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**遠航港口發展有限公司**

**OCEAN LINE PORT DEVELOPMENT LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8502)**

## **DISCLOSEABLE TRANSACTION INVOLVING FORMATION OF A JOINT VENTURE COMPANY**

The Board is pleased to announce that on 30 September 2020 (after trading hours of the Stock Exchange), Chizhou Port Holdings, an indirect 72%-owned subsidiary of the Company, entered into the Capital Injection Agreement with Chizhou Transport Group, Chizhou Jinqiao Group and CNBM New Material, pursuant to which the parties thereto agreed to establish the Joint Venture Company in Chizhou City, the PRC.

The Joint Venture Company will be engaged principally in provision of cargo loading and unloading, storage, custody, transit, transportation, international and domestic freight forwarding and port machinery and equipment maintenance services in the PRC. The Joint Venture Company will be owned beneficially as to 40% by Chizhou Transport Group, 26% by Chizhou Jinqiao Group, 24% by CNBM New Material, and the remaining 10% by Chizhou Port Holdings. Pursuant to the terms of the Capital Injection Agreement, the proposed registered capital of the Joint Venture Company will be RMB200,000,000 and total investment by Chizhou Port Holdings is expected to be RMB20,000,000.

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Capital Injection Agreement is more than 5% but less than 25%, the entering into of the Capital Injection Agreement constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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## THE CAPITAL INJECTION AGREEMENT

Date: 30 September 2020 (after trading hours of the Stock Exchange)

Parties: (a) Chizhou Transport Group;  
(b) Chizhou Jinqiao Group;  
(c) CNBM New Material; and  
(d) Chizhou Port Holdings.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Chizhou Transport Group, Chizhou Jinqiao Group and CNBM New Material and their ultimate beneficial owners are third parties independent of and not connected with the Company and its connected person.

Chizhou Transport Group is a state-owned enterprise established in the PRC with limited liability and is under the direct control of 池州市國有資產監督管理委員會 (for transliteration purpose only, State-owned Assets Supervision and Administration Commission of Chizhou) and is principally engaged in transportation construction investment and asset management in the PRC.

Chizhou Jinqiao Group is a state-owned enterprise established in the PRC with limited liability and is under direct control of 池州市貴池區國有資產管理委員會 (for transliteration purpose only, State-owned Assets Management Committee of Guichi District, Chizhou City). Chizhou Jinqiao Group is principally engaged in the operation and management of state-owned assets and asset management within the authorized scope in the PRC.

CNBM New Material is a company established in the PRC with limited liability and is an indirect subsidiary of China National Building Material Company Limited, the issued H shares of which are listed on the main board of the Stock Exchange (stock code: 3323). CNBM New Material is principally engaged in mining, aggregate processing and sales, construction of terminals and corridors, research and development of new non-metallic materials and project construction in the PRC.

Chizhou Port Holdings is a company established in the PRC and is an indirect 72%-owned subsidiary of the Company, which is principally engaged in port operation in the PRC.

### Establishment of the Joint Venture Company

Pursuant to the Capital Injection Agreement, the parties thereto agreed to establish the Joint Venture Company in Chizhou, the PRC subject to the approval by the relevant regulatory authority in the PRC. The proposed name of the Joint Venture Company is 池州烏沙港口運輸有限公司 (for transliteration purpose only, Chizhou Wusha Port Transportation Company Limited) and will be subject to the final registration of the company name of the Joint Venture Company with the relevant authority in the PRC.

The Joint Venture Company will be engaged principally in provision of cargo loading and unloading, storage, custody, transit, transportation, international and domestic freight forwarding and port machinery and equipment maintenance services in the PRC. Upon completion of the registration with the relevant PRC authorities and the obtaining of relevant business license, the establishment of the Joint Venture Company will be completed.

## **Purpose of the Joint Venture Company**

The Joint Venture Company will be established for the purposes of construction and operation of a port terminal located at Wusha Town, Guichi District, Chizhou City, Anhui Province of the PRC, which is approximately 25 km downstream from the Group's Niutoushan Terminal and approximately 33 km upstream from the Group's Jiangkou Terminal. The total investment for the construction and operation of the Wusha Town port terminal is estimated to be approximately RMB700,000,000 to RMB800,000,000 and will be funded by the registered capital of the Joint Venture Company and appropriate financing (including bank borrowings) to be conducted by the Joint Venture Company.

## **Registered capital**

Pursuant to the terms of the Capital Injection Agreement, the proposed registered capital of the Joint Venture Company will be RMB200,000,000. Each of Chizhou Transport Group, Chizhou Jinqiao Group, CNBM New Material and Chizhou Port Holdings will contribute a total of RMB80,000,000, RMB52,000,000, RMB48,000,000 and RMB20,000,000, respectively to the Joint Venture Company and the Joint Venture Company will be owned beneficially as to 40% by Chizhou Transport Group, 26% by Chizhou Jinqiao Group, 24% by CNBM New Material and 10% by Chizhou Port Holdings.

Each parties to the Capital Injection Agreement will make 25% of their total capital contribution to the Joint Venture Company within one month after the establishment of the Joint Venture Company and the subsequent capital contribution to the Joint Venture Company will be determined by the shareholders of the Joint Venture Company based on the capital needs and project progress of the Joint Venture Company.

Chizhou Port Holdings will contribute RMB20,000,000 to the Joint Venture Company by way of cash. The Group intends to finance the capital contribution of Chizhou Port Holdings to the Joint Venture Company from its internal resources. Upon establishment of the Joint Venture Company, it will be owned as to 10% by Chizhou Port Holdings and its results will not be consolidated in the Group's consolidated financial statements.

## **Board of directors**

The board of directors of the Joint Venture Company will have a total of seven directors, three of which will be nominated by Chizhou Transport Group and each of Chizhou Jinqiao Group, CNBM New Material and Chizhou Port Holdings will nominate one director, and the remaining one director will be employee representative director nominated by the employees of the Joint Venture Company.

The board of directors of the Joint Venture Company will be responsible for management of the business and affairs of the Joint Venture Company in accordance with the articles of association of the Joint Venture Company.

## **Shareholders' rights**

Pursuant to the Capital Injection Agreement, the shareholders of the Joint Venture Company have the rights to, among others, (i) attend and vote at the shareholders' meeting; (ii) understand the business operation and financial status of the Joint Venture Company and

supervise and enquire about the administrative and financial management of the Joint Venture Company; (iii) receive dividend in proportion to their paid up shareholding interests in the Joint Venture Company; and (iv) preferentially subscribe for additional registered capital of the Joint Venture Company in proportion to their paid up shareholding interests in the Joint Venture Company.

## **REASONS FOR THE CAPITAL INJECTION AGREEMENT**

The Group is principally engaged in port operation in Chizhou City, Anhui Province, the PRC. The Directors consider that the establishment of the Joint Venture Company and the cooperation with Chizhou Transport Group, Chizhou Jinqiao Group and CNBM New Material offers the Group a good opportunity to gain investment returns, grasp the local economic development pattern and know the trend and technique of the local port industry. The Group will be able to enhance its competitiveness in the inland terminal operators market in Chizhou City, Anhui Province of the PRC.

The Directors consider that the terms of the Capital Injection Agreement are entered into upon normal commercial terms following arm's length negotiations among the parties and that the terms of the Capital Injection Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Capital Injection Agreement is more than 5% but less than 25%, the entering into of the Capital Injection Agreement constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Capital Injection Agreement”	the capital injection agreement dated 30 September 2020 and entered into among Chizhou Transport Group, Chizhou Jinqiao Group, CNBM New Material and Chizhou Port Holdings in relation to the establishment of the Joint Venture Company
“Chizhou Jinqiao Group”	池州金橋投資集團有限公司 (for transliteration purpose only, Chizhou Jinqiao Investment Group Company Limited), a company established in the PRC with limited liability

“Chizhou Port Holdings”	池州港遠航控股有限公司 (for transliteration purpose only, Chizhou Port Ocean Line Holdings Limited), a sino-foreign equity joint venture established in the PRC with limited liability and an indirect 72%-owned subsidiary of the Company
“Chizhou Transport Group”	池州交通投資集團有限公司 (for transliteration purpose only, Chizhou Transport Investment Group Company Limited), a company established in the PRC with limited liability
“CNBM New Material”	中建材新材料有限公司 (for transliteration purpose only, CNBM New Material Company Limited), a company established in the PRC with limited liability and an indirect subsidiary of China National Building Material Company Limited, the issued H shares of which are listed on the main board of the Stock Exchange (stock code: 3323)
“Company”	Ocean Line Port Development Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8502)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Company”	the joint venture company to be established in the PRC under the Capital Injection Agreement
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“RMB”	Renminbi, the lawful currency of the PRC
“km”	kilometre
“%”	per cent.

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

Hong Kong, 30 September 2020

*As at the date of this announcement, the executive Directors are Mr. Kwai Sze Hoi and Mr. Huang Xueliang, the non-executive Director is Ms. Cheung Wai Fung and the independent non-executive Directors are Mr. Nie Rui, Mr. Wong Chin Hung and Dr. Li Weidong.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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