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日照港裕廊股份有限公司
Rizhao Port Jurong Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6117)

CONTINUING CONNECTED TRANSACTION IN RELATION TO FURTHER AMENDMENT TO THE PROPERTY LEASE (SALE) FRAMEWORK AGREEMENT

References are made to the Prospectus and the announcements of the Company (the “**Announcements**”) dated 23 November 2020 and 23 February 2021 in relation to the Property Lease (Sale) Framework Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement), pursuant to which Rizhao Port Group agreed to lease from the Company the West-1 berth, West-2 berth, West-6 berth and temporarily leased berths and other relevant properties from time to time for a term from 19 June 2019 to 18 June 2022. Capitalised terms used in this announcement shall have the meanings as those defined in the Announcements, unless the context otherwise requires.

THE THIRD SUPPLEMENTAL AGREEMENT

On 19 April 2021 (after trading hours), the Company and Rizhao Port Group (for itself and on behalf of its subsidiaries) entered into the third supplemental agreement to the property lease (sale) framework agreement (the “**Third Supplemental Agreement**”), pursuant to which the parties agreed to change the expiry date of the Property Lease (Sale) Framework Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) from 18 June 2022 to 31 December 2021, and the term thereof can be renewed or extended upon written agreement by the parties.

Save and except disclosed above, all other terms of the Property Lease (Sale) Framework Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) remain unchanged, and continue to be in full force and effect.

REASONS FOR AND BENEFITS OF ENTERING INTO THE THIRD SUPPLEMENTAL AGREEMENT

The entering into of the Third Supplemental Agreement to change the expiry date of the Property Lease (Sale) Framework Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) was the result of arm's length negotiations between the parties with a view to facilitating the renewal negotiation process expected to happen in the second half year of 2021 and the calculation of the proposed annual caps under the proposed renewal transactions.

The Directors (excluding all the independent non-executive Directors who will give their opinion based on the recommendations from the independent financial adviser) are of the view that the transactions contemplated under the Third Supplemental Agreement are on normal commercial terms, fair and reasonable and in the ordinary and usual course of business of the Company, and are in the interests of the Company and its Shareholders as a whole.

None of the Directors has any material interest in the Third Supplemental Agreement and the transactions contemplated thereunder, and none of the Directors was required to abstain from voting on the board resolutions approving the Third Supplemental Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

Rizhao Port Group is a controlling shareholder of the Company and hence is a connected person of the Company under the Listing Rules. Therefore, the entering into of the Property Lease (Sale) Framework Agreement, the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the change of the expiry date of the Property Lease (Sale) Framework Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) constitutes a material change to the terms of the Property Lease (Sale) Framework Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement), the Company will be required to re-comply with the announcement and shareholders' approval requirements under Rule 14A.54 of the Listing Rules. Accordingly, the EGM will be convened to consider and, if thought fit, to approve, among other things, the Second Supplemental Agreement, the Third Supplemental Agreement, the Revised Annual Caps and the transactions contemplated thereunder.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Second Supplemental Agreement (including the Revised Annual Caps) and the Third Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

Gram Capital Limited has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among others, further information on the Second Supplemental Agreement and the Third Supplemental Agreement, a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with a notice to convene the EGM and the proxy form is expected to be dispatched to the Shareholders on or before 30 April 2021.

By Order of the Board
Rizhao Port Jurong Co., Ltd.
Wang Yufu
Chairman

Rizhao, PRC, 19 April 2021

As at the date of this announcement, the Board comprises Mr. Wang Yufu as Chairman and non-executive Director; Mr. He Zhaodi as executive Director; Mr. Pay Cher Wee, Mr. Ooi Boon Hoe and Mr. Jiang Zidan as non-executive Directors; and Mr. Zhang Zixue, Mr. Lee Man Tai and Mr. Wu Xibin as independent non-executive Directors.