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遠航港口發展有限公司

OCEAN LINE PORT DEVELOPMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8502)

DISCLOSEABLE TRANSACTION SUCCESSFUL BIDDING OF LAND USE RIGHT

The Board is pleased to announce that the Purchaser, an indirect 72% owned subsidiary of the Company, has succeeded in the bid of the land use right of the Target Land through the Listing-For-Sale Process on 21 July 2020 at a consideration of RMB11.0 million.

As one or more of the applicable percentage ratio(s) (as defined in the GEM Listing Rules) of the Acquisition is more than 5% and all of the applicable percentage ratios (as defined in the GEM Listing Rules) are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

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Following completion of the Listing-For-Sale Process, the Purchaser and Natural Resources and Planning Bureau of Chizhou City have executed a Deal Confirmation Letter on 21 July 2020, pursuant to which it is confirmed that the Purchaser has succeeded in the bid of the land use right of the Target Land and the Purchaser shall, among other matters, enter into a Transfer Contract with Natural Resources and Planning Bureau of Chizhou City by 10 August 2020.

PARTICULARS OF THE TARGET LAND

The Target Land is located at Chizhou Economic Development Zone, East of Tongguan Port Project, North of Yanjiang Avenue* (池州經濟技術開發區銅冠碼頭項目以東沿江路以北) in Chizhou City, Anhui Province, the PRC, which has an area of approximately 74,798 sq.m.. The term of the land use right of the Target Land is 50 years. The Target Land is

permitted to be used for port terminal purpose. The Target Land is currently held by Natural Resources and Planning Bureau of Chizhou City and will be transferred to the Purchaser with vacant possession.

CONSIDERATION

The total Consideration for the Acquisition was RMB11.0 million, which was determined based on the bid price made by the Purchaser during the Listing-For-Sale Process, which was in turn determined with reference to (i) the prevailing property market conditions of the area where the Target Land is located; and (ii) the development potential of the Target Land.

The Consideration shall be settled in the following manner:

- (i) RMB5.0 million previously paid as surety for participating in the Listing-For-Sale Process shall be applied as the deposit for the Acquisition and part payment of the Consideration; and
- (ii) the remaining balance of RMB6.0 million to be paid within 60 days after the signing of the Transfer Contract.

The Consideration will be funded by the internal resource of the Group.

COMPLETION

Completion of the Acquisition will take place in accordance with the terms of the Transfer Contract and upon which the land use right of the Target Land will be transferred to the Purchaser.

INFORMATION OF THE COMPANY AND PARTIES TO THE DEAL CONFIRMATION LETTER

Information of the Company

The principal activity of the Company is investment holding. The Group is principally engaged in port operation in Chizhou City, Anhui Province, the PRC.

The Purchaser

The Purchaser is a company established in the PRC and is an indirect 72% owned subsidiary of the Company, which is principally engaged in port operation in the PRC.

Natural Resources and Planning Bureau of Chizhou City

Natural Resources and Planning Bureau of Chizhou City is the vendor of the Target Land and is the governmental authority responsible for managing land resources in Chizhou City, Anhui Province, the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as Natural Resources and Planning Bureau of Chizhou City is a PRC Governmental Body (as defined in the GEM Listing Rules), it is a third party independent of the Company and its connected persons (as defined in the GEM Listing Rules).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in port operation in Chizhou City, Anhui Province, the PRC. By expanding cargo handling capacity through developing the Target Land, the Group will be able to broaden its customer base and continue to enhance its competitiveness in the inland terminal operators market in Chizhou City, Anhui Province of the PRC.

Based on the above, the Directors are of the view that the Acquisition is in the interests of the Company and its shareholders as a whole and the terms thereof (including the Consideration) are on normal commercial terms and are fair and reasonable.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined in the GEM Listing Rules) of the Acquisition is more than 5% and all of the applicable percentage ratios (as defined in the GEM Listing Rules) are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the intended acquisition of the Target Land by the Purchaser through the Listing-For-Sale Process
“Board”	the board of Directors
“Company”	Ocean Line Port Development Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8502)
“Consideration”	the total consideration of the Acquisition
“Natural Resources and Planning Bureau of Chizhou City”	Natural Resources and Planning Bureau of Chizhou City* (池州市自然資源和規劃局)
“Deal Confirmation Letter”	a letter of deal confirmation dated 21 July 2020, in relation to the successful bidding of the Target Land by the Purchaser
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing-For-Sale Process”	the listing-for-sale process conducted by Natural Resources and Planning Bureau of Chizhou City for the sale of the land use right of the Target Land
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Chizhou Port Ocean Line Holdings Limited (池州港遠航控股有限公司), a sino-foreign equity joint venture established in the PRC, which is an indirect 72% owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Land”	a piece of land located at Chizhou Economic Development Zone, East of Tongguan Port Project, North of Yanjiang Avenue* in Chizhou City, Anhui Province, the PRC (中國安徽省池州市池州經濟技術開發區銅冠碼頭項目以東沿江路以北) with an area of approximately 74,798 sq.m.
“Transfer Contract”	a Transfer of Land Use Rights of State-owned Construction Land Contract* (國有建設用地使用權出讓合同) to be entered into between the Purchaser and Natural Resources and Planning Bureau of Chizhou City in relation to the Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	Square metres
“%”	per cent.

By Order of the Board
Ocean Line Port Development Limited
Kwai Sze Hoi
Chairman and executive Director

Hong Kong, 21 July 2020

As at the date of this announcement, the executive Directors are Mr. Kwai Sze Hoi and Mr. Huang Xueliang, the non-executive Director is Ms. Cheung Wai Fung, and the independent non-executive Directors are Mr. Nie Rui, Mr. Wong Chin Hung and Dr. Li Weidong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk, on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the website of the Company at www.oceanlineport.com.

** For identification purpose only*