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)

MAJOR TRANSACTION
INCREASE IN CAPITAL COMMITMENT

INCREASE IN CAPITAL COMMITMENT

The Board is pleased to announce that on 12 March 2025, the Shareholders' Meeting of the JV Company 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 (an indirect 72%-owned subsidiary of the Company), being a shareholder of the JV Company, is required to make additional capital contribution in the amount of approximately RMB66,765,000 to the JV Company.

Taking into account the advance already made by Chizhou Port Holdings to the JV Company in the amount of approximately RMB1,515,000 and such advance has been confirmed and ratified by the JV Company at the Shareholders' Meeting as capital contribution made by Chizhou Port Holdings, Chizhou Port Holdings will only be required to make additional capital contribution in the amount of approximately RMB65,250,000 to the JV Company as a result of the Increase in Capital Commitment.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to GEM Listing Rule 19.07 in respect of the Capital Commitment of approximately RMB66,765,000 (when aggregated with the Initial Capital Commitment of RMB10,000,000) exceeds 25% and all of the percentage ratios are less than 100%, the Increase in Capital Commitment constitutes a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Increase in Capital Commitment. The Company has received a written approval of the Increase in Capital Commitment by Vital Force, which holds 600,000,000 Shares, representing 75% of the total issue Shares as at the date of this announcement. Accordingly, pursuant to Rule 19.44 of the GEM Listing Rules, no general meeting of the Company will be convened for the purpose of approving the Increase in Capital Commitment.

A circular, containing, among other things, (i) further information on the Increase in Capital Commitment; and (ii) other information required under the GEM Listing Rules is expected to be despatched by the Company to the Shareholders on or before 2 April 2025 for their information only.

BACKGROUND

On 9 November 2024 (after trading hours of the Stock Exchange), Chizhou Port Holdings (an indirect 72%-owned subsidiary of the Company) entered into the JV Agreement with the JV Partners pursuant to which the parties agreed to establish the JV Company with a registered capital of RMB200,000,000.

THE JV AGREEMENT

Date: 9 November 2024 (after trading hours of the Stock Exchange)

Parties:
(1) Chizhou Port Holdings;
(2) JV Partner I;
(3) JV Partner II;
(4) JV Partner III; and
(5) JV Partner IV.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of the JV Agreement and this announcement, the JV Partners and their ultimate beneficial owners are Independent Third Parties.

Formation of the JV Company and its registered capital

Pursuant to the JV Agreement, the JV Company is primarily established as the project company for the Project and is principally responsible for the design, investment and financing, construction, operation, management, maintenance and handover of the Project.

Upon its establishment on 9 November 2024, the JV Company is owned as to 5% by Chizhou Port Holdings, 24% by the JV Partner I, 51% by JV Partner II, 10% by JV Partner III and 10% by JV Partner IV, respectively. Accordingly, the JV Company is not accounted for as a subsidiary of the Group and its financial results will not be consolidated into the consolidated financial statements of the Group.

Pursuant to the JV Agreement, the registered share capital of the JV Company was RMB200,000,000, which had been contributed in cash as to 5% by Chizhou Port Holdings (i.e. RMB10,000,000), 24% by the JV Partner I (i.e. RMB48,000,000), 51% by JV Partner II (i.e. RMB102,000,000), 10% by JV Partner III(i.e. RMB20,000,000) and 10% by JV Partner IV(i.e. RMB20,000,000), respectively. The Initial Capital Commitment was funded by internal resources of the Group. As all of the applicable percentage ratios calculated pursuant to GEM Listing Rule 19.07 in respect of the Initial Capital Commitment of RMB10,000,000 are less than 5%, the Initial Capital Commitment is fully exempt from the requirements under Chapter 19 of the GEM Listing Rules.

The amount of capital contributions was determined after arm's length negotiation between the parties to the JV Agreement with reference to the registered share capital of the JV Company and their respective shareholding interests in the JV Company.

In addition to the capital contributions made, an advance was made by each of the shareholders of the JV Company to the JV Company in proportion to their respective shareholding interests in the JV Company (as to approximately RMB1,515,000 by Chizhou Port Holdings, approximately RMB7,271,000 by JV Partner I, approximately RMB15,451,000 by JV Partner II, approximately RMB3,030,000 by JV Partner III and approximately RMB3,030,000 by JV Partner IV).

INCREASE IN CAPITAL COMMITMENT

The Board is pleased to announce that on 12 March 2025, the Shareholders' Meeting 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 (an indirect 72%-owned subsidiary of the Company), being a shareholder of the JV Company, is required to make additional capital contribution in the amount of approximately RMB66,765,000 to the JV Company. The additional capital contribution to be made by the shareholders of the JV Company pursuant to the Increase of Capital Commitment will increase the capital reserve of the JV Company only but will not affect the existing registered capital of the JV Company in the amount of RMB200,000,000.

The Shareholders' Meeting

During the Shareholders' Meeting held on 12 March 2025, the shareholders of the JV Company discussed, considered and approved the 2025 Budget and the 2025 Investment Plan.

2025 Budget and 2025 Investment Plan

The 2025 Budget represents the 2025 financial budget, 2025 fund raising budget, operational budget and construction unit management fee budget of the JV Company for implementation of phase one construction of the Project. The 2025 Investment Plan represents the 2025 investment plan and construction progress plan of the JV Company for implementation of phase one construction of the Project.

Based on the 2025 Budget and the 2025 Investment Plan, additional capital is required by the JV Company for phase one construction of the Project and therefore, a resolution was passed at the Shareholders' Meeting to approve the Increase in Capital Commitment.

The Increase in Capital Commitment in the amount of approximately RMB1,335,303,000 shall be contributed by each shareholders of the JV Company in proportion to their respective shareholding interests in the JV Company and as a result of the Increase in Capital Commitment, Chizhou Port Holdings (an indirect 72%-owned subsidiary of the Company), being a shareholder of the JV Company, is required to make additional capital contribution in the amount of approximately RMB66,765,000 to the JV Company.

Taking into account the advance already made by Chizhou Port Holdings to the JV Company in the amount of approximately RMB1,515,000 and such advance has been confirmed and ratified by the JV Company at the Shareholders' Meeting as capital contribution made by Chizhou Port Holdings, Chizhou Port Holdings will only be required to make additional capital contribution in the amount of approximately RMB65,250,000 to the JV Company as a result of the Increase in Capital Commitment.

The additional capital contribution of approximately RMB65,250,000 will be made by Chizhou Port Holdings depending on the construction progress of the Project and will be funded by internal resources of the Group.

The Increase in Capital Commitment was determined after arm's length negotiations between the shareholders of the JV Company with reference to the 2025 Budget, the 2025 Investment Plan and the capital needs of the JV Company for phase one construction of the Project.

As the Project consists of two phases in total, when the budget for phase two construction of the Project can be ascertained, the JV Company may request its shareholders to make further capital contribution to the JV Company. The Company will aggregate the total capital contribution required to be made by Chizhou Port Holdings and will check whether the total capital contribution when aggregated would result in a higher transaction classification and therefore be subject to any additional GEM Listing Rules requirements.

REASONS FOR AND BENEFITS OF INCREASE IN CAPITAL COMMITMENT

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).

Under the Project, the JV Company plans to construct and operate two railway lines in Chizhou City, Anhui Province, the PRC, namely, the Guichi Mineral Products Transportation Railway Line and the Chizhou Jiangkou Port Railway Line. The Project consists of two phases in total, of which phase one construction of Project will include phase one construction of the Guichi Mineral Products Transportation Railway Line and phase one construction of the Chizhou Jiangkou Port Railway Line and phase two construction of Project will include phase two construction of the Guichi Mineral Products Transportation Railway Line and phase two construction of the Chizhou Jiangkou Port Railway Line.

Phase one construction of the Guichi Mineral Products Transportation Railway Line starts at Chashan Village in Mayu Subdistrict at Mayu North Station, then extends southward, passing beneath the Shanghai-Chongqing Expressway, the Nanjing-Anqing High-speed Railway, and the Tongling-Jiujiang Railway. The line traverses Mayu Subdistrict, Lishan Subdistrict, Meijie Town, and reaches Tangxi Town, covering a total length of approximately 44.2 kilometers. Phase two construction of the Guichi Mineral Products Transportation Railway Line consists of the Tangxi Area Mineral Products Public Corridor Branch Line. The corridor begins at the Yinlong Mining storage shed and extends northeast to Laowutan Village, crossing Longshu River and Provincial Road S225. It then follows Provincial Road S225 to the automobile unloading shed at Tangxi Station, with a total length of approximately 4.3 kilometers.

Phase one construction of the Chizhou Jiangkou Port Railway Line originates from the Jiangkou Port Area docks, with a new Jiangkou Port Station established within the port area. It proceeds southward, crossing over the Guitong Highway, passing beneath the planned Hechi Intercity Railway, then continues southward, crossing over Longteng Avenue, further southward, crossing Yingbin Avenue and Fengshouwei, passing beneath the planned Ningzong Expressway, and finally connecting to Mayu North Station of the Guichi Mineral Products Transportation Railway Line. This route spans approximately 11.1 kilometers. Phase two construction of the Chizhou Jiangkou Port Railway Line includes the railway section from Mayu North Station (excluding Mayu North Station) to Dunshang Station. After Mayu North Station, the railway passes beneath the Shanghai-Chongqing Expressway before turning southeast, bypassing the south side of Longwang Cave. It then passes beneath S228, the Nanjing-Anqing High-speed Railway, and the Tongling-Jiujiang Railway. The line continues eastward, passing under a high-voltage corridor and crossing the Jiuhua River before reaching Yonghe Village in Dunshang Town, where Dunshang Station is located. This section spans approximately 11.9 kilometers. Furthermore, phase two construction of the Chizhou Jiangkou Port Railway Line also includes a corridor project of approximately 2.1 kilometers connecting Jiangkou Port Station of the railway line to the dispatch yard and integrating with the Chizhou Jiangkou Port Area rail-water intermodal transport terminal, as well as a corridor branch line of approximately 8.8 kilometers leading from Dunshang Jinjiachong Mining Area to Dunshang Station of the railway line.

The construction of the Project aims to shift mineral product transportation from traditional road-based methods to a system primarily utilizing railway line and corridor transport, supplemented by road transport. This transition seeks to gradually establish a green, multi-modal transport system centered around the port that integrates mining, railways, and terminals.

The total investment for the Project is estimated at approximately RMB10,522 million. This investment will be funded through the capital of the JV Company and appropriate financing methods, including bank borrowings. The phase one construction of the Project is expected to be completed by the end of 2027. Should any additional funding be required from Chizhou Port Holdings, the Company will comply with the relevant requirements under the GEM Listing Rules if necessary.

The Directors believe that establishing the JV Company and collaborating with JV Partners presents a valuable opportunity for the Group to achieve investment returns. This initiative enables the Group to capitalize on opportunities arising from the development of the Project, thereby gaining operational advantages as public ports in Chizhou City and enhancing the status of the Jiangkou Central Port Area. Moreover, it provides a more comprehensive platform for attracting investment to Chizhou City, and promotes the development of the city's mining industry. These developments are expected to benefit the long-term operation and growth of the Group's port business in Chizhou City. The Group will be able to enhance its competitiveness in the inland port operator market within Chizhou City, Anhui Province, the PRC.

In light of the above, the Directors consider that the Increase in Capital Commitment is fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE COMPANY AND THE SHAREHOLDERS OF THE JV COMPANY

The principal activity of the Company is investment holding. The Group is principally engaged in port operation in Chizhou City, Anhui Province, the PRC.

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

JV Partner I 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 (State-owned Assets Management Committee* of Guichi District, Chizhou City). JV Partner I is principally engaged in the operation and management of state-owned assets and asset management within the authorised scope in the PRC.

JV Partner II is a state-owned enterprise established in the PRC with limited liability and is a member of 中國中鐵股份有限公司 (China Railway Group Limited*), JV Partner II is principally engaged in infrastructure construction.

JV Partner III is a state-owned enterprise established in the PRC with limited liability and is a platform company of 池州經濟技術開發區 (Chizhou Economic Development Zone*). JV Partner III is principally engaged in infrastructure construction.

JV Partner IV is a state-owned enterprise established in the PRC with limited liability and is an investing and financing platform company of Chizhou Municipal Government. JV Partner IV is principally engaged in city infrastructure (such as transportation infrastructure) construction.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to GEM Listing Rule 19.07 in respect of the Capital Commitment of approximately RMB66,765,000 (when aggregated with the Initial Capital Commitment of RMB10,000,000) exceeds 25% and all of the percentage ratios are less than 100%, the Increase in Capital Commitment constitutes a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Increase in Capital Commitment. The Company has received a written approval of the Increase in Capital Commitment by Vital Force, which holds 600,000,000 Shares, representing 75% of the total issue Shares as at the date of this announcement. Accordingly, pursuant to Rule 19.44 of the GEM Listing Rules, no general meeting of the Company will be convened for the purpose of approving the Increase in Capital Commitment.

A circular, containing, among other things, (i) further information on the Increase in Capital Commitment; and (ii) other information required under the GEM Listing Rules is expected to be despatched by the Company to the Shareholders on or before 2 April 2025 for their information only.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

"2025 Budget"	the 2025 financial budget, 2025 fund raising budget, operational budget and construction unit management fee budget of the JV Company for implementation of phase one construction of the Project
"2025 Investment Plan"	the 2025 investment plan and construction progress plan of the JV Company for implementation of phase one construction of the Project
"Board"	the board of Directors
"Chizhou Port Holdings"	池州港遠航控股集團有限公司 (Chizhou Port Ocean Line Holdings Group Limited*), a company established in the PRC and an indirect 72%-owned subsidiary of the Company
"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 (stock code: 8502)
"connected person(s)"	has the meaning ascribed thereto in the GEM Listing Rules

"Capital Commitment"	the additional capital commitment of approximately RMB66,765,000 by Chizhou Port Holdings to the JV Company as a result of the Increase in Capital Commitment
"Director(s)"	the director(s) 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
"Increase in Capital Commitment"	the increase of additional capital commitment by the shareholders of the JV Company in the total amount of approximately RMB1,335,303,000, which shall be contributed by the shareholders of the JV Company to the JV Company in proportion to their respective shareholding interests in the JV Company for the purpose of the Project
"Independent Third Party(ies)"	a third party independent of and not connected with the Company and/or its subsidiaries and their respective connected persons
"Initial Capital Commitment"	the initial capital commitment of RMB10,000,000 made by Chizhou Port Holdings to the JV Company to subscribe for the registered capital of the JV Company
"JV Agreement"	the joint venture agreement dated 9 November 2024 entered into between Chizhou Port Holdings and the JV Partners in relation to the formation of the JV Company
"JV Company"	池州鐵航建設投資發展有限公司 (Chizhou Railway and Aviation Construction Investment Development Co., Ltd.*), a company established under the JV Agreement in the PRC with limited liability
"JV Partner I"	池洲金橋投資集團有限公司 (Chizhou Jinqiao Investment Group Co., Ltd.*), a company established in the PRC with limited liability
"JV Partner II"	中鐵四局集團有限公司 (China Railway Fourth Engineering Bureau Group Co., Ltd.*), a company established in the PRC with limited liability
"JV Partner III"	安徽平天湖投資控股集團有限公司 (Anhui Pingtian Lake Investment Holding Group Co., Ltd.*), a company established in the PRC with limited liability

"JV Partner IV"	池州資產運營集團有限公司 (Chizhou Assets Operation Group Co., Ltd.*), a company established in the PRC with limited liability
"JV Partners"	collectively, JV Partner I, JV Partner II, JV Partner III and JV Partner IV
"PRC"	the People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Project"	the project for the construction and operation of Guichi Mineral Products Transportation Railway Line and the Chizhou Jiangkou Port Railway Line project, which will consist of two phases in total
"Resolutions"	the resolutions passed at the Shareholders' Meeting to approve, among others, the 2025 Budget, the 2025 Investment Plan and the Increase in Capital Commitment
"Shareholder(s)"	shareholders of the Company
"Shareholders' Meeting"	the shareholders' meeting of the JV Company held on 12 March 2025
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary/subsidiaries"	has the meaning ascribed thereto in the GEM Listing Rules
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Vital Force"	Vital Force Developments Limited, a company incorporated in the British Virgin Islands with limited liability
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

By order of the Board
Ocean Line Port Development Limited
Kwai Sze Hoi
Chairman and executive Director

Hong Kong, 12 March 2025

* *For transliteration purpose only*

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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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.

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.