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

2018
Third 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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	3
Unaudited Condensed Consolidated Statement of Changes in Equity	4
Notes to the Unaudited Condensed Consolidated Financial Statements	5
Management Discussion and Analysis	12
Other Information	17

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 30 September 2018

	Notes	Three months ended 30 September 2018 RMB'000 (Unaudited)	Three months ended 30 September 2017 RMB'000 (Unaudited)	Nine months ended 30 September 2018 RMB'000 (Unaudited)	Nine months ended 30 September 2017 RMB'000 (Unaudited)
Revenue	4	**30,059**	19,268	**69,758**	46,879
Cost of services rendered		**(13,198)**	(7,122)	**(37,702)**	(27,213)
Gross profit		**16,861**	12,146	**32,056**	19,666
Other income and gains		**1,959**	2,135	**3,323**	4,580
Selling and distribution expenses		**(172)**	(205)	**(399)**	(479)
Administrative expenses, net		**(1,325)**	(1,815)	**(4,775)**	(4,095)
Finance costs		**(705)**	(694)	**(1,886)**	(2,082)
Listing expenses		**(1,117)**	(2,886)	**(3,599)**	(2,886)
Other operating expenses		**(20)**	(2,223)	**(20)**	(2,223)
Share of loss of an associate		**(36)**	(185)	**(398)**	(451)
Profit before income tax	5	**15,445**	6,273	**24,302**	12,030
Income tax expense	6	**(3,047)**	(1,767)	**(5,366)**	(2,986)
Profit for the period and total comprehensive income for the period, net of tax		**12,398**	4,506	**18,936**	9,044
Profit for the period attributable to:					
Owners of the Company		**9,089**	2,594	**13,311**	6,158
Non-controlling interests		**3,309**	1,912	**5,625**	2,886
		12,398	4,506	**18,936**	9,044
Total comprehensive income for the period attributable to:					
Owners of the Company		**9,089**	2,594	**13,311**	6,158
Non-controlling interests		**3,309**	1,912	**5,625**	2,886
		12,398	4,506	**18,936**	9,044
Earnings per share attributable to owners of the Company					
Basic and diluted earnings per share	7	**RMB1.16 cents**	RMB0.43 cent	**RMB2.01 cents**	RMB1.03 cents

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2018

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Assets revaluation reserve RMB'000	Accumulated loss RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2018 (audited)	–	–	3,491	31,891	172,860	376	(12,503)	196,115	66,449	262,564
Profit for the period and total comprehensive income for the period	–	–	–	–	–	–	13,311	13,311	5,625	18,936
Appropriation and utilisation of reserve	–	–	449	–	–	–	(449)	–	–	–
Dividend paid	–	–	–	–	–	–	(8,692)	(8,692)	–	(8,692)
Share issued pursuant to initial public offering	1,689	55,345	–	–	–	–	–	57,034	–	57,034
As at 30 September 2018 (unaudited)	1,689	55,345	3,940	31,891	172,860	376	(8,333)	257,768	72,074	329,842
At 1 January 2017 (audited)	–	–	2,870	29,310	172,860	174	(5,997)	199,217	64,344	263,561
Profit for the period and total comprehensive income for the period	–	–	–	–	–	–	6,158	6,158	2,886	9,044
Appropriation and utilisation of reserve	–	–	460	–	–	–	(460)	–	–	–
Dividends paid	–	–	–	–	–	–	(1,364)	(1,364)	–	(1,364)
Dividend declared to non-controlling interests	–	–	–	–	–	–	–	–	(734)	(734)
As at 30 September 2017 (unaudited)	–	–	3,330	29,310	172,860	174	(1,663)	204,011	66,496	270,507

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 No.8 Yanjiang Avenue, Chizhou Economic Development Zone, Chizhou, Anhui, PRC. The Company was listed on GEM of the Stock Exchange of Hong Kong Limited on 10 July 2018 (the "Listing").

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 controlling shareholders of the Company are Mr. Kwai Sze Hoi ("Mr. Kwai"), Ms. Cheung Wai Fung ("Ms. Cheung") and Vital Force Developments Limited ("Vital Force"), a company incorporated in the British Virgin Islands with limited liability.

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.

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial statements for the nine months ended 30 September 2018 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 consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with HKFRSs issued by the HKICPA, as set out in the prospectus of the Company dated 27 June 2018 (the "Prospectus").

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 2017, except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning of 1 January 2018.

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 these new and amended HKFRSs did not result in material changes to the Group's accounting policies and the directors considered that the changes are not materials to 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 has identified its operating segment and prepared segment information based on the regular internal financial information reported to the Group's executive Directors 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.

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. The geographical location of non-current assets is based on the physical location of the assets. The Group's non-current assets are based in the PRC.

4. REVENUE

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

Revenue recognised during the period is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	**2018**	2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Port service income	**30,059**	19,268	**69,758**	46,879

5. PROFIT BEFORE INCOME TAX

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

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	**2018**	2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Costs of inventories recognised as an expense (included under cost of service rendered)	**1,589**	1,139	**4,318**	2,953
Employee benefit expenses (including directors' emoluments)				
— Wages, salaries and other benefits	**6,597**	2,488	**16,143**	9,333
— Defined contributions	**480**	461	**1,374**	1,332
	7,077	2,949	**17,517**	10,665
Direct operating expenses arising from investment properties that generated rental income	**26**	–	**684**	768
Depreciation of property, plant and equipment	**4,130**	4,419	**11,394**	11,914
Amortisation of payments for leasehold land held for own use under operating leases	**418**	209	**1,276**	934
Amortisation of deferred government grant	**(223)**	(324)	**(668)**	(769)
Listing expenses	**1,117**	2,886	**3,599**	2,886

6. INCOME TAX EXPENSE

(a) Income tax

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

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	**2018**	2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current tax				
— PRC enterprise income tax	**3,018**	1,701	**5,279**	2,862
Deferred tax charged to profit or loss	**29**	66	**87**	124
	3,047	1,767	**5,366**	2,986

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.

Pursuant to the PRC tax law, its rules and regulations, enterprises that invest in qualifying public infrastructure projects are eligible for certain tax benefits. In accordance with the relevant income tax laws in the PRC, Chizhou Niutoushan, is engaging in qualifying public infrastructures, is entitled to exemption from PRC enterprise income tax for three years (the "3-Year Exemption Entitlement") and a 50% reduction for three years thereafter (the "3-Year 50% Tax Reduction Entitlement"). The 3-Year Exemption Entitlement commenced for the financial year beginning on 1 January 2013 up to 31 December 2015 irrespective of whether Chizhou Niutoushan is profit-making during this period and the 3-Year 50% Tax Reduction Entitlement has commenced from the financial year beginning on 1 January 2016 to 31 December 2018.

7. EARNINGS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
	2018	2017	**2018**	2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Earnings:				
Profit for the period attributable to the owners of the Company	**9,089**	2,594	**13,311**	6,158
	Number of shares			
Shares				
Weighted average number of ordinary shares in issue during the period	**780,434,783**	600,000,000	**660,805,861**	600,000,000

The calculation of the weighted average number of ordinary shares for the purposes of calculating the basic and diluted earnings per share for the periods shown in the table above has been determined based on the assumption that the ordinary shares of 600,000,000 in issue, comprising 1 ordinary share issued on 30 October 2017, 99 ordinary shares issued on 1 June 2018 and 599,999,900 ordinary shares issued on 10 July 2018 pursuant to the capitalisation issue, as if the respective shares were outstanding throughout the period.

Diluted earnings per share is the same as the Group had no potentially diluted ordinary shares in issue during respective periods.

8. DIVIDENDS

The Directors do not recommend the payment of dividend for the nine months ended 30 September 2018 (nine months period ended 30 September 2017: nil).

9. RELATED PARTY TRANSACTIONS

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

	Notes	**Nine months ended 30 September 2018 RMB'000 (Unaudited)**	2017 RMB'000 (Unaudited)
Rental expenses paid to a related company	(i)	**295**	–
Purchase of assets from a related company	(ii)	**–**	11,633

Notes:

(i) In November 2017, Ocean Line Port Development (Hong Kong) Limited ("Ocean Line (Hong Kong)") and a related company, of which Mr. Kwai and Ms. Cheung are the beneficial owners, entered into a tenancy agreement pursuant to which the related Company as the landlord agreed to lease certain premises to Ocean Line (Hong Kong) as the tenant. The annual rental under the tenancy agreement amounted to approximately of HK$480,000 from 1 January 2018 and expiring on 31 December 2020.

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

(ii) Chizhou Niutoushan, a subsidiary of the Company, had entered into an asset rental agreement in the year ended 31 December 2012 with a related company, of which Mr. Kwai and Ms. Cheung are the beneficial owners, for the usage of certain terminal facilities (the "Terminal Assets"). The rental expenses charged by the related company amounted to approximately RMB672,000 and RMB731,000 for the years ended 31 December 2015 and 2016, respectively.

In 2017, Chizhou Niutoushan had entered into a sales and purchase agreement with the related company to acquire the Terminal Assets from the related company at a consideration of approximately RMB11,633,000. The consideration of the transfer was approximate to the fair value of the Terminal Assets on the date of transfer.

(b) **Key management personnel compensation**

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

	Nine months ended 30 September	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kinds	**956**	210
Defined contributions	**53**	44
	1,009	254

Management Discussion and Analysis

BUSINESS REVIEW

The Group is an inland terminal operator in the PRC and principally engaged in the provision of port logistic services (including uploading and unloading of cargo, bulk cargoes handling service, container handling, storage and other services). The Group operates two terminals, namely, Jiangkou Terminal and Niutoushan Terminal, both of which are situated in Chizhou City, Anhui Province, the PRC. These two terminals are located in major port areas of Chizhou City. Chizhou City is an important port city in the southwestern region of Anhui Province, having benefited from close economic ties with cities along the Yangtze River delta. Chizhou City is located at a central hub surrounded by large cities on the downstream section of the Yangtze River including Nanjing, Suzhou and Jiujiang in Jiangsu Province and Jiangxi Province.

Due to the government's policies and renewed activities focused on protecting shoreline resources, a number of unqualified terminal operators in Chizhou City have been forced to close down their terminal operations. In addition, certain number of small-scale unqualified mining companies were also forced to close down, other qualified mining companies were further expanded in respect of shipment of mining products. Based on the foregoing, the closure of these unqualified terminal operators and small-scale unqualified mining companies would benefit our terminals as most of them were located within the hinterland of our terminals. We would then take up their customers and receive more orders from qualified mining companies which would further increase our throughput volume. Moreover, the steady economic growth of mining and processing industry in Chizhou City could further benefit the Group given there was an increased demand from our customers.

In the nine months of 2018, total bulk and break bulk cargo throughput and container of the Group were approximately 10.6 million tonnes (nine months ended 30 September 2017: approximately 8.7 million tonnes) and 12,805 TEUs (nine months ended 30 September 2017: approximately 11,609 TEUs), respectively, which were representing the increase of 22.0% and 10.3% , respectively over the same period of last year.

The Group has been facing strict environment protection regulations, pollution control regulations and safety production requirements. In order to meet these environment protection requirements, the Group has built up an effective dust pollution control system including dust-prevention walls and nets, water spraying equipment, stacking yard sheds, conveyor belt sheds, and a number of other facilities in order to minimise the water and dust pollution generated by the intensive transportation and goods handling activities in our terminals. Nevertheless, the Group can benefit from the environment protection requirements as we can take opportunity to capture a higher market share in terms of total throughput volume given other small unqualified public terminal operators in Chizhou City would be forced to close down due to these requirements.

OUTLOOK

Looking into the fourth quarter of the year, the Group expects the steady economic development in Chizhou City and the continued steady growth in the terminal operator markets. Following the implementation of favourable government policies in Chizhou City, municipal governments in Chizhou and many other inner cities have established well-designed and modern industrial parks to facilitate those enterprises to relocate to new and more cost effective production bases. The Group can further benefit from the relocation of a growing number of industrial facilities choosing to move from coastal provinces to inland cities, Chizhou City is well-positioned to benefit from robust economic and industrial growth moving forward into the near future.

The Group also expects the growing demand for waterway transportation via port operations in Chizhou City since there is the expansion in industrial sectors in Chizhou City, including the non-metallic mining and processing industry, metals and metallurgy industry, cement producing industry, electronics manufacturing industry and etc.

For the fourth quarter of the year, the Group will continue to put efforts to pursue sales and marketing strategy to ensure to increase the cargo sources, expand the customer base and maintain good customer relationship and upgrade the port facilities to meet the increasing demand in high quality port logistic services. The value of the total industrial value-added (i.e. the total value of net output of products and services contributed by the industrial sectors) of Chizhou City is expected to have a upward growing trend. Accordingly, the Group will also construct and develop the new phase of Jiangkou Terminal by utilising the net proceeds from the public offer so as to meet the expected growth of the industrial sectors in Chizhou City.

Simultaneously, the Group will continue to develop the container uploading and unloading services since there is an increase in usage of transportation utilising containers.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

	Nine months ended 30 September 2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)	Increase RMB'000	%
Revenue from provision of uploading and unloading services				
Bulk cargo and break bulk cargo	**59,159**	40,127	19,032	47.4
Container	**2,135**	2,038	97	4.8
Subtotal	**61,294**	42,165	19,129	45.4
Revenue from provision of ancillary port services	**8,464**	4,714	3,750	79.6
Total revenue	**69,758**	46,879	22,879	48.8

	Nine months ended 30 September 2018 (Unaudited)	2017 (Unaudited)	Increase	%
Total cargo throughput (thousand tonnes)	**10,553.8**	8,652.6	1,901.2	22.0
Container throughput (TEUs)	**12,805**	11,609	1,196	10.3

Our revenue which is principally generated from the provision of uploading and unloading services was approximately RMB61.3 million for the nine months ended 30 September 2018 and RMB42.2 million for the same period in 2017. The increase in revenue was mainly due to the increase in cargo handling revenue since (i) the throughput of cargo increased by approximately 1.9 million tonnes as compared with the same period in last year and (ii) the average handling fee increased from approximately RMB4.8 per tonne to RMB5.6 per tonne as compared with the same period in last year. The increase in throughput volume of cargo was mainly due to the increased demand from customers that was driven by the stringent environment requirements, increased operation capacity of customers and steady growth of mining and processing industry in Chizhou City.

Cost of services

Our cost of services primarily consists of depreciation of property, plant and equipment, staff cost, subcontracting fee, amortisation of land use rights, fuel and oil, consumables, electricity and others.

For nine months ended 30 September 2018, our cost of services was approximately RMB37.7 million (nine months ended 30 September 2017: RMB27.2 million), representing an increase of RMB10.5 million or approximately 38.5% as compared to the same period of last year. The increase in cost of services was mainly attributable to (i) the increase in staff cost of approximately RMB1.6 million due to the increase in revenue as staff cost is partially linked to the financial performance of our port, (ii) the increase in subcontracting fee of approximately RMB2.9 million which was driven by the increase in transportation and handling services as throughput volume rose and (iii) increase in electricity, fuel and oil expenses of approximately RMB2.7 million due to the increase in throughput volume of cargo by 22.0% in terms of tonnes.

Gross profit and gross profit margin

	Nine months ended 30 September			
	2018	2017	Increase	
	(Unaudited)	(Unaudited)		%
Gross profit (RMB'000)	**32,056**	19,666	12,390	63.0
Gross profit margin (%)	**46.0**	42.0	4.0	N/A

For the nine months ended 2018, our gross profit and gross profit margin increased to approximately RMB32.1 million and 46.0%, respectively. The increase was mainly attributable to the increase in revenue generated from our terminals and partially offset by the higher variable cost incurred, including transportation costs, fuel and oils, as result of the higher throughput volume for period of nine months ended 30 September 2018.

Administrative expenses, net

For the nine months ended 30 September 2018, our administrative expenses increased by approximately RMB0.7 million or 16.6% which was primarily due to net effect of (i) increase in administrative staff costs and legal and professional fees of approximately RMB1.2 million and RMB0.3 million, respectively, and (ii) increase in the gain of foreign exchange difference, net of RMB1.1 million. The increase in administrative staff costs was mainly due to the growth of our business during the nine months ended 30 September 2018. The increase in legal and professional fees was mainly due to the legal fee incurred in relation to Litigation Cases as defined in the Prospectus.

Income tax expenses

For the nine months ended 30 September 2018, the Group's income tax expense amounted to approximately RMB5.4 million (nine months ended 30 September 2017: RMB3.0 million), representing an increase of RMB2.4 million or approximately 79.7% as compared to the same period in last year. The increase was mainly due to the increase in Group's profits before tax. For the nine months ended 30 September 2018, the effective tax rate is approximately 22.1% (nine months ended 30 September 2017: 24.8%) which was mainly due to the incurred non-deductible expenses for PRC tax purpose such as listing expenses of approximately RMB3.6 million (nine months ended 30 September 2017: RMB2.9 million). Should the listing expenses of approximately RMB3.6 million (nine months ended 30 September 2017: RMB2.9 million) incurred in nine months ended 2018 be taken into account, the effective tax rate would have been approximately 19.2% (nine months ended 30 September 2017: 20.0%) which was comparable to that of the same period of last year.

Profit for the period

As a result of the foregoing, we recorded profit for the nine months ended 30 September 2018 of approximately RMB18.9 million (nine months ended 30 September 2017: RMB9.0 million). Our net profit margin was approximately 27.1%, (nine months ended 30 September 2017: 19.3%). Had the listing expenses been excluded, our net profit margin for the nine months ended 30 September 2018 would have been approximately 32.3% (nine months ended 30 September 2017: 25.4%).

DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2018.

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

As at 30 September 2018, the interests and short positions of the Directors and chief executive of the Company in the shares (the "Shares"), underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were 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 (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(a) Long position in the Shares

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

Notes:

1. Vital Force is legally and beneficially owned as to 60% by Mr. Kwai Sze Hoi and 40% by Ms. Cheung Wai Fung. 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 and a director of Vital Force.

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

Save as disclosed above, as at 30 September 2018, 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 AND DEBENTURES

So far as is known to the Directors, as at 30 September 2018, the following shareholders 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 interest	Number of Shares held	Approximate percentage of shareholding
Vital Force	Beneficial owner	600,000,000	75%

Notes:

1. Vital Force Developments Limited ("Vital Force") is legally and beneficially owned as to 60% by Mr. Kwai Sze Hoi and 40% by Ms. Cheung Wai Fung. 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 and a director of Vital Force.

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

BUSINESS UPDATE

Reference is made to the paragraph headed "Recent Development" under the "Summary and Highlights" section of the Prospectus, pursuant to which it was disclosed that on 4 December 2017, 池州港遠航控股有限公司 (for transliteration purpose only, Chizhou Port Ocean Line Holdings Limited) ("Chizhou Port Holdings") has entered into a non-legally binding memorandum of understanding ("MOU") with another independent third party for a possible disposal of its entire interest in 池州市貴池港埠有限責任公司 (for transliteration purpose only, Chizhou Guichi Port Limited) ("Chizhou Guichi"). It was also disclosed that the parties to the MOU will further discuss and negotiate the terms of the formal sale and purchase agreement and it was expected that the formal sale and purchase agreement would be entered into in the third quarter of 2018.

As at the date of this report, the MOU was lapsed and no formal sale and purchase agreement was entered into for the disposal of Chizhou Guichi due to the local government in PRC that has been conducting a compensation plan (池州市主城區長江岸線老港區濱江生態修復環境整治補償處置方案) with Chizhou Guichi and Chizhou Guichi will further consider the compensation plan and negotiate with the local government in the PRC.

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 nine months ended 30 September 2018.

COMPETING INTERESTS

The Directors confirm that none of the Controlling Shareholders 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 nine months ended 30 September 2018.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Group has appointed Alliance Capital Partners Limited as our compliance adviser, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal controls. Except for the compliance adviser agreement entered into between the Company and our compliance adviser dated on 15 December 2017, neither our compliance advisor nor its Directors, employees or close associates had any interests in relation to the Company which is required to be notified to our Group pursuant to Rule 6A.32 of the GEM Listing Rules.

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.

Other Information

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 nine months ended 30 September 2018. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

AUDIT COMMITTEE

An audit committee of the Board (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 C.3.3 and C.3.7 of the CG Code. The Audit Committee consists of three members, namely Mr. Wong Chin Hung, Mr. Nie Rui and Dr. Li Weidong, all being independent non-executive Directors. Mr. Wong Chin Hung 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 consolidated financial statements of the Group for the nine months ended 30 September 2018 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, 13 November 2018

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. Wong Chin Hung and Dr. Li Weidong.