DPLTA terminates with effect as of the end of the fiscal year in which Closing occurs.

Regarding any amounts owed by the Target Company to HHLA as profit transfer obligation or any amounts owed by HHLA to the Target Company as loss coverage obligation under the DPLTA for each of the fiscal years 2022 and 2023, Grand Dragon and HHLA should settle the amounts pursuant to the terms detailed in the Amended and Restated Share Purchase Agreement respectively with reference to their corresponding shareholding in the Target Company upon Closing.

### **AMENDED SHAREHOLDERS' AGREEMENT**

Set out below is a summary of the principal terms of the Shareholders' Agreement which have been amended in the Amended Shareholders' Agreement. In accordance with the Administrative Order and following discussions with the Ministry, these amendments have been made to reflect Grand Dragon's acquisition of the Sale Shares. The Amended Shareholders' Agreement was entered into among the Company, Grand Dragon, HHLA and the Target Company on the date of this announcement.

### **Governing Bodies and Management**

As disclosed in the 2021 Announcement, the Target Company shall have a management board which is in charge of the management as well as a supervisory board supervising and advising the Target Company.

Under the Amended Shareholders' Agreement, among others:

- (1) the nomination rights regarding such supervisory board to which Grand Dragon is entitled have been amended to reflect Grand Dragon's acquisition of the Sale Shares; and
- (2) Grand Dragon is no longer entitled to appoint any member of the management board of the Target Company. However, Grand Dragon is entitled to appoint a member of the management team.

## **Reserved Matters**

In accordance with the Administrative Order and following discussions with the Ministry, Grand Dragon is prohibited, among others, to have veto rights with regard to the strategic business decisions (including budget and business plan) and the personnel decisions in relation to the Target Company. Accordingly, terms under the Shareholders' Agreement in relation to various supervisory board reserved matters which require prior approval of the supervisory board of the Target Company with the consent of the supervisory board members nominated by HHLA and Grand Dragon and various shareholders' reserved matters which require the unanimous approval of HHLA and Grand Dragon at the shareholders' meeting of the Target Company have been amended under the Amended Shareholders' Agreement.

## **Transfer Restrictions**

Under the Amended Shareholders' Agreement, if HHLA intends to sell shares held in the Target Company amounting to 25% or more of the Target Company's share capital and this would lead to HHLA and Grand Dragon's joint shareholding falling below 75.1% of the Target Company's share capital, Grand Dragon shall be entitled to certain tag-along rights.

Saved as disclosed above, all other principal terms of the Share Purchase Agreement and the Shareholders' Agreement as disclosed in the 2021 Announcement remain unchanged.

The Directors consider that the terms of the transactions contemplated under the Amended and Restated Share Purchase Agreement and the Amended Shareholders' Agreement are fair and reasonable and are in the interests of the Group and the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules as the amendments made under the Amended and Restated Share Purchase Agreement and the Amended Shareholders' Agreement constitute a material variation to the terms of the Share Purchase Agreement and the Shareholders' Agreement as announced in the 2021 Announcement.

By Order of the Board  
**COSCO SHIPPING Ports Limited**  
**YANG Zhijian**  
*Chairman*

Hong Kong, 19 June 2023

As at the date of this announcement, the Board comprises Mr. YANG Zhijian<sup>1</sup> (Chairman), Mr. ZHU Tao<sup>1</sup> (Managing Director), Mr. ZHANG Wei<sup>2</sup>, Mr. CHEN Dong<sup>2</sup>, Dr. WONG Tin Yau, Kelvin<sup>1</sup>, Dr. FAN HSU Lai Tai, Rita<sup>3</sup>, Mr. Adrian David LI Man Kiu<sup>3</sup>, Mr. LAM Yiu Kin<sup>3</sup>, Prof. CHAN Ka Lok<sup>3</sup> and Mr. YANG Liang Yee Philip<sup>3</sup>.

<sup>1</sup> Executive Director

<sup>2</sup> Non-executive Director

<sup>3</sup> Independent Non-executive Director