

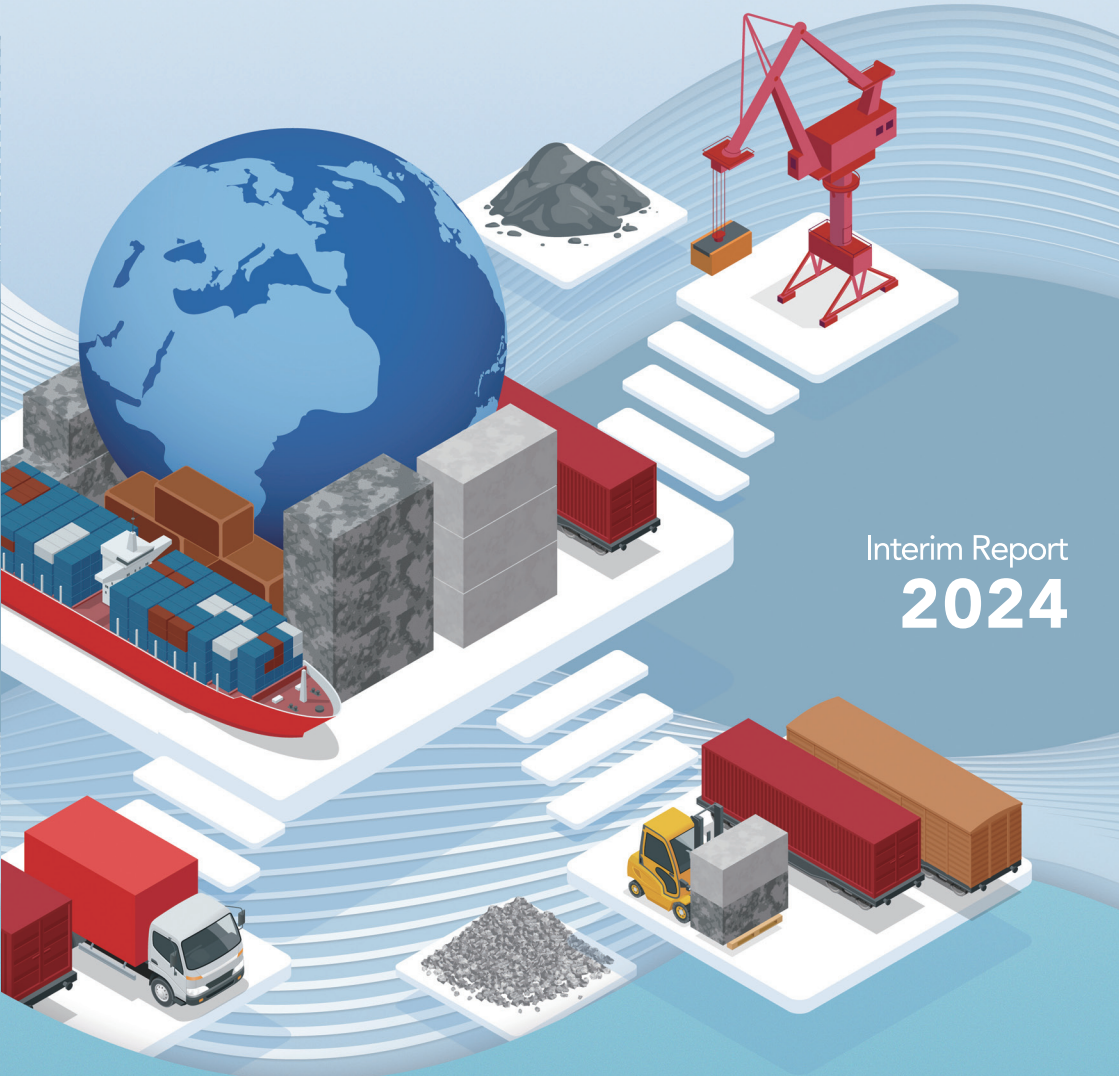


# 遠航港口發展有限公司

OCEAN LINE PORT DEVELOPMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

**Stock Code : 8502**



Interim Report  
**2024**

## **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.*

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# Corporate Information

## **DIRECTORS**

### **Executive Directors:**

Mr. Kwai Sze Hoi (*Chairman*)

Mr. Huang Xueliang

### **Non-executive Director:**

Ms. Cheung Wai Fung

### **Independent non-executive Directors:**

Mr. Nie Rui

Mr. Cheung Sze Ming

Mr. Cheng Yin Pan

(appointed on 10 July 2024)

Dr. Li Weidong (resigned on 10 July 2024)

## **AUTHORISED REPRESENTATIVES**

Mr. Kwai Sze Hoi

Mr. Lee Chun Hin

## **AUDIT COMMITTEE**

Mr. Cheung Sze Ming (*Chairman*)

Mr. Nie Rui

Mr. Cheng Yin Pan

(appointed on 10 July 2024)

Dr. Li Weidong (resigned on 10 July 2024)

## **REMUNERATION COMMITTEE**

Mr. Nie Rui (*Chairman*)

Mr. Cheung Sze Ming

Mr. Cheng Yin Pan

(appointed on 10 July 2024)

Dr. Li Weidong (resigned on 10 July 2024)

## **NOMINATION COMMITTEE**

Mr. Cheng Yin Pan (*Chairman*)

(appointed on 10 July 2024)

Mr. Nie Rui

Mr. Cheung Sze Ming

Dr. Li Weidong (resigned on 10 July 2024)

## **COMPANY SECRETARY**

Mr. Lee Chun Hin

## **COMPLIANCE OFFICER**

Mr. Kwai Sze Hoi

## **AUDITOR**

BDO Limited

## **PRINCIPAL BANKERS**

Agricultural Bank of China

Chizhou Jiuhua Rural Commercial Bank

Huishang Bank

Industrial and Commercial Bank of China

(Asia) Limited

BNP Paribas

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

# Corporate Information

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road, Hong Kong

## **REGISTERED OFFICE**

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC**

No. 8 Yanjiang Avenue  
Chizhou Economic Development Zone  
Chizhou, Anhui  
PRC

## **PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE**

Room 2715-16, 27/F.  
Hong Kong Plaza  
188 Connaught Road West  
Hong Kong

## **COMPANY WEBSITE**

[www.oceanlineport.com](http://www.oceanlineport.com)

## **STOCK CODE**

8502



# Unaudited Condensed Consolidated Statement of Comprehensive Income

For the three months and six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue</b>	5	<b>87,553</b>	93,139
Cost of services rendered		<b>(35,443)</b>	(33,480)
<b>Gross profit</b>		<b>52,110</b>	59,659
Other income and gains		<b>9,097</b>	6,805
Selling and distribution expenses		<b>(591)</b>	(577)
Administrative expenses		<b>(9,441)</b>	(9,061)
Finance costs		<b>(44)</b>	(10)
<b>Profit before income tax</b>	6	<b>51,131</b>	56,816
Income tax expense	7	<b>(8,756)</b>	(11,622)
<b>Profit for the period</b>		<b>42,375</b>	45,194
Profit for the period attributable to:			
Owners of the Company		<b>31,336</b>	33,612
Non-controlling interests		<b>11,039</b>	11,582
		<b>42,375</b>	45,194
Total comprehensive income for the period attributable to:			
Owners of the Company		<b>31,166</b>	33,612
Non-controlling interests		<b>10,973</b>	11,582
		<b>42,139</b>	45,194
Earnings per share attributable to owners of the Company			
Basic and diluted earnings per share	8	<b>RMB3.92 cents</b>	RMB4.20 cents

# Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	<b>395,956</b>	400,307
Investment properties		<b>89,351</b>	90,700
Investment in an associate	13	<b>2,600</b>	2,600
Equity investment at fair value through other comprehensive income		<b>17,141</b>	17,377
Deposits and prepayments		<b>1,434</b>	2,450
		<b>506,482</b>	513,434
<b>Current assets</b>			
Inventories		<b>2,724</b>	2,638
Trade receivables	11	<b>7,096</b>	4,564
Debt instruments at fair value through other comprehensive income		<b>10,669</b>	4,624
Deposits, prepayments and other receivables		<b>5,144</b>	5,482
Other current assets		<b>10,000</b>	–
Time deposit		<b>230,006</b>	2,293
Cash and cash equivalents		<b>94,694</b>	299,267
		<b>360,333</b>	318,868
<b>Current liabilities</b>			
Trade payables	12	<b>6,231</b>	6,641
Contract liabilities		<b>30,789</b>	40,640
Other payables, accruals and receipt in advance		<b>97,029</b>	97,421
Due to non-controlling interests		<b>1,831</b>	–
Lease liabilities		<b>525</b>	499
Deferred government grant		<b>890</b>	890
Income tax payable		<b>3,834</b>	2,855
		<b>141,129</b>	148,946
<b>Net current assets</b>			
Total assets less current liabilities		<b>725,686</b>	683,356

# Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	<i>Notes</i>	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
<b>Non-current liabilities</b>			
Deferred government grant		<b>31,455</b>	30,754
Lease liabilities		<b>848</b>	1,092
Deferred tax liabilities		<b>6,840</b>	5,275
		<b>39,143</b>	37,121
<b>Net assets</b>			
		<b>686,543</b>	646,235
<b>EQUITY</b>			
Share capital	14	<b>6,758</b>	6,758
Reserves		<b>511,067</b>	479,901
<b>Equity attributable to owners of the Company</b>			
		<b>517,825</b>	486,659
Non-controlling interests		<b>168,718</b>	159,576
<b>Total equity</b>			
		<b>686,543</b>	646,235



# Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Net cash generated from operating activities</b>	<b>39,126</b>	31,947
<b>Net cash (used in)/generated from investing activities</b>	<b>(243,451)</b>	36,685
<b>Cash flows from financing activities</b>		
Dividends paid	–	(43,813)
Others	(248)	(252)
<b>Net cash used in financing activities</b>	<b>(248)</b>	(44,065)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(204,573)</b>	24,567
<b>Cash and cash equivalents at 1 January</b>	<b>299,267</b>	253,465
<b>Cash and cash equivalents at 30 June</b>	<b>94,694</b>	278,032
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and cash equivalents with an original maturity of three months or less		
— Cash deposits at banks and on hand	<b>45,847</b>	269,048
— Short-term deposit in bank	<b>48,847</b>	8,984
	<b>94,694</b>	278,032

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Special reserve	Statutory reserve	Other reserve	Assets revaluation reserve	Fair value reserve	Retained earnings	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 1 January 2024 (audited)</b>	<b>6,758</b>	<b>6,464</b>	<b>369</b>	<b>10,760</b>	<b>119,989</b>	<b>176,540</b>	<b>376</b>	<b>(2,249)</b>	<b>167,652</b>	<b>486,659</b>	<b>159,576</b>	<b>646,235</b>
Profit for the period	-	-	-	-	-	-	-	-	31,336	31,336	11,039	42,375
Other comprehensive income:												
Change in fair value of equity investment at fair value through other comprehensive income	-	-	-	-	-	-	-	(170)	-	(170)	(66)	(236)
Total other comprehensive income	-	-	-	-	-	-	-	(170)	-	(170)	(66)	(236)
Total comprehensive income	-	-	-	-	-	-	-	(170)	31,336	31,166	10,973	42,139
Transfer to statutory reserve	-	-	-	-	7,013	-	-	-	(7,013)	-	-	-
Appropriation and utilisation of reserve	-	-	-	998	-	-	-	-	(998)	-	-	-
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,831)	(1,831)
<b>As at 30 June 2024 (unaudited)</b>	<b>6,758</b>	<b>6,464</b>	<b>369</b>	<b>11,758</b>	<b>127,002</b>	<b>176,540</b>	<b>376</b>	<b>(2,419)</b>	<b>190,977</b>	<b>517,825</b>	<b>168,718</b>	<b>686,543</b>
<b>At 1 January 2023 (audited)</b>	<b>6,758</b>	<b>50,277</b>	<b>369</b>	<b>9,011</b>	<b>100,971</b>	<b>176,540</b>	<b>376</b>	<b>(1,557)</b>	<b>129,279</b>	<b>472,024</b>	<b>153,947</b>	<b>625,971</b>
Profit for the period and total comprehensive income for the period	-	-	-	-	-	-	-	-	33,612	33,612	11,582	45,194
Transfer to statutory reserve	-	-	-	-	9,166	-	-	-	(9,166)	-	-	-
Appropriation and utilisation of reserve	-	-	-	904	-	-	-	-	(904)	-	-	-
Dividends paid	-	(43,813)	-	-	-	-	-	-	-	(43,813)	-	(43,813)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(16,045)	(16,045)
<b>As at 30 June 2023 (unaudited)</b>	<b>6,758</b>	<b>6,464</b>	<b>369</b>	<b>9,915</b>	<b>110,137</b>	<b>176,540</b>	<b>376</b>	<b>(1,557)</b>	<b>152,821</b>	<b>461,823</b>	<b>149,484</b>	<b>611,307</b>

# 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 in Hong Kong is located at Room 2715-16, 27th Floor, Hong Kong Plaza, 188 Connaught Road West, Hong Kong. The Company was listed on GEM of The Stock Exchange of Hong Kong Limited on 10 July 2018.

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

These unaudited condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard 34, 'Interim financial reporting' 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 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("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 consolidated financial statements for the year ended 31 December 2023, except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning of 1 January 2024.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 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 other 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. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of unaudited condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2023.

## 4. 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 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 six months ended 30 June 2024 and 2023 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 based in the PRC.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 5. REVENUE

Revenue represents the income from provision of service and sales excluding related tax, where applicable.

Revenue recognised during the period is as follows:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Port service income	<b>87,553</b>	93,139

### Disaggregation of revenue

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
<b>Provision of uploading and unloading services</b>		
Bulk cargo and break bulk cargo	<b>78,100</b>	77,828
Container	<b>1,433</b>	1,493
Subtotal	<b>79,533</b>	79,321
<b>Provision of ancillary port services</b>	<b>8,020</b>	13,818
	<b>87,553</b>	93,139
<b>Timing of revenue recognition</b>		
At a point in time	<b>84,138</b>	90,526
Transferred over time	<b>3,415</b>	2,613
	<b>87,553</b>	93,139

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 6. PROFIT BEFORE INCOME TAX

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

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Costs of inventories recognised as an expense (included under cost of service rendered)	<b>1,926</b>	1,655
Employee benefit expenses ( <i>note 1</i> ) (including directors' emoluments)		
— Wages, salaries and other benefits	<b>12,322</b>	12,341
— Defined contributions	<b>1,751</b>	1,680
	<b>14,073</b>	14,021
Direct operating expenses arising from investment properties that generated rental income	<b>373</b>	203
Depreciation of property, plant and equipment	<b>12,359</b>	12,090
Repairs and maintenance expenses (included under cost of services rendered)	<b>3,078</b>	3,496
Subcontracting fee (included under cost of services rendered)	<b>9,022</b>	5,823
Short-term lease	–	19
Amortisation of deferred government grant	<b>(445)</b>	(445)
Gain on disposal of property, plant and equipment	–	(73)
Gain on land resumption ( <i>note 2</i> )	<b>(924)</b>	–



# Notes to the Unaudited Condensed Consolidated Financial Statements

## 6. PROFIT BEFORE INCOME TAX (continued)

Notes:

1. During the six months ended 30 June 2024, the Group incurred expenses for the purpose of research and development of approximately RMB2,232,000 (six months ended 30 June 2023: RMB1,664,000), which comprised employee benefits expenses of approximately RMB1,806,000 (six months ended 30 June 2023: RMB1,263,000).
2. On 31 March 2024, Chizhou Port Ocean Line Holdings Group Limited (“Chizhou Port Holdings”) (formerly known as Chizhou Port Ocean Line Holdings Limited), a subsidiary of the Company, and Chizhou Economic Development Zone Management Committee (the “Committee”) entered into a compensation agreement, pursuant to which the Committee resumed the Group’s certain leasehold land held for own use, with a site area of approximately 4,781 square meters and the Group’s certain leasehold land held for rental purpose, with a site area of approximately 7,680 square meters (the “Land Resumption”). Chizhou Port Holdings agreed to the Land Resumption, to facilitate the Committee’s Chizhou Economic Development Zone Riverside Road Widening Project (池州經濟技術開發區濱江大道拓寬工程). The compensation for the Land Resumption was approximately RMB2,710,000. The Group recorded gain on Land Resumption of approximately RMB924,000 during the six months ended 30 June 2024. As the percentage ratios in respect of the Land Resumption is less than 5%, the Land Resumption is fully exempted from the requirements under Chapter 19 of the GEM Listing Rules.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 7. INCOME TAX EXPENSE

### Income tax

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

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax		
— PRC enterprise income tax	7,191	10,247
Deferred tax charged to profit or loss	1,565	1,375
	<b>8,756</b>	11,622

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 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 Holdings, which is engaging in qualifying public infrastructures, is entitled to 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 50% as taxable amount for the six months ended 30 June 2024 and 2023. 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.

Chizhou Ocean Line Niutoushan Limited ("Chizhou Niutoushan"), a subsidiary of the Company, has been recognised as a High and New Technology Enterprise under the applicable PRC tax law. Chizhou Niutoushan is subject to a reduced rate of 15% EIT for three consecutive financial years from 2023 to 2025.

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 six months ended 30 June 2024 (six months ended 30 June 2023: nil).

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 8. EARNINGS PER SHARE

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Profit for the period attributable to the owners of the Company	<b>31,336</b>	33,612
	<b>Number of shares</b>	
Weighted average number of ordinary shares in issue during the period	<b>800,000,000</b>	800,000,000

The calculation of basic earnings per share for the six months ended 30 June 2024 is based on profit attributable to owners of the Company of approximately RMB31,336,000 (for the six months ended 30 June 2023: RMB33,612,000) and on the weighted average number of 800,000,000 (for the six months ended 30 June 2023: 800,000,000) ordinary shares in issue during the period.

Diluted earnings per share is the same as the basic earnings per share because the Group had no potentially dilutive shares in issue during the respective periods.

## 9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, additions to the Group's property, plant and equipment amounted to approximately RMB8,415,000 (six months ended 30 June 2023: RMB2,679,000).

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 11. TRADE RECEIVABLES

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Trade receivables	<b>7,096</b>	4,564
Less: Provision for impairment	–	–
Trade receivables, net	<b>7,096</b>	4,564

The credit period for trade receivables is generally ranging from 10 to 55 days.

Based on invoice dates, ageing analysis of the Group's trade receivables, net of impairment provision, as at the reporting dates is as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
0 to 30 days	<b>6,843</b>	4,564
31 to 90 days	<b>249</b>	–
91 to 120 days	–	–
121 to 365 days	<b>4</b>	–
Over 1 year	–	–
	<b>7,096</b>	4,564

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 12. TRADE PAYABLES

The credit period is generally 30 days.

Based on invoice dates, ageing analysis of the Group's trade payables as at the reporting dates is as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	<b>As at 31 December 2023 RMB'000 (Audited)</b>
0 to 30 days	<b>3,535</b>	2,966
31 to 90 days	<b>351</b>	494
91 to 120 days	<b>166</b>	30
121 to 365 days	<b>1,125</b>	1,669
Over 1 year	<b>1,054</b>	1,482
	<b>6,231</b>	6,641

## 13. INVESTMENT IN AN ASSOCIATE

	<b>As at 30 June 2024 RMB'000</b>	<b>As at 31 December 2023 RMB'000</b>
Share of net assets of the associate	<b>2,600</b>	2,600

*Note:* On 30 June 2023, the Group entered into a joint venture agreement with two investors which are PRC state-owned enterprises pursuant to which the Group agreed to make a cash injection of RMB26,000,000 in total to Chizhou City Huida Port Transportation Company Limited ("Chizhou Huida"), in return for 26% equity interest of Chizhou Huida. In the opinion of the directors of the Company, the Group is able to exercise significant influence over Chizhou Huida through its representation in the board of directors and its participation in policy-making processes because it has the power to appoint one out of five directors of Chizhou Huida under the articles of association of Chizhou Huida. As at 30 June 2024, the Group has not yet paid up the subscribed registered capital of Chizhou Huida of RMB23,400,000.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 14. SHARE CAPITAL

	Number of ordinary shares	HK\$'000	RMB'000
<b>Authorised:</b>			
As at 1 January 2023,			
31 December 2023 (audited),			
1 January 2024 and 30 June 2024 (unaudited)	5,000,000,000	50,000	40,929
<b>Issued and fully paid:</b>			
As at 1 January 2023,			
31 December 2023 (audited),			
1 January 2024 and 30 June 2024 (unaudited)	800,000,000	8,000	6,758

## 15. CAPITAL COMMITMENTS

As at each of the reporting dates, the Group had the following capital commitments:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Contracted, but not provided for — Construction in progress	3,554	3,604



# Notes to the Unaudited Condensed Consolidated Financial Statements

## 16. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Lease payment paid to a related company ( <i>Note</i> )	292	252

*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 (the "1st 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 rental under the 1st Tenancy Agreement amounted to approximately HK\$570,000, with the term of the 1st Tenancy Agreement commencing from 1 January 2021 and expired on 31 December 2023.

In November 2023, Ocean Line Hong Kong and Ocean Longevity, entered into a tenancy agreement (the "2nd Tenancy Agreement") (effective from 1 December 2023) pursuant to which Ocean Longevity as the landlord agreed to lease certain premises to Ocean Line Hong Kong as the tenant. The annual rental under the 2nd Tenancy Agreement amounted to approximately HK\$634,000, with the term of the 2nd Tenancy Agreement commencing from 1 January 2024 and expiring on 31 December 2026.

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

The above transactions with a related company was negotiated and carried out in the ordinary course of business and on normal commercial terms as agreed between the Group and the related party.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 16. RELATED PARTY TRANSACTIONS (continued)

The total annual rent payable under the 1st Tenancy Agreement and the 2nd Tenancy Agreement (including the estimated utilities and telephone charges) by Ocean Line Hong Kong to Ocean Longevity would be approximately HK\$600,000 and HK\$665,000, respectively. The value of the right-of-use assets under the 1st Tenancy Agreement and the 2nd Tenancy Agreement in aggregate to be recognised by the Group according to HKFRS 16 amounts to approximately HK\$1,561,000 and HK\$1,744,000, respectively, representing the present value of the lease payments payable under the fixed terms of the 1st Tenancy Agreement and the 2nd Tenancy Agreement in aggregate. Each of the total annual rent payable and each of the value of the right-of-use assets under the 1st Tenancy Agreement and the 2nd Tenancy Agreement 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 amounts 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:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Fee	635	612
Salaries, allowances and benefits in kinds	160	120
Defined contributions	–	–
	<b>795</b>	732

# Notes to the Unaudited Condensed Consolidated Financial Statements

## **17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

Management has determined that the carrying amounts of cash and cash equivalents, time deposit, trade receivables, other receivables, other current assets, trade payables, other payables and accruals and amounts due to non-controlling interests reasonably approximate to their fair values because these financial instruments are mostly short-term in nature.

The unlisted equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers the investment to be long-term strategic capital investment in nature. Change in fair value of the above equity investment is recognised in other comprehensive income and accumulated within the fair value reserve within equity. The Group transfers amounts from fair value reserve (non-recycling) to retained earnings when the relevant equity investment is derecognised.

The bills receivables were classified as debt instruments at fair value through other comprehensive income. As at 30 June 2024, the maturity period for the bills receivables is 6 months.

The Directors of the Company consider that the carrying value of the bills receivables under debt instruments at fair value through other comprehensive income approximates the fair value as at 30 June 2024.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The level in the fair value hierarchy within which the unlisted equity investment under equity investment at fair value through other comprehensive income and the bills receivables under debt instruments at fair value through other comprehensive income are categorised in their entirety is based on the lowest level of input that is significant to the fair value measurement.

	<b>30 June 2024 Level 3 RMB'000 (Unaudited)</b>	31 December 2023 Level 3 RMB'000 (Audited)
Equity investment at fair value through other comprehensive income		
— Unlisted equity investment	<b>17,141</b>	17,377
Debt instruments at fair value through other comprehensive income		
— Bills receivables	<b>10,669</b>	4,624

Particular material information about level 3 fair value measurements:

	Valuation techniques	Unobservable input	Range	Relationship of unobservable inputs to fair value
Unlisted equity investment in the PRC — Chizhou Wusha Port Transportation Company Limited ("Chizhou Wusha")	Market approach	Discount for lack of control and discount for lack of marketability	5.2% (As at 31 December 2023: 5.2%) 15.7% (As at 31 December 2023: 15.7%)	The discount rate is negatively correlated to the fair value measurement of the unlisted equity investment. A slight increase in the discount for lack of control and lack of marketability would result in a slight decrease in fair value measurement of the equity investment, and vice versa.
Bills receivables	Income approach — in this approach, the discounted cash flow method was used to capture the present value of the cash flows to be derived from the receivables	Discount rate	2.1% (As at 31 December 2023: 2.9%–3.1%)	The discount rate is negatively correlated to the fair value measurement of bills receivables.

# Notes to the Unaudited Condensed Consolidated Financial Statements

## 17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

There were no changes to the valuation techniques during the six months ended 30 June 2024. During the year ended 31 December 2023, the valuation technique for the investment in Chizhou Wusha is changed from using assets approach to market approach since there are reasonably available information of market comparable with similar nature of business to the investment at the measurement date and asset approach is unable to reflect the current situation of Chizhou Wusha.

There were no transfer in Level 1, Level 2 and Level 3 of the fair value hierarchy during the six months ended 30 June 2024 and year ended 31 December 2023.

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Unlisted equity investment:		
Opening balance (level 3 recurring fair value)	<b>17,377</b>	17,838
Addition	–	500
Change in fair value included in other comprehensive income	<b>(236)</b>	(961)
Closing balance (level 3 recurring fair value)	<b>17,141</b>	17,377
Bills receivables:		
Opening balance (level 3 recurring fair value)	<b>4,624</b>	1,185
Additions	<b>12,841</b>	16,903
Disposals	<b>(6,796)</b>	(13,464)
Closing balance (level 3 recurring fair value)	<b>10,669</b>	4,624

# 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, including the four multi-purpose/bulk cargo berths of the new phase (Phase III) of Jiangkou Terminal, 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.

In the first half of 2024, affected by the overall unfavorable economic situation, certain production and operation indicators of the Group declined slightly. For the six months ended 30 June 2024, the Group's total throughput volume of bulk cargo and container were 13.9 million tonnes (six months ended 30 June 2023: 15.1 million tonnes) and 8,406 TEUs (six months ended 30 June 2023: 7,867 TEUs), respectively, representing a decrease of 8.0% and an increase of 6.9%, respectively, as compared to the corresponding period in 2023. The Group's revenue and profit were RMB87.6 million (six months ended 30 June 2023: RMB93.1 million) and RMB42.4 million (six months ended 30 June 2023: RMB45.2 million), respectively, representing a decrease of 6.0% and 6.2%, respectively, as compared to the corresponding period of the previous year. In the first half of the year, various key tasks, such as safety and environmental protection and project construction, were steadily advanced.

The port throughput volume was mainly influenced by the following factors:

Firstly, the aspect of international situation. Under the market environment with slow global economic recovery, rising trade protectionism and increasing geopolitical risks, the PRC's export-oriented economic development has been greatly affected.



# Management Discussion and Analysis

Secondly, the aspect of domestic environment. The PRC's economic development has entered a new normal. The challenges brought about by the pain period of structural adjustments and the early policies digestion were superimposed on each other, resulting in increased downward pressure on the economy. In particular, the market prices of non-metallic mineral products and building materials products continued to fall. Certain mining companies were under great operating pressure. Lack of source of commodity cargo resulted in a year-on-year decrease in cargo throughput volume.

Thirdly, the internal aspect of the Group. Facing the complex economic environment, the Group adhered to Cost Reduction and Efficiency Enhancement (降本增效) while unwaveringly focusing on market expansion goals. By actively working on increasing market share and promptly obtaining market information and source of commodity cargo, we aimed to consolidate existing major customers and develop marginal customers.

## OUTLOOK

Due to factors such as the PRC's economic slowdown, sluggish bulk cargo market, impacts of rising shipping costs on the container market, and increased risks in trade operations, we expect that the business environment will remain challenging in the second half of the year, but we are confident in the prospects of the Group's operation and maintain relatively optimistic about the port market. The main factors are as follows:

Firstly, in the second half of 2024, it is expected that the PRC's economy will maintain a stable and improving development trend. In the process of addressing changes in the external environment and internal structural adjustments, governments at all levels have implemented a series of effective measures to promote high-quality economic development. It is expected that the total port cargo volume of the Group will enter an upward path.

Secondly, facing unfavorable production and operational situation, the Group has increased management efforts and strengthened scheduling work and services. The Group remains vigilant, keeps moving forward, seizes time and rushes to progress. Adhering the approach of "relying on ports for logistics and developing logistics for strengthening the ports" ("依托港口做物流·發展物流強港口"), the Group has vigorously expanded its full-service logistics, trade, agency and other operations, extended the port service chain and adhered to the "Two-Wheel Drive" ("雙輪驅動") strategy of traditional stevedoring and modern logistics, with the aim of achieving excellent results in the second half of 2024.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

	Six months ended 30 June			
	2024	2023	Increase/(decrease)	
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000	%
Revenue from provision of uploading and unloading services				
Bulk cargo and break bulk cargo	<b>78,100</b>	77,828	272	0.3
Container	<b>1,433</b>	1,493	(60)	(4.0)
Subtotal	<b>79,533</b>	79,321	212	0.3
Revenue from provision of ancillary port services	<b>8,020</b>	13,818	(5,798)	(42.0)
Total revenue	<b>87,553</b>	93,139	(5,586)	(6.0)

	Six months ended 30 June			
	2024	2023	Increase/(decrease)	
	(Unaudited)	(Unaudited)		%
Total cargo throughput (thousand tonnes)	<b>13,915</b>	15,120	(1,205)	(8.0)
Container throughput (TEUs)	<b>8,406</b>	7,867	539	6.9

Our revenue which is principally generated from the provision of uploading and unloading services and ancillary port services was approximately RMB79.5 million for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB79.3 million), representing an increase of RMB0.2 million or approximately 0.3% as compared to the same period in 2023. However, the throughput of cargo decreased by approximately 1.2 million tonnes as compared with the same period in 2023, as less customers required direct uploading and unloading without storing the goods in the stacking yards, resulting in more crane operations performed during the period. The average handling fee per tonne charged by us increased accordingly. The revenue from provision of ancillary port services decreased by approximately RMB5.8 million or 42.0%, which is mainly due to the decline in our logistics agency business due to unfavorable market conditions.

# Management Discussion and Analysis

## 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 the six months ended 30 June 2024, our cost of services was approximately RMB35.4 million (six months ended 30 June 2023: RMB33.5 million), representing an increase of RMB1.9 million or approximately 5.7% as compared to the same period in 2023. The increase in cost of services was mainly attributable to the impacts of the following: (i) an increase in subcontracting fee of approximately RMB3.2 million which was driven by the more outsourced crane operations performed during the period; (ii) a decrease in staff cost of approximately RMB0.5 million; and (iii) a decrease in repairs and maintenance expenses of approximately RMB0.4 million.

## Gross profit and gross profit margin

	Six months ended 30 June		Decrease	%
	2024 (Unaudited)	2023 (Unaudited)		
Gross profit (RMB'000)	52,110	59,659	(7,549)	(12.7)
Gross profit margin (%)	59.5	64.1	(4.6)	N/A

For the six months ended 30 June 2024, our gross profit decreased to approximately RMB52.1 million. The decrease in gross profit was primarily due to decrease of our total revenue by 6.0% for the six months ended 30 June 2024 as compared to the same period of last year. As we lowered the service fee in response to market conditions, our gross profit margin decreased to 59.5%.

## Administrative expenses

For the six months ended 30 June 2024, our administrative expenses increased by approximately RMB0.4 million or 4.2% 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 increase in 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.

# Management Discussion and Analysis

## Income tax expenses

For the six months ended 30 June 2024, the Group's income tax expense amounted to approximately RMB8.8 million (six months ended 30 June 2023: RMB11.6 million), representing an decrease of RMB2.8 million or approximately 24.1% as compared to the same period of last year. The profit generated from one of the Qualifying Project of Chizhou Port Holdings for the six months ended 30 June 2024 and 2023 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 High and New Technology Enterprises, Chizhou Port Holdings and Chizhou Niutoushan, subsidiaries of the Company will pay the enterprise income tax at the rate of 15% for three consecutive financial years from 2022 to 2024 and from 2023 to 2025, respectively ("3-Year High and New Technology Enterprises Tax Entitlements"). For the six months ended 30 June 2024, the effective tax rate is approximately 17.1% (six months ended 30 June 2023: 20.5%). Should the deferred tax charge for the six months ended 30 June 2024 of approximately RMB1.6 million be excluded, the adjusted effective tax rate would have been approximately 14.1%. Our adjusted effective tax rate for the six months ended 30 June 2024 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 Entitlements for Chizhou Port Holdings from 2022 to 2024 and Chizhou Niutoushan from 2023 to 2025.

## Profit for the six months ended 30 June 2024

As a result of the foregoing, we recorded profit for the six months ended 30 June 2024 of approximately RMB42.4 million (six months ended 30 June 2023: RMB45.2 million). Our net profit margin was approximately 48.4% (six months ended 30 June 2023: 48.5%).

## CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The shares of the Company were successfully listed on GEM of the Stock Exchange on 10 July 2018. There has been no change in the capital structure of the Group since then. The capital of the Company only comprises ordinary shares.

The Group finances its liquidity and capital requirements primarily through cash generated from operations, bank borrowings, if any, and equity contribution from shareholders.

As at 30 June 2024, including time deposits over three months, the Group had bank and cash balances of approximately RMB324.7 million (31 December 2023: RMB301.6 million).

# Management Discussion and Analysis

As at 30 June 2024, the Group's total equity attributable to owners of the Company amounted to approximately RMB517.8 million (31 December 2023: RMB486.7 million). As of the same date, the Group's total debts, comprising amounts due to non-controlling interests, amounted to approximately RMB1.8 million (31 December 2023: Nil).

The Directors believe that the Group is in a healthy financial position to expand its business and achieve its business objectives.

## **BORROWINGS AND GEARING RATIO**

As at 30 June 2024, the Group had total debts of approximately RMB1.8 million (31 December 2023: Nil). The Group's bank borrowing, if any, is primarily used in financing the working capital requirement of its operations.

As at 30 June 2024, the gearing ratio of the Group, calculated as the total debts divided by the total equity, was approximately 0.3% (31 December 2023: N/A).

## **FOREIGN CURRENCY RISK**

The Group has foreign currency exposures that mainly arise from the balance of assets and liabilities in currencies other than in RMB, the Group's functional currency. The Group's policy requires the management monitors foreign exchange exposure by monitoring the movement of foreign currency rates and may enter into foreign currency options or forward contracts, when and where appropriate.

## **TREASURY POLICY**

The Group has adopted a prudent financial management approach towards its treasury policies and had maintained a healthy liquidity position throughout the reporting period. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

## **CONTINGENT LIABILITIES**

As at 30 June 2024, the Group did not have any contingent liabilities (31 December 2023: Nil).

## **SIGNIFICANT INVESTMENTS**

During the six months ended 30 June 2024, the Group did not acquire or hold any significant investment.



# Management Discussion and Analysis

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the six months ended 30 June 2024, save as disclosed elsewhere in this report, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2024, the Group has approximately 214 (31 December 2023: 214) employees. Total staff costs for the six months ended 30 June 2024 amounted to approximately RMB14.1 million (six months ended 30 June 2023: RMB14.0 million).

Employee's remuneration was determined in accordance with individual's responsibility, competence and skills, experience and performance as well as market pay level.

## **CAPITAL COMMITMENT**

The capital commitments of the Group as at each of the reporting dates are as disclosed in note 15 to the unaudited condensed consolidated financial statements.

## **PLEDGE OF ASSETS**

As at 30 June 2024, the Group has pledged its property, plant and equipment with an aggregate net book value of approximately RMB131.3 million (31 December 2023: RMB137.5 million) and investment properties with aggregate net book value of approximately RMB14.3 million (31 December 2023: RMB15.2 million).

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed elsewhere in this report, no significant events affecting the Group have occurred since the end of the reporting period and up to the date of this report.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024.



# Management Discussion and Analysis

## **BUSINESS UPDATE**

1. On 29 December 2023, Chizhou Port Holdings entered into a joint venture agreement with two independent third parties, pursuant to which the parties thereto agreed to establish a joint venture company, in Chizhou City, the PRC. The joint venture company was incorporated on 15 April 2024, with official name determined to be Chizhou Haishun Port Services Company Limited\* (池州海順港口服務有限公司) (“Chizhou Haishun”) (formerly known as Chizhou Port Guohai Port Services Company Limited\* (池州港國海港口服務有限公司)). For details of the formation of Chizhou Haishun, please refer to the announcement of the Company dated 29 December 2023 and the circular of the Company dated 25 January 2024.
2. On 24 July 2024, the official name of Chizhou Port Holdings was changed from Chizhou Port Ocean Line Holdings Limited\* (池州港遠航控股有限公司) to Chizhou Port Ocean Line Holdings Group Limited\* (池州港遠航控股集團有限公司).

\* For identification purpose only

## Other Information

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

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the shares (the "Shares"), underlying shares and 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, were as follows:

#### (a) Long position interests in the Shares

<b>Name of Director</b>	<b>Capacity/Nature of interest</b>	<b>Number of issued Shares held/ interested</b>	<b>Approximate percentage of shareholding</b>
Mr. Kwai Sze Hoi	Interest in a controlled corporation ( <i>Note</i> )	600,000,000	75%
Ms. Cheung Wai Fung	Interest in a controlled corporation ( <i>Note</i> )	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.

## Other Information

### (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	Kwai Sze Hoi	Beneficial owner (Note 1)	29,200	58.4%
Vital Force	Cheung Wai Fung (Note 2)	Beneficial owner (Note 1)	19,466	38.9%
Vital Force	Huang Xueliang	Interest of a controlled corporation (Note 1)	1,334	2.7%

*Notes:*

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

Save as disclosed above, as at 30 June 2024, 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.

## Other Information

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

So far as is known to the Directors, as at 30 June 2024, 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**

<b>Name of Shareholder</b>	<b>Capacity/Nature of interest</b>	<b>Number of Shares held</b>	<b>Approximate percentage of shareholding</b>
Vital Force	Beneficial owner	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 six months ended 30 June 2024.

### **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 six months ended 30 June 2024.

# Other Information

## **CHANGES TO INFORMATION IN RESPECT OF DIRECTORS**

In accordance with 17.50A(1) of the GEM Listing Rules, the changes to information required to be disclosed pursuant to paragraph (a) to (e) and (g) of 17.50(2) of the GEM Listing Rules during the course of the Directors' terms of office for the period from date of publication of the Company's latest annual report up to the date of this interim report are set out below:

1. On 20 June 2024, the service agreements of Mr. Kwai Sze Hoi and Mr. Huang Xueliang, the executive Directors were renewed and effective from 10 July 2024 for another term of three years;
2. On 20 June 2024, the letters of appointment of Ms. Cheung Wai Fung (non-executive Director) and Mr. Nie Rui (independent non-executive Director) were renewed and effective from 10 July 2024 for another term of three years;
3. Dr. Li Weidong resigned as an independent non-executive Director of the Company and ceased to be the chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee of the Board with effect from 10 July 2024; and
4. Mr. Cheng Yin Pan has been appointed as an independent non-executive Director, the chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee of the Board with effect from 10 July 2024.

## **CORPORATE GOVERNANCE CODE**

The Corporate Governance Code (the "Code") in Appendix C1 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.



## Other Information

### **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 six months ended 30 June 2024. 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 Code. The Audit Committee consists of three members, namely Mr. Cheung Sze Ming, Mr. Nie Rui and Mr. Chang Yin Pan, 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 six months ended 30 June 2024 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, 9 August 2024

*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 Mr. Chang Yin Pan.*