

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make 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 announcement.



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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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.

*This announcement for which the directors (the “**Directors**”) 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 of the Stock Exchange (the “**GEM Listing Rules**”) 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.*

HIGHLIGHTS OF 2024 ANNUAL RESULTS

	Year ended 31 December		% changes
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	
Revenue	177,042	173,583	2.0
Profit for the year attributable to the owners of the Company	65,623	59,140	11.0
Profit for the year	88,836	81,083	9.6

The board of Directors of the Company (the “**Board**”) is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	<i>Notes</i>	2024 RMB’000	2023 <i>RMB’000</i>
Revenue	4	177,042	173,583
Cost of services rendered		<u>(59,786)</u>	<u>(62,474)</u>
Gross profit		117,256	111,109
Other income and gains, net		17,834	13,600
Change in fair value of investment properties		(1,288)	822
Selling and distribution expenses		(1,131)	(1,068)
Administrative expenses		(29,030)	(26,340)
Finance costs		<u>(80)</u>	<u>(14)</u>
Profit before income tax	5	103,561	98,109
Income tax expense	6	<u>(14,725)</u>	<u>(17,026)</u>
Profit for the year		88,836	81,083
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of equity investment at fair value through other comprehensive income		<u>(284)</u>	<u>(961)</u>
Other comprehensive income for the year		<u>(284)</u>	<u>(961)</u>
Total comprehensive income for the year		<u><u>88,552</u></u>	<u><u>80,122</u></u>

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the year attributable to:			
Owners of the Company		65,623	59,140
Non-controlling interests		23,213	21,943
		<u>88,836</u>	<u>81,083</u>
 Total comprehensive income for the year attributable to:			
Owners of the Company		65,419	58,448
Non-controlling interests		23,133	21,674
		<u>88,552</u>	<u>80,122</u>
		<i>RMB cents</i>	RMB cents
 Earnings per share attributable to owners of the Company			
— Basic and diluted earnings per share	7	<u>8.20</u>	<u>7.39</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	<i>Notes</i>	2024 RMB'000	2023 <i>RMB'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		380,981	400,307
Investment properties		89,400	90,700
Investment in an associate		2,600	2,600
Equity investment at fair value through other comprehensive income		27,093	17,377
Deposits and prepayments		2,898	2,450
		<u>502,972</u>	<u>513,434</u>
Current assets			
Inventories		2,642	2,638
Trade receivables	9	7,866	4,564
Debt instruments at fair value through other comprehensive income		13,151	4,624
Deposits, prepayments and other receivables		2,125	5,482
Time deposits		153,960	2,293
Cash and cash equivalents		225,918	299,267
		<u>405,662</u>	<u>318,868</u>
Current liabilities			
Trade payables	10	5,412	6,641
Contract liabilities		24,741	40,640
Other payables, accruals and receipt in advance		92,466	97,421
Amount due to non-controlling interests		16,061	–
Lease liabilities		546	499
Deferred government grant		890	890
Income tax payable		3,563	2,855
		<u>143,679</u>	<u>148,946</u>
Net current assets		<u>261,983</u>	<u>169,922</u>
Total assets less current liabilities		<u>764,955</u>	<u>683,356</u>

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Deferred government grant	29,864	30,754
Lease liabilities	579	1,092
Deferred tax liabilities	5,786	5,275
	<u>36,229</u>	<u>37,121</u>
Net assets	<u>728,726</u>	<u>646,235</u>
EQUITY		
Share capital	6,758	6,758
Reserves	545,320	479,901
Equity attributable to owners of the Company	552,078	486,659
Non-controlling interests	176,648	159,576
Total equity	<u>728,726</u>	<u>646,235</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

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 Room 2715-16, 27th Floor, Hong Kong Plaza, 188 Connaught Road West, Hong Kong.

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

2. BASIS OF PREPARATION

(a) Basis of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Interpretations and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, debt instruments and equity investment at fair value through other comprehensive income ("FVOCI") which are measured at fair value. The measurement bases are fully described in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

(c) **Functional and presentation currency**

The functional currency of the Company is Hong Kong Dollars, while the consolidated financial statements are presented in Renminbi (“RMB”). As the functional currency of the major subsidiaries of the Company is RMB, the directors consider that it will be more appropriate to adopt RMB as the Group’s and the Company’s presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

(d) **Adoption of amendments to HKFRSs — effective 1 January 2024**

The HKICPA has issued a number of amended HKFRS Accounting Standards that are first effective and relevant to the Group for the current accounting period:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and HK Interpretation 5 (Revised), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants

Amendments to HKAS 1 — Classification of Liabilities as Current or Non-current and HK Interpretation 5 (Revised), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (Revised) was revised October 2020 as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (Revised) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 1 January 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to HKAS 1 — Non-current Liabilities with Covenants

The amendments further clarify that among covenants of a liability arising from a loan agreement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. In addition, the 2022 Amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has no non-current liabilities with covenants and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(e) New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new and revised HKFRS Accounting Standards have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Annual Improvements to HKFRS Accounting Standards	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

3. SEGMENT INFORMATION

(a) Operating segment information

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the Company's 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 Company's executive directors, which is the provision of port services. Accordingly, no segment information analysed by operating segment is presented in the consolidated financial statements.

(b) 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 years ended 31 December 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 non-current assets are located or based in the PRC.

4. REVENUE

Disaggregation of revenue which represents the income from provision of port services excluding value-added tax, where applicable.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Provision of uploading and unloading handling services		
— Bulk cargo and break bulk cargo	147,151	145,839
— Containers	3,212	3,516
Provision of ancillary port services	26,679	24,228
	<u>177,042</u>	<u>173,583</u>

5. PROFIT BEFORE INCOME TAX

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Auditor's remuneration	820	730
Costs of inventories recognised as an expense (included under cost of services rendered)	3,339	3,110
Employee benefit expenses (<i>note</i>) (including directors' emoluments)		
— Wages, salaries and other benefits	21,827	21,098
— Discretionary bonuses	6,897	7,950
— Defined contributions	3,098	3,628
	31,822	32,676
Direct operating expenses arising from investment properties that generated rental income	599	218
Depreciation of property, plant and equipment	24,615	23,360
Repairs and maintenance expenses (included under cost of services rendered)	1,078	2,007
Subcontracting fee (included under cost of services rendered)	14,212	11,298
Short-term lease	6	23
Amortisation of deferred government grant	(890)	(890)
Expected credit losses recognised	1	–
Loss/(gain) on disposal of property, plant and equipment	55	(179)
Gain on land resumption of property, plant and equipment	(603)	–
Gain on land resumption of investment properties	(321)	–

Note:

During the year ended 31 December 2024, the Group incurred expenses for the purpose of research and development of approximately RMB8,852,000 (2023: RMB8,678,000), which comprised employee benefits expenses of approximately RMB4,800,000 (2023: RMB4,235,000) and were included in administrative expenses on the consolidation statement of comprehensive income.

6. INCOME TAX

Income tax

The amount of taxation in the consolidated statement of comprehensive income during the year represents:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax expenses		
— PRC enterprise income tax	14,133	16,858
— Under/(over)-provision in respective of prior years	81	(561)
Deferred tax expense	511	729
	<u>14,725</u>	<u>17,026</u>

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in or derived from Hong Kong for the year (2023: nil).

The Company'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.

One of the infrastructure projects (the "Qualifying Project") of Chizhou Port Ocean Line Holdings Group Limited ("Chizhou Port Holdings") (formerly known as Chizhou Port Ocean Line Holdings Limited), a subsidiary of the Company, is engaging in qualifying public infrastructures. It 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 a reduced rate of 50% as taxable amount for the year ended 31 December 2023 and 2024. 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 is 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.

Chizhou Port Ocean Line Logistic Company Limited ("Chizhou Logistic") and Chizhou Qianjiang Port Logistic Company Limited ("Qianjiang Logistic"), subsidiaries of the Company, have met the criteria of small low-profit enterprise under the applicable PRC tax law. As the annual taxable income of Chizhou Logistic and Qianjiang Logistic does not exceed RMB1 million, the relevant EIT are computed at a reduced rate of 12.5% as taxable income amount and subject to EIT at 20%.

7. EARNINGS PER SHARE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the year attributable to owners of the Company	<u>65,623</u>	<u>59,140</u>
	2024	2023
Weighted average number of ordinary shares in issue	<u>800,000,000</u>	<u>800,000,000</u>

Diluted earnings per share is the same as the basic earnings per share because the Company has no dilutive potential ordinary shares in issue during the years ended 31 December 2024 and 2023.

8. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 December 2024.

During the year ended 31 December 2023, the Board has proposed a final dividend of HK3.0 cents per share and a special dividend of HK3.0 cents per share in an aggregate amount of HK\$48,000,000 (appropriately RMB43,813,000) for the year ended 31 December 2022 out of the share premium account within the equity section of the statement of financial position of the Company. The proposed final dividend and the proposed special final dividend were approved by the shareholders of the Company on 24 May 2023, and were paid on 21 June 2023.

The Board does not recommend the payment of a final dividend for the year.

9. TRADE RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	7,867	4,564
Less: Provision for impairment	<u>(1)</u>	<u>–</u>
Trade receivables, net	<u><u>7,866</u></u>	<u><u>4,564</u></u>

The credit period for trade receivables is generally ranging from 10 to 55 days. The directors of the Company consider that the fair value of the trade receivables which are expected to be recovered within one year is not materially different from their carrying amounts because the balance has short maturity periods on their inception.

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 to 30 days	6,117	4,564
31 to 90 days	1,082	–
91 to 120 days	667	–
121 to 365 days	–	–
Over 1 year	<u>–</u>	<u>–</u>
	<u><u>7,866</u></u>	<u><u>4,564</u></u>

10. TRADE PAYABLES

The credit period is generally 30 days.

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 to 30 days	2,833	2,966
31 to 90 days	428	494
91 to 120 days	39	30
121 to 365 days	122	1,669
Over 1 year	<u>1,990</u>	<u>1,482</u>
	<u><u>5,412</u></u>	<u><u>6,641</u></u>

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.

For 2024, the Group's total throughput volume of bulk cargo and container were 28.3 million tonnes (2023: 27.8 million tonnes) and 17,004 TEUs (2023: 19,199 TEUs), respectively, representing an increase of 2.0% and a decrease of 11.4%, respectively, as compared to last year. The Group's revenue and profit were RMB177.0 million (2023: RMB173.6 million) and RMB88.8 million (2023: RMB81.1 million), respectively, representing increases of 2.0% and 9.6%, respectively, as compared to last year.

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

Firstly, the pressure on ports operations is great under adverse macroeconomic conditions. The mounting downward pressure on the economy in the PRC, in particular, the falling market prices of non-metallic mineral building materials, resulted in a lack of source of commodity cargo. Furthermore, a number of large mining companies along the Yangtze River put into production with self-equipped port terminals, which undermines the competitiveness of public terminals which faced pressures and difficulties in terms of business operation to some extent.

Secondly, achieving a breakthrough for the “Bulk Cargoes to Containers” (“散改集”) (the change in transportation form from bulk cargo to container) market is challenging, and there is great pressure on growth in terms of container volume. Given the development of the container business is still in a bottleneck period, and achieving a breakthrough for the “Bulk Cargoes to Containers” market is challenging, container throughput volume recorded a year-on-year decrease.

Thirdly, we spared no effort in wolf marketing (狼性行銷) under the severe production situation. In light of the severe production and operation situation, we did not hesitate nor deploy a passive strategy correspondingly. Instead, we took every initiative possible by maintaining immense vigor and energetic attitude aiming to improve our market share. Also, we have strived to explore new customers, including actively led the “Land to Water” (“陸改水”) (water transportation in lieu of land transportation), and made every effort to promote the shipping volume of marginal customers. By achieving the above, we have successfully ensured the smooth and orderly development of port production.

Fourthly, we have launched technological innovation and Cost Reduction and Efficiency Enhancement Campaign, resulting in sound internal management. 2 utility patents and 15 software copyrights were successfully approved in 2024. 11 utility patents and 3 invention patents were applied for approval. We streamlined the “Twelve Methods for Cost Reduction and Efficiency Enhancement” (“降本增效十二法”) and “Ten Measures for Risk Prevention and Control” (“風險防控十項措施”) and formulated the “Eight Measures on Living on a Tight Budget” (“過緊日子八條”) to vigorously facilitate cost reduction and efficiency enhancement, thereby promoting enterprise improvement.

OUTLOOK

Year 2025 is the concluding year of the “14th Five-Year” Plan (“十四五”規劃) and a critical year when the construction of the Dedicated Port-entering Railway Line (進港鐵路專用線) is set to be fully launched. We shall deeply analyze the risks and challenges facing us, grasp development opportunities accurately, and strive to reach new heights in all performance indicators.

Firstly, the government’s macroeconomic policies are more proactive. The Central Economic Work Conference stated that in 2025, the PRC government will implement more proactive macroeconomic policies in order to increase domestic demand, promoting steady economic recovery and development. Also, the PRC government will implement more proactive fiscal policies and moderately easing monetary policies. The existing policies are bringing benefits continuously and the new policies are introduced intensively. New opportunities arise following the construction of main transportation infrastructure, equipment upgrades and the growth in transportation demand.

Secondly, there is stable growth in demand for water transportation. The PRC has a stable economy with numerous strengths, strong resilience and considerable potential. Under the constant long-term favorable conditions and fundamental trends, the economy grows steadily with improving quality, presenting a growing and positive trend, which is beneficial to the steady growth of water transportation demand.

Thirdly, port development is facing a number of challenges. Political tensions, increased protectionism, wider impact of the Red Sea crisis, high volatility in ocean freight rates and the weak fundamentals of the shipping industry exerted pressure on the growth of foreign trade cargo throughput volume of our ports. Moreover, the transformation of associated industries, entering into a cycle of reduced development by steel industry and the downward pressure on the property segment improbable to relieve in the short term, all of which impose tight restrictions on the throughput volume of our ports.

Year 2025 is the year when the construction of the Dedicated Port-entering Railway Line project is set to be fully launched. The Group will adhere to the strategy 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”), and to promote the rational layout of the industry, accelerate the improvement of port service and logistics service systems, make up for shortcomings, improve quality and efficiency, prevent risks, achieving better results in 2025.

FINANCIAL REVIEW

Revenue

	Year ended 31 December		Increase/(decrease)	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	<i>RMB'000</i>	%
Revenue from provision of uploading and unloading services				
Bulk cargo and break bulk cargo	147,151	145,839	1,312	0.9
Containers	3,212	3,516	(304)	(8.6)
Subtotal	150,363	149,355	1,008	0.7
Revenue from provision of ancillary port services	26,679	24,228	2,451	10.1
Total revenue	177,042	173,583	3,459	2.0

	Year ended 31 December		Increase/(decrease)	
	2024	2023		%
Total cargo throughput (thousand tonnes)	28,334.5	27,778.9	555.6	2.0
Container throughput (TEUs)	17,004	19,199	(2,195)	(11.4)

Our revenue which is principally generated from the provision of uploading and unloading services was approximately RMB150.4 million for the year ended 31 December 2024 (2023: RMB149.4 million), representing an increase of RMB1.0 million or approximately 0.7% as compared to 2023. The increase in revenue was mainly due to the increase in cargo handling revenue since the throughput of cargo increased by approximately 0.6 million tonnes as compared to 2023. The increase in cargo throughput volume is due to our efforts to increase market share, actively explore new customers, fully promote the shipping volume of marginal customers under the poor market environment and severe production situation, successfully ensuring the smooth and orderly development of port production.

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 year ended 31 December 2024, our cost of services was approximately RMB59.8 million (2023: RMB62.5 million), representing a decrease of RMB2.7 million or approximately 4.3% as compared to the last year. The decrease in cost of services was mainly attributable to the impacts of the following: (i) an increase in subcontracting fee of approximately RMB2.9 million which was driven by the more outsourced crane operations performed during the year; (ii) a decrease in staff cost of approximately RMB3.6 million due to less staff required for the operation as a result of higher terminal efficiency, with some frontline staff being transferred to the back office and the research and development department; and (iii) the decrease in repairs and maintenance expenses of approximately RMB0.9 million due to less large-scale repair and maintenance activities being carried out during the year.

Gross profit and gross profit margin

	Year ended 31 December		Increase	
	2024	2023		%
Gross profit (RMB'000)	<u>117,256</u>	<u>111,109</u>	<u>6,147</u>	<u>5.5</u>
Gross profit margin (%)	<u>66.2</u>	<u>64.0</u>	<u>2.2</u>	<u>N/A</u>

For the year ended 31 December 2024, our gross profit increased to approximately RMB117.3 million. The increase in gross profit was primarily due to the increased throughput volume of cargo by 2.0% in terms of tonnes for the year ended 31 December 2024. As we utilised our operating capacity more efficiently, our gross profit margin increased to 66.2%.

Administrative expenses

For the year ended 31 December 2024, our administrative expenses increased by approximately RMB2.7 million or 10.2% which was primarily due to increase in administrative staff costs (including 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) of approximately RMB2.5 million.

Income tax expenses

For the year ended 31 December 2024, the Group's income tax expense amounted to approximately RMB14.7 million (2023: RMB17.0 million), representing a decrease of RMB2.3 million or approximately 13.5% as compared to last year. The profit generated from one of the Qualifying Project of Chizhou Port Holdings for the years 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 Ocean Line Niutoushan Limited (“**Chizhou Niutoushan**”), subsidiaries of the Company 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 year ended 31 December 2024, the effective tax rate is approximately 14.2% (2023: 17.4%). Should the deferred tax expense for the year ended 31 December 2024 of approximately RMB0.5 million be excluded, the adjusted effective tax rate would have been approximately 13.7%. Our adjusted effective tax rate for the year ended 31 December 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 year

As a result of the foregoing, the Group recorded profit for the year of approximately RMB88.8 million (2023: RMB81.1 million). The net profit margin of the Group was approximately 50.2% (2023: 46.7%).

Property, plant and equipment

As at 31 December 2024, net carrying amount property, plant and equipment amounted to approximately RMB381.0 million (31 December 2023: RMB400.3 million). It mainly represented (i) terminal facilities of approximately RMB248.7 million (31 December 2023: RMB256.3 million); (ii) port machinery and equipment of approximately RMB41.8 million (31 December 2023: RMB46.2 million), and (iii) right-of-use assets of approximately RMB58.0 million (31 December 2023: RMB60.3 million). The decrease of the balance was mainly due to the net effect of (i) addition of property, plant and equipment (including construction in progress and right-of-use assets) of approximately RMB5.7 million and (ii) depreciation charges of RMB24.6 million for the year.

Financing and credit facilities

As at 31 December 2024, the Group had no outstanding bank borrowings (31 December 2023: no outstanding bank borrowings). Including time deposits over three months, the Group had bank and cash balances amounted to approximately RMB379.9 million (31 December 2023: RMB301.6 million). Available but unused banking facilities amounted to approximately RMB115.8 million (31 December 2023: RMB115.8 million).

BORROWINGS AND GEARING RATIO

As at 31 December 2024, the Group had no outstanding debts (31 December 2023: no outstanding debts). The Group's bank borrowings, if any, are primarily used in financing the working capital requirement of its operations.

DIVIDEND

The board of Directors of the Company (the “**Board**”) does not recommend the payment of dividend for the year.

BUSINESS UPDATE

1. On 29 December 2023, Chizhou Port Holdings entered into a joint venture agreement with two joint venture partners, 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 Limited* (池州海順港口服務有限公司) (“**Chizhou Haishun**”). 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.

Pursuant to the joint venture agreement, Chizhou Haishun would acquire the land use right of a piece of land (“**Project Land**”) located at Chizhou Economic Development Zone, East of Tongguan Port Project, North of Yanjiang Avenue in Chizhou City, Anhui Province, the PRC with an area of approximately 74,798 square metres held by Chizhou Port Holdings for its future project and operation (the “**Transfer**”), and the asset evaluation and transfer procedures of the Project Land would be completed within two months after the establishment of Chizhou Haishun. Due to more time was required for the asset valuation, negotiations between Chizhou Haishun and Chizhou Port Holdings relating to the commercial terms of the Transfer and relevant administrative processes, parties to the joint venture agreement have agreed to extend the deadline for completing the Transfer on or before 30 April 2025, and Chizhou Port Holdings has consented Chizhou Haishun to develop the Project Land before completion of the Transfer. The carrying value of the land use right of the Project Land is approximately RMB10,523,000 as at 31 December 2024.

On 28 March 2025, Chizhou Port Holdings entered into a land use right transfer agreement with Chizhou Haishun, pursuant to which Chizhou Port Holdings agreed to transfer the land use right of the Project Land to Chizhou Haishun at the consideration of approximately RMB17,952,000. The Transfer was in substance an intra-group transfer which resulted in an effective net disposal of a 28.8% interest in the land use right of the Project Land to the 40% minority shareholders of Chizhou Haishun, and was exempted from the requirements of Chapter 19 of the GEM Listing Rules.

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).
3. On 9 November 2024, Chizhou Port Holdings entered into a joint venture agreement with four joint venture partners, pursuant to which the parties thereto agreed to establish a joint venture company, namely Chizhou Tie Hang Construction Investment Development Co., Ltd.* (池州鐵航建設投資發展有限公司) (“**Chizhou Tie Hang**”) in Chizhou City, the PRC. Chizhou Tie Hang was incorporated on 9 November 2024 and is principally responsible for the design, investment and financing, construction, operation, management, maintenance and handover of the project for the construction and operation of Guichi Mineral Products Transportation Railway Line and the Chizhou Jiangkou Port Railway Line project (the “**Project**”). Chizhou Tie Hang is owned beneficially as to 24%, 51%, 10% and 10%, respectively by the four joint venture partners, and the remaining 5% by Chizhou Port Holdings. Pursuant to the terms of the joint venture agreement, the proposed registered capital of Chizhou Tie Hang is RMB200,000,000 and the initial capital commitment made by Chizhou Port Holdings to Chizhou Tie Hang to subscribe for the registered capital of Chizhou Tie Hang is RMB10,000,000.

On 12 March 2025, the shareholders’ meeting of Chizhou Tie Hang was held during which resolutions were passed to approve the increase of additional capital commitment by the shareholders of Chizhou Tie Hang in the total amount of approximately RMB1,335,303,000, which shall be contributed by the shareholders of Chizhou Tie Hang to Chizhou Tie Hang in proportion to their respective shareholding interests in Chizhou Tie Hang for the purpose of the Project. Chizhou Port Holdings is required to make additional capital contribution in the amount of approximately RMB66,765,000 to Chizhou Tie Hang. For details of the formation of Chizhou Tie Hang and increase in capital commitment, please refer to the announcement of the Company dated 12 March 2025.

4. On 10 January 2025, Chizhou Haishun entered into an agreement (“**Construction Contract**”) with an independent contractor, pursuant to which the contractor would undertake various construction works including but not limited to the construction of hydraulic structures, onshore infrastructure and supporting ancillary works for Phase IV of Jiangkou Terminal located in Jiangkou Port Area, Economic and Technological Development Zone, Chizhou City, Anhui Province, the PRC at the consideration of RMB146,485,000. For details of the Construction Contract, please refer to the announcement of the Company dated 10 January 2025 and the circular of the Company dated 25 February 2025.

* For identification purpose only

CORPORATE GOVERNANCE PRACTICES

The Company places high value on the corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of the shareholders of the Company. The Board is committed to maintaining a high standard of corporate governance for the Company within a sensible framework. The Company has applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the GEM Listing Rules during the year. The CG Code 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 CG Code and there had been no deviation by the Company.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and regulations and the CG Code and align with the latest developments.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

SECURITIES TRANSACTION OF DIRECTORS

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors’ securities transactions of the Company. Upon the Company’s specific enquiry, each Director had confirmed that during the year, they had fully complied with the required standard of dealings and there was no event of non-compliance.

EVENTS AFTER THE REPORTING DATE

- (a) On 29 December 2023, the Group entered into an agreement (“**Agreement**”) with two joint venture partners (“**JV Partner I and JV Partner II**”), pursuant to which the parties agreed to establish a joint venture company, with official name determined to be Chizhou Haishun Port Services Limited and a registered capital of RMB100,000,000. On 15 April 2024, Chizhou Haishun was established and owned as to 60% by Chizhou Port Holdings, 30% by the JV Partner I and 10% by JV Partner II, respectively. Further details are set out in the announcement of the Company dated 29 December 2023 and the circular of the Company dated 25 January 2024. According to the Agreement, Chizhou Haishun would acquire the land use right of a piece of land (“**Project Land**”) located at Chizhou Economic Development Zone, East of Tongguan Port Project, North of Yanjiang Avenue in Chizhou City, Anhui Province, the PRC with an area of approximately 74,798 square metres held by Chizhou Port Holdings for its future project and operation (the “**Transfer**”) within two months after the establishment of Chizhou Haishun. The carrying value of the land use right of the Project Land is approximately RMB10,523,000 as at 31 December 2024.

Due to more time was required for the asset valuation, negotiations between Chizhou Haishun and Chizhou Port Holdings relating to the commercial terms of the Transfer and relevant administrative processes, parties to the joint venture agreement have agreed to extend the deadline for completing the Transfer on or before 30 April 2025.

On 28 March 2025, Chizhou Port Holdings entered into a land use right transfer agreement with Chizhou Haishun, pursuant to which Chizhou Port Holdings agreed to transfer the land use right of the Project Land to Chizhou Haishun at the consideration of approximately RMB17,952,000.

- (b) On 12 March 2025, the Company announced that shareholders’ meeting of Chizhou Tie Hang was held during which resolutions were passed at the shareholders’ meeting to approve, among others, the 2025 budget, the 2025 investment plan and the increase in capital commitment. As a result of the increase in capital commitment, Chizhou Port Holdings, being a shareholder of Chizhou Tie Hang, is required to make additional capital contribution in the amount of approximately RMB66,765,000 to Chizhou Tie Hang. Further details are set out in the announcement of the Company dated 12 March 2025.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from 23 May 2025 (Friday) to 28 May 2025 (Wednesday) (both days inclusive, 4 business days in total) during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the annual general meeting, unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 22 May 2025 (Thursday).

SCOPE OF WORK OF BDO LIMITED

The financial figures in respect of the preliminary announcement of Group's results for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

AUDIT COMMITTEE

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 CG Code. The Audit Committee consists of three members, namely Mr. Cheung Sze Ming, Mr. Nie Rui and Mr. Cheng 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 primarily responsible for, among other matters, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor; (b) reviewing and monitoring the external auditor's independence and objectivity and effectiveness of the audit process; (c) approving the remuneration and terms of engagement of external auditor; and (d) reviewing financial information and overseeing the financial reporting system, risk management and internal control procedures.

The Audit Committee has reviewed the audited consolidated financial results of the Group for the year 31 December 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, 28 March 2025

As at the date of this announcement, the executive Directors are Mr. Kwai Sze Hoi and Mr. Huang Xueliang, the non-executive Director is Ms. Cheung Wai Fung, and the independent non-executive Directors are Mr. Nie Rui, Mr. Cheung Sze Ming and Mr. Cheng Yin Pan.

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk, on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the website of the Company at www.oceanlineport.com.