



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



THIRD QUARTERLY REPORT

2021

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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Unaudited Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 30 September 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	4	44,653	32,798	134,424	119,203
Cost of services rendered		(17,210)	(15,713)	(52,426)	(46,524)
Gross profit		27,443	17,085	81,998	72,679
Other income and gains		1,966	1,546	5,062	4,224
Selling and distribution expenses		(224)	(176)	(617)	(472)
Administrative expenses		(2,836)	(3,111)	(8,564)	(7,876)
Finance costs		(18)	–	(51)	(546)
Profit before income tax	5	26,331	15,344	77,828	68,009
Income tax expense	6	(5,294)	(304)	(13,558)	(10,369)
Profit for the period and total comprehensive income for the period, net of tax		21,037	15,040	64,270	57,640
Profit and total comprehensive income for the period attributable to:					
Owners of the Company		14,870	10,945	45,924	41,464
Non-controlling interests		6,167	4,095	18,346	16,176
		21,037	15,040	64,270	57,640
Earnings per share attributable to owners of the Company					
Basic and diluted earnings per share	7	RMB1.86 cents	RMB1.37 cents	RMB5.74 cents	RMB5.18 cents

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2021

	Attributable to owners of the Company											
	Share capital	Share premium	Capital reserve	Special reserve	Statutory reserve	Other reserve	Assets revaluation reserve	Fair value reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2021 (audited)	6,758	50,277	369	6,154	66,265	176,540	376	(357)	45,544	351,926	125,604	477,530
Profit for the period and total comprehensive income for the period	-	-	-	-	-	-	-	-	45,924	45,924	18,346	64,270
Transfer to statutory reserve	-	-	-	-	12,709	-	-	-	(12,709)	-	-	-
Appropriation and utilisation of reserve	-	-	-	1,166	-	-	-	-	(1,166)	-	-	-
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,017)	(1,017)
As at 30 September 2021 (unaudited)	6,758	50,277	369	7,320	78,974	176,540	376	(357)	77,593	397,850	142,933	540,783
At 1 January 2020 (audited)	6,758	50,277	369	4,812	49,239	176,540	376	-	19,333	307,704	101,511	409,215
Profit for the period and total comprehensive income for the period	-	-	-	-	-	-	-	-	41,464	41,464	16,176	57,640
Transfer to statutory reserve	-	-	-	-	3,200	-	-	-	(3,200)	-	-	-
Appropriation and utilisation of reserve	-	-	-	1,051	-	-	-	-	(1,051)	-	-	-
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(973)	(973)
As at 30 September 2020 (unaudited)	6,758	50,277	369	5,863	52,439	176,540	376	-	56,546	349,168	116,714	465,882

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.

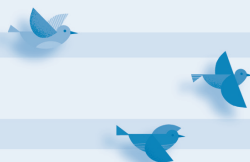
The principal activity of the Company is investment holding while its subsidiaries are principally engaged in port operation in Chizhou City, Anhui Province, the People's Republic of China (the "PRC").

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").

Notes to the Unaudited Condensed Consolidated Financial Statements



2. BASIS OF PREPARATION

This unaudited condensed consolidated financial statements for the nine months ended 30 September 2021 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the GEM Listing Rules. The unaudited condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with HKFRSs issued by the HKICPA.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning of 1 January 2021.

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.

Notes to the Unaudited Condensed Consolidated Financial Statements

3. SEGMENT INFORMATION

Operating segment information

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the 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 nine months ended 30 September 2021 and 2020 were derived 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.

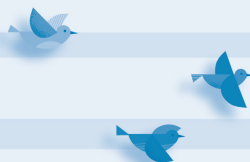
4. REVENUE

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		Nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Port service income	44,653	32,798	134,424	119,203

Notes to the Unaudited Condensed Consolidated Financial Statements



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	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Costs of inventories recognised as an expense (included under cost of service rendered)	1,112	982	3,008	2,974
Employee benefit expenses (including directors' emoluments)				
— Wages, salaries and other benefits	4,956	4,840	13,452	13,121
— Defined contributions	710	469	2,175	1,510
	5,666	5,309	15,627	14,631
Direct operating expenses arising from investment properties that generated rental income	76	–	228	95
Depreciation of property, plant and equipment	6,659	5,884	20,224	17,709
Repairs and maintenance expenses (included under cost of services rendered)	2,403	1,975	7,527	6,755
Subcontracting fee (included under cost of services rendered)	2,690	2,207	8,583	6,452
Amortisation of deferred government grant	(223)	(223)	(668)	(668)

Notes to the Unaudited Condensed Consolidated Financial Statements

6. INCOME TAX EXPENSE

Income tax

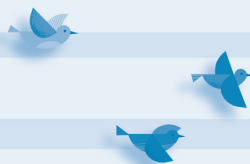
The amount of taxation in the unaudited condensed consolidated statement of comprehensive income during the period represents:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax				
— PRC enterprise income tax	3,744	1,070	10,378	9,212
Deferred tax charged/(credited) to profit or loss	1,550	(766)	3,180	1,157
	5,294	304	13,558	10,369

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

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

Notes to the Unaudited Condensed Consolidated Financial Statements



6. INCOME TAX EXPENSE (Continued)

Income tax (Continued)

One of the infrastructure projects (the “Qualifying Project”) of Chizhou Port Ocean Line Holdings Limited (“Chizhou Port Holdings”), a subsidiary of the Company, is engaging in qualifying public infrastructures and is entitled to exemption from PRC EIT 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, which commenced from the financial year beginning on 1 January 2019 up to 31 December 2021 irrespective of whether the Qualifying Project is profit-making during this period and the 3-Year 50% Tax Reduction Entitlement will commence from the financial year beginning on 1 January 2022 to 31 December 2024. Therefore, the relevant profit generated from the Qualifying Project is tax exempted for the nine months ended 30 September 2021 and 2020.

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 nine months ended 30 September 2021 (nine months ended 30 September 2020: nil).

Notes to the Unaudited Condensed Consolidated Financial Statements

7. EARNINGS PER SHARE

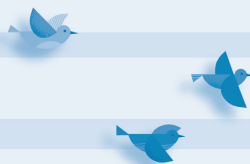
The calculation of basic and diluted earnings per share is based on the following information:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period attributable to the owners of the Company	14,870	10,945	45,924	41,464
Number of shares				
Weighted average number of ordinary shares in issue during the period	800,000,000	800,000,000	800,000,000	800,000,000

The calculation of basic earnings per share for the period ended 30 September 2021 is based on profit attributable to owners of the Company of approximately RMB45,924,000 (nine months ended 30 September 2020: RMB41,464,000) and on the weighted average number of 800,000,000 (nine months ended 30 September 2020: 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 respective periods.

Notes to the Unaudited Condensed Consolidated Financial Statements



8. DIVIDENDS

The Directors do not recommend the payment of dividend for the nine months ended 30 September 2021 (nine months ended 30 September 2020: nil).

9. RELATED PARTY TRANSACTIONS

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

	Nine months ended 30 September	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Lease payment paid to a related company	356	325

Note: In November 2017, Ocean Line Port Development (Hong Kong) Limited ("Ocean Line Hong Kong") and Ocean Longevity Company Limited ("Ocean Longevity"), a related company, entered into a tenancy agreement pursuant to which Ocean Longevity as the landlord agreed to lease certain premises to Ocean Line Hong Kong as the tenant. The annual rental under the tenancy agreement amounted to approximately HK\$480,000, with the term of the tenancy agreement having commenced from 1 January 2018 and expired on 31 December 2020.

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

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

Notes to the Unaudited Condensed Consolidated Financial Statements

9. RELATED PARTY TRANSACTIONS (Continued)

The above transaction 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 company.

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

(b) Key management personnel compensation

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

	Nine months ended 30 September	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fee	877	853
Salaries, allowances and benefits in kinds	180	180
Defined contributions	57	26
	1,114	1,059

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 berths in the two major terminals of the Group, including the four 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 investment and business in Chizhou City.

For the nine months ended 30 September 2021, total throughput volume of bulk cargo and break bulk cargo was 21.8 million tonnes (nine months ended 30 September 2020: 18.4 million tonnes), representing an increase of 18.6% as compared to the corresponding period in 2020; container throughput was 9,850 TEUs (nine months ended 30 September 2020: 12,912 TEUs), representing a decrease of 23.7% as compared to the corresponding period in 2020. The Group's revenue and profit were RMB134.4 million (nine months ended 30 September 2020: RMB119.2 million) and RMB64.3 million (nine months ended 30 September 2020: RMB57.6 million) respectively, representing an increase of 12.8% and 11.5% respectively as compared to the corresponding period in 2020. The throughput volume of the ports was mainly influenced by the following factors:

Firstly, domestic economy recovered rapidly. With improving pandemic prevention and control, global trade in goods has continued to recover this year following a brief and deep decline due to the impact of the COVID-19 pandemic last year. Industrial production, consumption market and enterprises recovered rapidly and the demand and supply of commodities flourished. With the steady progress of the PRC government's "Belt and Road" initiative and "Yangtze River Economic Belt" strategy, it is expected that the economic development of the Yangtze River basin will welcome a new historical stage, the stability of the industrial chain will be enhanced, market demand will increase steadily, and our port business will develop in a good momentum.

Management Discussion and Analysis

Secondly, the throughput capacity advantages were fully utilised. The new phase (Phase III) of Jiangkou Terminal is equipped with advanced equipment, which meets actual production and operation needs with high working efficiency. The advantages of throughput capacity were being further brought into play.

Thirdly, the impact of container business. The decline in the container business was not in line with the gradual improving economic trend. The severe overstock of foreign container vessels in foreign terminals led to the continuous increase in ocean freight and the shortage of empty containers, causing the increase in the cost of container transportation for our customers, creating greater impact on our container business. It is expected that such impact will continue for a period.

OUTLOOK

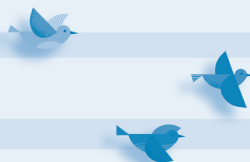
The Group remains optimistic about the business outlook in the fourth quarter. It is currently expected that the Group's port shipment volume in the year 2021 would hopefully exceed those of last year due to the following main factors:

Firstly, the external economic trend improves. With stable employment rate and pandemic prevention and control as well as increase in income of residents, the consumption power and willingness of residents will hopefully continue to rise. Moreover, backed by the well-established industrial system of the PRC and the accelerating construction of infrastructure, further growth in domestic trade and foreign trade of the PRC is expected.

Secondly, coal supply shortage triggered a surge in price. The dual carbon and dual limitation (雙碳雙限) policy introduced by the PRC government has affected the market and economy. In particular, the policy of limiting electric energy consumption and production has affected the processing and production of certain customers of the Group.

We, as a group, will make use of our advantages of advanced equipment and high working efficiency, broaden sources of income and reduce expenditure and be well prepared for better results in the fourth quarter.

Management Discussion and Analysis



FINANCIAL REVIEW

Revenue

	Nine months ended			
	30 September			
	2021	2020	Increase/(decrease)	
	RMB'000	RMB'000	RMB'000	%
	(Unaudited)	(Unaudited)		
Revenue from provision of uploading and unloading services				
Bulk cargo and break bulk cargo	122,856	108,582	14,274	13.1
Container	1,065	1,999	(934)	(46.7)
Subtotal	123,921	110,581	13,340	12.1
Revenue from provision of ancillary port services	10,503	8,622	1,881	21.8
Total revenue	134,424	119,203	15,221	12.8

	Nine months ended			
	30 September			
	2021	2020	Increase/(decrease)	
	(Unaudited)	(Unaudited)		%
Total cargo throughput (thousand tonnes)	21,778	18,356	3,422	18.6
Container throughput (TEUs)	9,850	12,912	(3,062)	(23.7)

Management Discussion and Analysis

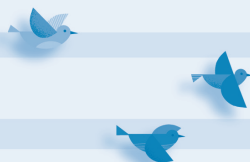
Our revenue which is principally generated from the provision of uploading and unloading services and ancillary port services was approximately RMB134.4 million for the nine months ended 30 September 2021 and RMB119.2 million for the same period in 2020. The increase in revenue was mainly due to the increase in cargo handling revenue since the throughput of cargo increased by approximately 3.4 million tonnes as compared to the same period in 2020. The increase in throughput volume of cargo was mainly due to the rebound in market demand after the pandemic in the PRC, and gradual recovery of the PRC's domestic trade and foreign trade.

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 nine months ended 30 September 2021, our cost of services was approximately RMB52.4 million (nine months ended 30 September 2020: RMB46.5 million), representing an increase of RMB5.9 million or approximately 12.7% as compared to the same period in 2020. The increase in cost of services was mainly attributable to (i) the increase in depreciation of property, plant and equipment of approximately RMB2.5 million due to additional property, plant and equipment commencing to be depreciated and (ii) the increase in subcontracting fee of approximately RMB2.1 million which was driven by the increase in transportation and handling services due to the increase in throughput volume of cargo by 18.6% in terms of tonnes.

Management Discussion and Analysis



Gross profit and gross profit margin

	Nine months ended 30 September		Increase	%
	2021 (Unaudited)	2020 (Unaudited)		
Gross profit (RMB'000)	81,998	72,679	9,319	12.8
Gross profit margin (%)	61.0	61.0	-	N/A

For the nine months ended 30 September 2021, our gross profit increased to approximately RMB82.0 million. The increase in gross profit was primarily due to the increased throughput volume of cargo by 18.6% in terms of tonnes for the nine months ended 30 September 2021 as compared to the same period of last year. Our gross profit margin was approximately 61.0%, which remained at similar level to the same period of last year.

Administrative expenses

For the nine months ended 30 September 2021, our administrative expenses increased by approximately RMB0.7 million or 8.7% which was primarily due to increase in administrative staff costs of approximately RMB0.6 million. The increase in administrative staff costs was mainly due to the growth of our business during the period.

Management Discussion and Analysis

Income tax expenses

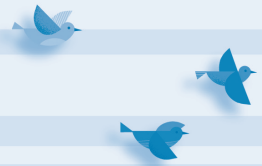
For the nine months ended 30 September 2021, the Group's income tax expense amounted to approximately RMB13.6 million (nine months ended 30 September 2020: RMB10.4 million), representing an increase of RMB3.2 million or approximately 30.8% as compared to the same period of last year. The increase was due to increase in the Group's profit before tax for the nine months ended 30 September 2021 as compared to the same period of last year. Besides, certain deferred tax credit regarding withholding tax on undistributed dividends was recorded for the nine months ended 30 September 2020, as certain tax concession was entitled by one of the Group's subsidiaries established in the PRC during the third quarter of 2020. For the nine months ended 30 September 2021, the effective tax rate is approximately 17.4% (nine months ended 30 September 2020: 15.2%). Should the deferred tax charge for the nine months ended 30 September 2021 of approximately RMB3.2 million be excluded, the adjusted effective tax rate would have been approximately 13.3%. Our adjusted effective tax rate for the nine months ended 30 September 2021 was lower than that of the PRC EIT standard rate of 25% mainly because of full tax exemption for three years for the Qualifying Project of Chizhou Port Holdings from 2019 to 2021.

Profit for the nine months ended 30 September 2021

As a result of the foregoing, we recorded profit for the nine months ended 30 September 2021 of approximately RMB64.3 million (nine months ended 30 September 2020: RMB57.6 million). Our net profit margin was approximately 47.8%, (nine months ended 30 September 2020: 48.4%).

DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2021.



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

As at 30 September 2021, 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

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

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

Other Information

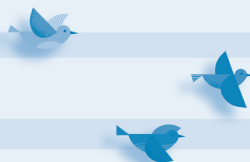
(b) Long position interests in ordinary shares of associated corporation

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:

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

Save as disclosed above, as at 30 September 2021, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, notified to the Company and the Stock Exchange.



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

So far as is known to the Directors, as at 30 September 2021, the following shareholders of the Company and persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long position in the Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding
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 nine months ended 30 September 2021.

Other Information

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 the Group which competes or is likely to compete, directly or indirectly, with our Group's business during the nine months ended 30 September 2021.

INTEREST OF COMPLIANCE ADVISER

The compliance adviser agreement (the "Compliance Advisor Agreement") entered into between the Company and Alliance Capital Partners Limited (the "Compliance Advisor") dated on 15 December 2017 expired on 26 March 2021. Except for the Compliance Advisor Agreement, neither the 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 on or prior to the expiry of the Compliance Advisor Agreement.

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 2021. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Other Information

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 C.3.3 and C.3.7 of the CG Code. The Audit Committee consists of three members, namely Mr. Cheung Sze Ming, Mr. Nie Rui and Dr. Li Weidong, all being independent non-executive Directors. Mr. Cheung Sze Ming currently serves as the chairman of the Audit Committee. The Audit Committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of the Group. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2021 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 November 2021

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, Dr. Li Weidong and Mr. Cheung Sze Ming.