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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 INVOLVING
FORMATION OF A JOINT VENTURE COMPANY**

The Board is pleased to announce that on 26 November 2020 (after trading hours of the Stock Exchange), Chizhou Port Holdings, an indirect 72%-owned subsidiary of the Company, entered into the Joint Venture Agreement with Chizhou Transport Group and Chizhou Jinqiao Group, pursuant to which the parties thereto agreed to establish the Joint Venture Company in Chizhou City, the PRC.

The Joint Venture Company will be engaged principally in port construction, provision of cargo loading and unloading, storage, custody and transit transportation services, processing of mining products and trading in the PRC. The Joint Venture Company will be owned beneficially as to 20% by Chizhou Transport Group, 8% by Chizhou Jinqiao Group, and the remaining 72% by Chizhou Port Holdings. Pursuant to the terms of the Joint Venture Agreement, the proposed registered capital of the Joint Venture Company will be RMB50,000,000 and total investment by Chizhou Port Holdings is expected to be RMB36,000,000.

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Joint Venture Agreement is more than 5% but less than 25%, the entering into of the Joint Venture Agreement constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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THE JOINT VENTURE AGREEMENT

Date: 26 November 2020 (after trading hours of the Stock Exchange)

Parties: (a) Chizhou Transport Group;
(b) Chizhou Jinqiao Group; and
(c) Chizhou Port Holdings.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Chizhou Transport Group, Chizhou Jinqiao Group and their ultimate beneficial owners are third parties independent of and not connected with the Company and its connected person.

Chizhou Transport Group is a state-owned enterprise established in the PRC with limited liability and is under the direct control of 池州市國有資產監督管理委員會 (for transliteration purpose only, State-owned Assets Supervision and Administration Commission of Chizhou) and is principally engaged in transportation construction investment and capital operation in the PRC.

Chizhou Jinqiao Group is a state-owned enterprise established in the PRC with limited liability and is under direct control of 池州市貴池區國有資產管理委員會 (for transliteration purpose only, State-owned Assets Management Committee of Guichi District, Chizhou City). Chizhou Jinqiao Group is principally engaged in the operation and management of state-owned assets and capital operation within the authorised scope in the PRC.

Chizhou Port Holdings 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.

Establishment of the Joint Venture Company

Pursuant to the Joint Venture Agreement, the parties thereto agreed to establish the Joint Venture Company in Chizhou City, the PRC subject to the approval by the relevant regulatory authority in the PRC. The proposed name of the Joint Venture Company is 池州港梅龍港務有限公司 (for transliteration purpose only, Chizhou Port Meilong Port Affairs Company Limited) and will be subject to the final registration of the company name of the Joint Venture Company with the relevant authority in the PRC.

The Joint Venture Company will be engaged principally in port construction, provision of cargo loading and unloading, storage, custody and transit transportation services, processing of mining products and trading in the PRC. Upon completion of the registration with the relevant PRC authorities and the obtaining of relevant business license, the establishment of the Joint Venture Company will be completed.

Purpose of the Joint Venture Company

The Joint Venture Company will be established for the purposes of construction and operation of a port terminal located at Meilong, Chizhou City, Anhui Province of the PRC, which is approximately 50 km and approximately 5 km downstream from the Group's Niutoushan Terminal and the Group's Jiangkou Terminal, respectively, in accordance with the port planning of Chizhou City. The total investment for the construction of the Meilong port terminal is estimated to be approximately RMB200,000,000 and will be funded by the registered capital of the Joint Venture Company, and appropriate financing (including bank borrowings) to be conducted by the Joint Venture Company. It is expected that the construction of the Meilong port terminal will be completed by the end of 2023.

Registered capital

Pursuant to the terms of the Joint Venture Agreement, the proposed registered capital of the Joint Venture Company will be RMB50,000,000. Chizhou Transport Group, Chizhou Jinqiao Group and Chizhou Port Holdings will contribute a total of RMB10,000,000, RMB4,000,000, and RMB36,000,000, respectively to the Joint Venture Company and the Joint Venture Company will be owned beneficially as to 20% by Chizhou Transport Group, 8% by Chizhou Jinqiao Group, and 72% by Chizhou Port Holdings.

The capital contributions will be made in three stages, of which each party to the Joint Venture Agreement will make 40%, 40% and 20% of their total capital contribution to the Joint Venture Company by the end of November 2020, May 2021 and October 2021, respectively.

Chizhou Port Holdings will contribute RMB36,000,000 to the Joint Venture Company by way of cash. The Group intends to finance the capital contribution of Chizhou Port Holdings to the Joint Venture Company from its internal resources. Upon establishment of the Joint Venture Company, it will be owned as to 72% by Chizhou Port Holdings and its results will be consolidated in the Group's consolidated financial statements.

Board of directors

The board of directors of the Joint Venture Company will have a total of five directors, three of which will be nominated by Chizhou Port Holdings and each of Chizhou Transport Group and Chizhou Jinqiao Group will nominate one director. The chairman of the board of directors of the Joint Venture Company will be nominated by Chizhou Port Holdings.

The board of directors of the Joint Venture Company will be accountable to the shareholders of the Joint Venture Company and be responsible for, among others, (i) convening the shareholders' meeting and reporting to the shareholders; (ii) implementing the resolutions passed by the shareholders of the Joint Venture Company; (iii) reviewing and determining the operation and investment proposals of the Joint Venture Company; (iv) approving the management system of the Joint Venture Company; and (v) considering and approving the annual financial budget of the Joint Venture Company.

Shareholders' rights

Pursuant to the Joint Venture Agreement, the shareholders of the Joint Venture Company have the rights to, among others, (i) elect and change directors and supervisors that are not employee representatives, and determine on the matters relating to the remuneration of directors and supervisors; (ii) approve the reports of the board of directors and the supervisory committee; (iii) determine on the increase or decrease of registered capital of the Joint Venture Company; (iv) determine on the issue of bonds by the Joint Venture Company; and (v) make decisions for material policies in respect of the Joint Venture Company.

REASONS FOR THE JOINT VENTURE AGREEMENT

The Group is principally engaged in port operation in Chizhou City, Anhui Province, the PRC. The Directors consider that the establishment of the Joint Venture Company and the cooperation with Chizhou Transport Group and Chizhou Jinqiao Group will enable the Group to obtain the operating advantages, improve the functions and develop the scale of the public port at the eastern part of Chizhou City, while ensuring the status of the central port area in Jiangkou. Furthermore, it will provide a better investment promotion platform for the development of Chizhou City and facilitate the development of Chizhou City's mining industry, which will in turn benefit the long-term operation and development of the Group's port business in Chizhou City. The Group will be able to enhance its competitiveness in the inland terminal operators market in Chizhou City, Anhui Province of the PRC.

The Directors consider that the terms of the Joint Venture Agreement are entered into upon normal commercial terms following arm's length negotiations among the parties and that the terms of the Joint Venture Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Joint Venture Agreement is more than 5% but less than 25%, the entering into of the Joint Venture Agreement constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Chizhou Jinqiao Group”	池州金橋投資集團有限公司 (for transliteration purpose only, Chizhou Jinqiao Investment Group Company Limited), a company established in the PRC with limited liability
“Chizhou Port Holdings”	池州港遠航控股有限公司 (for transliteration purpose only, Chizhou Port Ocean Line Holdings Limited), a sino-foreign equity joint venture established in the PRC, which is an indirect 72%-owned subsidiary of the Company
“Chizhou Transport Group”	池州交通投資集團有限公司 (for transliteration purpose only, Chizhou Transport Investment Group Company Limited), a company established in the PRC with limited liability
“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)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	the joint venture agreement dated 26 November 2020 and entered into among Chizhou Transport Group, Chizhou Jinqiao Group and Chizhou Port Holdings in relation to the establishment of the Joint Venture Company
“Joint Venture Company”	the joint venture company to be established in the PRC under the Joint Venture Agreement
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“km”	kilometre
“%”	per cent.

By order of the Board of
Ocean Line Port Development Limited
Kwai Sze Hoi
Chairman and Executive Director

Hong Kong, 26 November 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, Dr. Li Weidong and Mr. Cheung Sze Ming.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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.