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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 THE CONSTRUCTION CONTRACT

THE CONSTRUCTION CONTRACT

The Board is pleased to announce that on 14 July 2023 (after trading hours of the Stock Exchange), Chizhou Niutoushan (an indirect 77.7%-owned subsidiary of the Company) entered into the Construction Contract with the Contractor, pursuant to which the Contractor shall be responsible for the construction works of Chizhou Niutoushan warehouse No. 1 at the consideration of approximately RMB15,117,000.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to GEM Listing Rule 19.07 in respect of the Construction Contract exceeds 5% and all of the percentage ratios are less than 25%, the entering into of the Construction Contract constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements but is exempted from Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

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MAJOR TERMS OF THE CONSTRUCTION CONTRACT

Date : 14 July 2023

Parties : (1) Chizhou Niutoushan; and
(2) The Contractor

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the Contractor and its ultimate beneficial owners are Independent Third Parties.

The Contractor was selected by Chizhou Niutoushan from amongst the tenderers through an open tender process after due and careful consideration of various factors such as quotation, quality of works, experience and market position.

SCOPE OF THE CONSTRUCTION WORKS

Pursuant to the Construction Contract, the Contractor shall undertake the construction works of Chizhou Niutoushan warehouse No. 1. It is situated in Niutoushan Qianjiang Industrial Park, Guichi District, Chizhou City, Anhui Province, the PRC where the Contractor shall construct a warehouse of approximately 12,041 square metres. The scope of the construction works includes but is not limited to the main structure, foundation, 4.5 metre high reinforced concrete slab wall, indoor flooring, water plumbing and drainage, electrical and fire-fighting facilities, fire protection coating, outdoor greening warehouse grounds, aprons and demolition of old walls, etc.

The Contractor is also required to handle and fix any quality issues of the constructions works under the Construction Contract during the Defect Liability Period.

COMPLETION OF THE CONSTRUCTION WORKS

The construction period is expected to be 90 days, scheduled to commence on 14 July 2023 and complete on 11 October 2023.

CONSIDERATION

The total consideration of the Construction Contract of approximately RMB15,117,000 shall be settled by Chizhou Niutoushan in the following manner:

- (a) 10% of the consideration shall be paid within 7 days after the commencement of construction works;
- (b) 30% of the consideration shall be paid after the foundation is completed;
- (c) 30% of the consideration shall be paid after the slab wall is completed;
- (d) 25% of the consideration shall be paid after all of the construction works are completed; and
- (e) the remaining 5% of the consideration shall be paid after the end of the Defect Liability Period.

The consideration was determined based on the bidding price offered by the Contractor and will be funded by the internal resources of the Group.

REASONS FOR AND BENEFITS OF THE CONSTRUCTION CONTRACT

The Group is principally engaged in port operation in Chizhou City, Anhui Province, the PRC.

In response to market demand, Chizhou Niutoushan warehouse No. 1 shall be leased out to customers for storage and processing in the Niutoushan port area in the future, which will be conducive to attract and retain major customers of the Group. In addition, the construction of Chizhou Niutoushan warehouse No. 1 could meet the requirements of the Niutoushan Terminal in terms of planning and environmental protection. These will be beneficial to long-term development of Chizhou Niutoushan's port business.

In light of the above, the Directors are of the view that the terms and conditions of the Construction Contract are fair and reasonable and on normal commercial terms and the entering into of the Construction Contract in the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE PARTIES TO THE CONSTRUCTION CONTRACT

INFORMATION ON 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.

Chizhou Niutoushan

Chizhou Niutoushan is a company established in the PRC with limited liability and an indirect 77.7%-owned subsidiary of the Company, which is principally engaged in port operation in the PRC.

The Contractor

The Contractor is a company established in the PRC with limited liability and is principally engaged in housing construction. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor is beneficially owned as to approximately 80% by Wang Bin and approximately 20% by Wang Ting.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

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| “Board” | the board of Directors |
| “Chizhou Niutoushan” | 池州遠航牛頭山港務有限公司 (Chizhou Ocean Line Niutoushan Limited*), a company established in the PRC and an indirect 77.7%-owned subsidiary of the Company |
| “Chizhou Niutoushan warehouse No. 1” | a warehouse of approximately 12,041 square meters situated at Niutoushan Qianjiang Industrial Park, Guichi District, Chizhou City, Anhui Province, the PRC and to be constructed by the Contractor pursuant to the Construction Contract |
| “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 (stock code: 8502) |
| “connected person(s)” | has the meaning ascribed thereto in the GEM Listing Rules |
| “Construction Contract” | the agreement entered into between Chizhou Niutoushan and the Contractor on 14 July 2023, pursuant to which the Contractor will undertake the construction works of Chizhou Niutoushan warehouse No. 1 |
| “Contractor” | 池州貴鼎建設工程有限公司 (Chizhou Guiding Construction Engineering Co., Ltd.*), a company established in the PRC with limited liability |
| “Defect Liability Period” | a 12-month period from the date of completion acceptance of the construction works under the Construction Contract |
| “Director(s)” | the director(s) 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 |
| “Independent Third Party(ies)” | a third party independent of and not connected with the Company and/or its subsidiaries and their respective connected persons |

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| “PRC” | the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan |
| “Shareholder(s)” | shareholders of the Company |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “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 |
| “%” | per cent. |

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

Hong Kong, 14 July 2023

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. Cheung Sze Ming and Dr. Li Weidong.

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.

* For identification purpose only