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

2023 FIRST QUARTERLY REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors", each a "Director") of Ocean Line Port Development Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this report 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 report misleading.

CONTENTS

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2023

		Three months ended 31 March	
		2023	2022
	Notes	**RMB'000**	RMB'000
		(Unaudited)	(Unaudited)
Revenue	*4*	**46,372**	46,321
Cost of services rendered		**(16,810)**	(18,479)
Gross profit		**29,562**	27,842
Other income and gains		**1,772**	1,965
Selling and distribution expenses		**(176)**	(157)
Administrative expenses		**(4,075)**	(3,539)
Finance costs		**(6)**	(12)
Profit before income tax	*5*	**27,077**	26,099
Income tax expense	*6*	**(6,296)**	(6,775)
Profit and total comprehensive income for the period, net of tax		**20,781**	19,324
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**14,944**	13,752
Non-controlling interests		**5,837**	5,572
		20,781	19,324
Earnings per share attributable to owners of the Company			
Basic and diluted earnings per share	*7*	**RMB1.87 cents**	RMB1.72 cents

Unaudited Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2023

	Attributable to owners of the Company											
	Share capital RMB'000	**Share premium** RMB'000	**Capital reserve** RMB'000	**Special reserve** RMB'000	**Statutory reserve** RMB'000	**Other reserve** RMB'000	**Assets revaluation reserve** RMB'000	**Fair value reserve** RMB'000	**Retained earnings** RMB'000	**Subtotal** RMB'000	**Non-controlling interests** RMB'000	**Total** RMB'000
At 1 January 2023 (audited)	6,758	50,277	369	9,011	100,971	176,540	376	(1,557)	129,279	472,024	153,947	625,971
Profit for the period and total comprehensive income for the period	–	–	–	–	–	–	–	–	14,944	14,944	5,837	20,781
Transfer to statutory reserve	–	–	–	–	4,169	–	–	–	(4,169)	–	–	–
Appropriation and utilisation of reserve	–	–	–	446	–	–	–	–	(446)	–	–	–
As at 31 March 2023 (unaudited)	6,758	50,277	369	9,457	105,140	176,540	376	(1,557)	139,608	486,968	159,784	646,752
At 1 January 2022 (audited)	6,758	50,277	369	7,591	83,583	176,540	376	(311)	83,995	409,178	146,899	556,077
Profit for the period and total comprehensive income for the period	–	–	–	–	–	–	–	–	13,752	13,752	5,572	19,324
Transfer to statutory reserve	–	–	–	–	3,185	–	–	–	(3,185)	–	–	–
Appropriation and utilisation of reserve	–	–	–	287	–	–	–	–	(287)	–	–	–
Dividends declared to non-controlling interest	–	–	–	–	–	–		–	–	–	(1,181)	(1,181)
As at 31 March 2022 (unaudited)	6,758	50,277	369	7,878	86,768	176,540	376	(311)	94,275	422,930	151,290	574,220

Notes to the Unaudited Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 30 October 2017. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room 2715–16, 27/F, Hong Kong Plaza, 188 Connaught Road West, Hong Kong.

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in port operation in Chizhou City, Anhui Province, the People's Republic of China (the "PRC").

The Company's immediate and ultimate parent is Vital Force Developments Limited ("Vital Force"), a company incorporated in the British Virgin Islands with limited liability and its ultimate controlling parties are Mr. Kwai Sze Hoi and his spouse Ms. Cheung Wai Fung.

The unaudited condensed consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

The unaudited condensed consolidated financial statements have not been reviewed by the Company's auditor, but have been reviewed by the Company's audit committee (the "Audit Committee").

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial statements for the three months ended 31 March 2023 have been prepared in accordance with Hong Kong Financial Reporting Standard ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the GEM Listing Rules. The unaudited condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with HKFRSs issued by the HKICPA.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2022, except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning 1 January 2023.

2. BASIS OF PREPARATION (continued)

In the current period, the Group has applied all the new and amended HKFRSs which are first effective for the reporting period and relevant to the Group. The adoption of new and amended HKFRSs do not have material impact on the Group's results of operations or financial position.

The Group has not applied any new or amended HKFRSs that are not yet effective for the current accounting period.

3. SEGMENT INFORMATION

Operating segment information

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the Company's executive Directors, who are the chief operating decision makers of the Group, for their decisions about resources allocation to the Group's business components and review of these components' performance. There is only one business component in the internal reporting to the executive Directors, which is the provision of port services. Accordingly, no segment information analysed by operating segment is presented in the condensed consolidated financial statements.

Geographical information

The geographical location of revenue allocated is based on the location at which services are provided. The Group renders port services in the PRC and all its revenue for the three months ended 31 March 2023 and 2022 were derived in the PRC. The geographical location of the Group's non-current assets is based on the physical location of the assets. The Group's major non-current assets are located or based in the PRC.

4. REVENUE

Revenue represents the income from provision of port services excluding value-added tax, where applicable.

Revenue recognised during the period is as follows:

	Three months ended 31 March	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Port service income	**46,372**	46,321

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Three months ended 31 March	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Costs of inventories recognised as an expense (included under cost of services rendered)	**931**	1,493
Employee benefit expenses *(note)*(including Directors' emoluments)		
— Wages, salaries and other benefits	**5,766**	4,794
— Defined contributions	**827**	700
	6,593	5,494
Direct operating expenses arising from investment properties that generated rental income	**173**	148
Depreciation of property, plant and equipment	**6,168**	6,406
Repairs and maintenance expenses (included under cost of services rendered)	**2,183**	1,812
Subcontracting fee (included under cost of services rendered)	**2,697**	4,321
Short-term lease	**15**	–
Amortisation of deferred government grant	**(223)**	(223)
Gain on disposal of property, plant and equipment	**(73)**	–

Note: During the three months ended 31 March 2023, the Group incurred expenses for the purpose of research and development of approximately RMB732,000, which comprised employee benefits expenses of approximately RMB616,000 (three months ended 31 March 2022: RMB533,000).

6. INCOME TAX EXPENSE

The amount of taxation in the unaudited condensed consolidated statement of comprehensive income during the period represents:

	Three months ended 31 March	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
— PRC enterprise income tax	**5,221**	5,351
Deferred tax charged to profit or loss	**1,075**	1,424
	6,296	6,775

The Group's subsidiaries in the PRC are subject to the PRC enterprise income tax ("EIT") at the standard rate of 25% on the estimated assessable profits, except for the following subsidiaries which enjoyed certain tax exemption and relief.

Pursuant to the PRC tax law, its rules and regulations, enterprises that invest in qualifying public infrastructure projects are eligible for certain tax benefits.

One of the infrastructure projects (the "Qualifying Project") of Chizhou Port Ocean Line Holdings Limited ("Chizhou Port Holdings"), a subsidiary of the Company, is engaging in qualifying public infrastructures. It is entitled to exemption from EIT from the financial year beginning on 1 January 2019 up to 31 December 2021, and a 50% reduction from the financial year beginning on 1 January 2022 to 31 December 2024. Therefore, the relevant profit generated from the Qualifying Project is computed at a reduced rate of 12.5% as taxable amount for the three months ended 31 March 2023 and 2022. Apart from the Qualifying Project, Chizhou Port Holdings has been recognised as a high and new technology enterprise under the applicable PRC tax law. Other infrastructure projects of Chizhou Port Holdings are subject to a reduced rate of 15% EIT for three consecutive financial years from 2022 to 2024.

6. INCOME TAX EXPENSE (continued)

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits arising in or derived from Hong Kong for the three months ended 31 March 2023 (three months ended 31 March 2022: nil).

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following information:

	Three months ended 31 March	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to the owners of the Company	**14,944**	13,752

	Number of shares Three months ended 31 March	
	2023	2022
Weighted average number of ordinary shares in issue	**800,000,000**	800,000,000

The calculation of basic earnings per share for the three months ended 31 March 2023 is based on profit attributable to owners of the Company of approximately RMB14,944,000 (for the three months ended 31 March 2022: profit of RMB13,752,000) and on the weighted average number of 800,000,000 ordinary shares in issue during the three months ended 31 March 2023 and 2022.

Diluted earnings per share is the same as the basic earnings per share because the Company has no dilutive potential ordinary shares in issue during the respective periods.

8. DIVIDENDS

During the three months ended 31 March 2023, the Board has proposed a final dividend of HK$3.0 cents and a special dividend of HK$3.0 cents per share for the year ended 31 December 2022 out of the share premium account within the equity section of the statement of financial position of the Company. The proposed final dividend and the proposed special final dividend is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

The Directors do not recommend the payment of dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: nil).

9. RELATED PARTY TRANSACTIONS

(a) The Group had the following material related party transactions during the period:

	Three months ended 31 March	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Lease payment paid to a related company *(note)*	**124**	116

Note: In November 2020, Ocean Line Port Development (Hong Kong) Limited ("Ocean Line Hong Kong") and Ocean Longevity Company Limited ("Ocean Longevity"), entered into a tenancy agreement pursuant to which Ocean Longevity as the landlord agreed to lease certain premises to Ocean Line Hong Kong as the tenant. The annual rent under the tenancy agreement amounted to approximately HK$570,000, with the term of the tenancy agreement commencing from 1 January 2021 and expiring on 31 December 2023.

The controlling shareholders of the Company are the beneficial owners of Ocean Longevity.

The above transactions with the related company were negotiated and carried out in the ordinary course of business and on terms agreed between the Group and the related company.

9. RELATED PARTY TRANSACTIONS (continued)

As the total amount payable under the above tenancy agreements (including the estimated utilities and telephone charges) by Ocean Line Hong Kong to Ocean Longevity for each of the three financial years ending 31 December 2023 would be approximately HK$600,000, which is less than HK$3,000,000 per annum and less than the 5% percentage ratios (other than the profits ratio) mentioned in Rule 19.07 of the GEM Listing Rules, the total annual rent (including the estimated utilities and telephone charges) payable under the above tenancy agreement would fall below the de minimis threshold under Rule 20.74(1)(c) of the GEM Listing Rules and thus would not be subject to any reporting, announcement or independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

(b) Key management personnel compensation

The remuneration of Directors and other members of key management during the periods were as follow:

	Three months ended 31 March	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fee	**302**	287
Salaries, allowances and benefits in kinds	**60**	60
Defined contributions	**–**	20
	362	367

Management Discussion and Analysis

BUSINESS REVIEW

The Group is an inland terminal operator in the PRC and is principally engaged in the provision of port logistic services (including uploading and unloading of cargoes, bulk cargo handling services, container handling, storage and other services). The Group operates two port terminals, namely, Jiangkou Terminal and Niutoushan Terminal, both situated in Chizhou City, Anhui Province, the PRC. Chizhou City, located in the upper reach of the downstream section of the Yangtze River, is an important port city in the southwestern region of Anhui Province. It is also a crucial component of the integrated development of the Yangtze River Delta. With abundant mining resources as its biggest strengths, Chizhou City is an integral non-metallic mineral base in Eastern China. There are eleven multi-purpose/bulk cargo berths in the two major terminals of the Group, making the Group the largest public port operator in Chizhou City, as well as an important driver of the opening-up and promoting of investment and business in Chizhou City.

For the three months ended 31 March 2023, the Group's total throughput volume of bulk cargo and container were 7.4 million tonnes (three months ended 31 March 2022: 6.7 million tonnes) and 3,532 TEUs (three months ended 31 March 2022: 3,075 TEUs), respectively, representing an increase of 9.7% and 14.9% as compared with the same period in 2022. The Group's revenue and profit were RMB46.4 million (three months ended 31 March 2022: RMB46.3 million) and RMB20.8 million (three months ended 31 March 2022: RMB19.3 million), which was roughly the same and representing an increase of 7.5% as compared with the same period of the previous year.

The throughput volume and performance of the ports for the first quarter were mainly influenced by the following factors:

Firstly, the external market environment is still in the stage of gradual recovery. In the first quarter, the PRC governments at all levels successively convened economic working conferences to promote economic development. However, the current external market environment is still in the stage of gradual recovery. The national economy made a generally stable start in the first quarter. The PRC is also actively introducing stimulus policies to promote economic recovery, but it takes time for the process of overall recovery.

Secondly, the domestic sand and gravel market has been relatively sluggish. Due to the low demand and low prices in the downstream market, the output of mines and building stone processing plants has been reduced, which has cast relatively great impacts on our port business.

Thirdly, the environmental protection requirements continued to rise, bringing pressure on port operations. In recent years, high standards of environmental protection work have continued to normalize, and our work in all aspects has to meet higher environmental protection requirements. The fund demand of environmental protection construction has also brought challenges to our resource allocation work.

Fourthly, playing an active role in achieving stable performance growth. As all operating staffs strived to conduct customer visits and surveys, timely grasped market information and the source of commodity cargo consolidated the existing customer base and explored marginal customers, the Group's performance grew steadily.

OUTLOOK

In the first quarter, the PRC's domestic economy is still in the stage of gradual recovery, slowing down the growth of throughput volume of the ports, and it is expected that the situation will be gradually improved in the second quarter, mainly due to:

Firstly, it is expected that economic development will continue to improve. In the first quarter, the economy has laid a solid foundation for the whole year. It is expected that the next three driving forces, namely consumption, investment and export, will continue to develop, and the external economic environment will continue to improve.

Secondly, we will continue to adhere to the principle of "seeking progress while maintaining stability" (「穩中求進」) to carry out work in an orderly manner. While ensuring safety and environmental protection, we will ensure the smooth operation of production scheduling and achieve continuous growth in throughput volume of the ports.

Thirdly, we will continue to implement the "two-wheel drive" (「雙輪驅動」) development strategy, promote the "Port + Logistics" (「港口+物流」) business model, and strive to expand the logistics business.

FINANCIAL REVIEW

Revenue

	Three months ended 31 March 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	Increase/(decrease) RMB'000	%
Revenue from provision of uploading and unloading services				
Bulk cargo and break bulk cargo	**37,409**	42,142	(4,733)	(11.2)
Container	**684**	498	186	37.3
Subtotal	**38,093**	42,640	(4,547)	(10.7)
Revenue from provision of ancillary port services	**8,279**	3,681	4,598	124.9
Total revenue	**46,372**	46,321	51	0.1

	Three months ended 31 March 2023 (Unaudited)	2022 (Unaudited)	Increase	%
Total cargo throughput (thousand tonnes)	**7,387**	6,731	656	9.7
Container throughput (TEUs)	**3,532**	3,075	457	14.9

Our revenue which is principally generated from the provision of uploading and unloading services was approximately RMB38.1 million for the three months ended 31 March 2023 (three months ended 31 March 2022: RMB42.6 million), representing a decrease of RMB4.5 million or approximately 10.7% as compared to the same period in 2022. However, the throughput of cargo increased by approximately 0.7 million tonnes as compared with the same period in 2022, as more customers required direct uploading and unloading without storing the goods in the stacking yards due to the rapid turnover of their goods, resulting in a decrease in the average handling fee per tonne charged by us. The increase in revenue was mainly due to the increase in revenue from the provision of ancillary port services, as we vigorously promoted our "Port + Logistics" business model ("two-wheel drive") in an effort to expand our logistics business.

Cost of services

Our cost of services primarily consists of depreciation of property, plant and equipment, staff cost, subcontracting fee, fuel and oil, consumables, electricity, repairs and maintenance expenses and others.

For three months ended 31 March 2023, our cost of services was approximately RMB16.8 million (three months ended 31 March 2022: RMB18.5 million), representing a decrease of RMB1.7 million or approximately 9.2% as compared to the same period in 2022. The decrease in cost of services was mainly attributable to the impacts of the following: (i) staff cost and subcontracting fee collectively decreased by approximately RMB1.0 million which was driven by the decrease in cargo handling services as more customers required direct uploading and unloading without storing the goods in the stacking yards due to the rapid turnover of their goods; and (ii) a decrease in fuel and oil and consumables of approximately RMB0.6 million due to our active promotion of energy saving and emission reduction.

Gross profit and gross profit margin

	Three months ended 31 March			
	2023	2022	Increase	
	(Unaudited)	(Unaudited)		%
Gross profit (RMB'000)	**29,562**	27,842	1,720	6.2
Gross profit margin (%)	**63.7**	60.1	3.6	N/A

For the three months ended 31 March 2023, our gross profit increased to approximately RMB29.6 million and gross profit margin increased to approximately 63.7%. The increase was primarily due to our business achieved economies of scale through greater utilisation of our throughput and operating capacity.

Administrative expenses

For the three months ended 31 March 2023, our administrative expenses increased by approximately RMB0.5 million or 15.1% which was primarily due to increase in administrative staff costs of approximately RMB0.5 million. The increase in administrative staff costs was mainly due to the growth of our business and research and development related staff costs for the improvement and development of port equipment, computer system and technique to be used in our port operations incurred during the period.

Income tax expenses

For the three months ended 31 March 2023, the Group's income tax expense amounted to approximately RMB6.3 million (three months ended 31 March 2022: RMB6.8 million), representing a decrease of RMB0.5 million or approximately 7.4% as compared to the same period of last year. The profit generated from one of the Qualifying Project of Chizhou Port Holdings for the three months ended 31 March 2023 and 2022 enjoyed 50% tax reduction (the "3-Year 50% Tax Reduction Entitlement"). Save for the mentioned better tax preferential policy being enjoyed by the Qualifying Project, as a High and New Technology Enterprise, Chizhou Port Holdings will pay the enterprise income tax at the rate of 15% for three consecutive financial years from 2022 to 2024 ("3-Year High and New Technology Enterprises Tax entitlement"). As Chizhou Port Holdings has not yet been recognised as a High and New Technology Enterprise during the first quarter of 2022, the financial impact of 3-Year High and New Technology Enterprises Tax entitlement has not been reflected in the income tax expenses for the three months ended 31 March 2022. For the three months ended 31 March 2023, the effective tax rate is approximately 23.3% (three months ended 31 March 2022: 26.0%). Should the deferred tax charge for the three months ended 31 March 2023 of approximately RMB1.1 million be excluded, the adjusted effective tax rate would have been approximately 19.3%. Our adjusted effective tax rate for the three months ended 31 March 2023 was lower than that of the PRC EIT standard rate of 25% mainly because of the 3-Year 50% Tax Reduction Entitlement for the Qualifying Project and the 3-Year High and New Technology Enterprises Tax Entitlement for Chizhou Port Holdings from 2022 to 2024.

Profit for the three months ended 31 March 2023

As a result of the foregoing, we recorded profit for the three months ended 31 March 2023 of approximately RMB20.8 million (three months ended 31 March 2022: RMB19.3 million). Our net profit margin was approximately 44.8%, (three months ended 31 March 2022: 41.7%).

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2023.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2023, the interests and short positions of the Directors and chief executive of the Company in the ordinary shares (the "Shares"), underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, will be as follows:

(a) Long position interests in the Shares

Name of Director	Capacity/Nature of interests	Number of issued Shares held/ interested	Percentage of shareholding
Mr. Kwai Sze Hoi	Interest of a controlled corporation *(Note)*	600,000,000	75%
Ms. Cheung Wai Fung	Interest of a controlled corporation *(Note)*	600,000,000	75%

Note: Vital force is legally and beneficially owned as to 58.4% by Mr. Kwai Sze Hoi, 38.9% by Ms. Cheung Wai Fung and 2.7% by Hongkong Shun Yi Industrial Co. Limited, which is a company incorporated in Hong Kong with limited liability and owned as to 60% by Mr. Huang Xueliang. Mr. Kwai Sze Hoi and Ms. Cheung Wai Fung are deemed to be interested in all the Shares held by Vital Force under Part XV of the SFO. Mr. Kwai Sze Hoi is the chairman and an executive Director of the Company and a director of Vital Force. Ms. Cheung Wai Fung is a non-executive Director of the Company, a director of Vital Force and the spouse of Mr. Kwai Sze Hoi. Mr. Huang Xueliang is an executive Director of the Company.

(b) Long position interests in ordinary shares of associated corporation

Name of associated corporation	Name of Director	Capacity/Nature of interests	Number of issued ordinary shares held	Percentage of the Company's share capital
Vital Force	Mr. Kwai Sze Hoi	Beneficial owner *(Note 1)*	29,200	58.4%
Vital Force	Ms. Cheung Wai Fung *(Note 2)*	Beneficial owner *(Note 1)*	19,466	38.9%
Vital Force	Mr. Huang Xueliang	Interest of a controlled corporation *(Note 1)*	1,334	2.7%

Notes:

1. Vital Force is legally and beneficially owned as to 58.4% by Mr. Kwai Sze Hoi, 38.9% by Ms. Cheung Wai Fung and 2.7% by Hongkong Shun Yi Industrial Co. Limited, which is a company incorporated in Hong Kong with limited liability and owned as to 60% by Mr. Huang Xueliang.

2. Ms. Cheung Wai Fung is the spouse of Mr. Kwai Sze Hoi.

Save as disclosed above, as at 31 March 2023, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES

So far as is known to the Directors, as at 31 March 2023, the following shareholders of the Company and persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long position in the Shares

Name of Shareholder	Capacity/Nature of interests	Number of Shares held	Approximate percentage of shareholding
Vital Force	Beneficial owner *(Note)*	600,000,000	75%

Note: Vital Force is legally and beneficially owned as to 58.4% by Mr. Kwai Sze Hoi, 38.9% by Ms. Cheung Wai Fung and 2.7% by Hongkong Shun Yi Industrial Co. Limited, which is a company incorporated in Hong Kong with limited liability and owned as to 60% by Mr. Huang Xueliang. Mr. Kwai Sze Hoi and Ms. Cheung Wai Fung are deemed to be interested in all the Shares held by Vital Force under Part XV of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the three months ended 31 March 2023.

COMPETING INTERESTS

The Directors confirm that none of the controlling shareholders of the Company or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by our Group which competes or is likely to compete, directly or indirectly, with our Group's business during the three months ended 31 March 2023.

Other Information

CORPORATE GOVERNANCE CODE

The Corporate Governance Code ("the Code") in Appendix 15 to the GEM Listing Rules sets out the principles of good corporate governance, code provisions and recommended best practices. Issuers are expected to comply with the code provisions or devise their own code on corporate governance on the terms they consider appropriate provided that considered reasons are given. Throughout the reporting period, the Company had complied with the applicable code provisions of the Code and there had been no deviation from the Code by the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company (the "Code of Conduct"). Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct during the reporting period.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") has been conditionally adopted by way of shareholder's written resolution passed on 1 June 2018. The Share Option Scheme has become unconditional on the 10 July 2018 (i.e. the listing date of the Company) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. There is no option outstanding, granted, exercised, cancelled and lapsed under the Share Option Scheme during the three months ended 31 March 2023. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

AUDIT COMMITTEE

The Audit Committee has been established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs D.3.3 and D.3.7 of the CG Code. The Audit Committee consists of three members, namely Mr. Cheung Sze Ming, Mr. Nie Rui and Dr. Li Weidong, all being independent non-executive Directors. Mr. Cheung Sze Ming currently serves as the chairman of the Audit Committee. The Audit Committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of our Group. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2023 and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 10 May 2023

As at the date of this report, 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. Cheung Sze Ming and Dr. Li Weidong.