



The Cross-Harbour (Holdings) Limited

(Stock Code : 32)



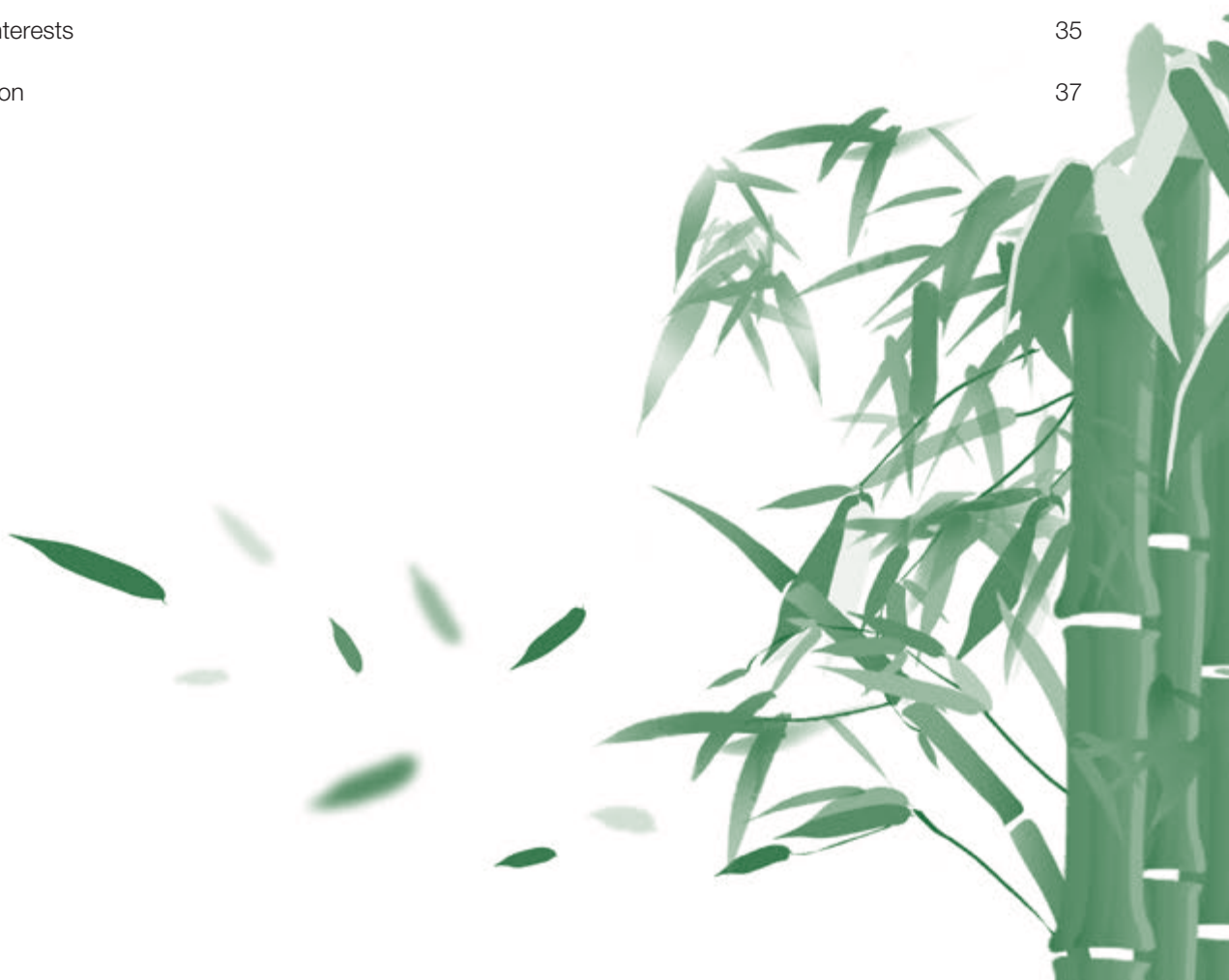
INTERIM REPORT
2021





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Corporate Information

Board of Directors

Executive Director

Cheung Chung Kiu (*Chairman*)
Yeung Hin Chung, John, SBS, OBE, JP (*Managing Director*)
Yuen Wing Shing
Wong Chi Keung
Leung Wai Fai
Tung Wai Lan, Iris

Independent Non-executive Director

Ng Kwok Fu
Luk Yu King, James
Leung Yu Ming, Steven

Audit Committee

Luk Yu King, James (*Chairman*)
Ng Kwok Fu
Leung Yu Ming, Steven

Remuneration Committee

Leung Yu Ming, Steven (*Chairman*)
Cheung Chung Kiu
Ng Kwok Fu

Nomination Committee

Cheung Chung Kiu (*Chairman*)
Ng Kwok Fu
Leung Yu Ming, Steven

Authorised Representative

Yeung Hin Chung, John
Leung Wai Fai (*Alternate to Yeung Hin Chung, John*)
Yuen Wing Shing
Wong Chi Keung (*Alternate to Yuen Wing Shing*)

Company Secretary

Leung Shuk Mun, Phyllis Sylvia

Legal Adviser

Woo, Kwan, Lee & Lo

Registered Office

25th Floor, China Resources Building
26 Harbour Road
Wanchai
Hong Kong
Tel: (852) 2161 1888
Fax: (852) 2802 2080
Website: www.ch.limited
Email: investors@ch.limited

External Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance
with the Financial Reporting Council Ordinance

Registrar & Transfer Office

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185

Principal Banker

The Hongkong and Shanghai Banking
Corporation Limited

Share Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 32

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2021 \$'000	2020 \$'000
Revenue from contracts with customers within the scope of HKFRS 15	3(a)	246,991	220,130
Revenue from other sources	3(a)	22,164	43,419
Interest revenue from debt securities at FVPL	3(a)	2,709	19,732
Other interest revenue	3(a)	67,965	91,459
Total revenue		339,829	374,740
Other revenue		13	13
Other net gains/(losses)	4	123,936	(155,836)
Direct costs and operating expenses		(116,788)	(127,146)
Selling and marketing expenses		(15,365)	(16,597)
Administrative and corporate expenses		(54,884)	(52,162)
Provision for impairment losses on financial assets, net		(10,988)	(22,753)
Profit from operations		265,753	259
Finance costs	5(a)	(1,215)	(1,747)
Share of profits of an associate	10	212,792	201,929
Share of profits of a joint venture		12,261	19,788
Profit before taxation	5	489,591	220,229
Income tax	6	(15,895)	(12,173)
Profit for the period		473,696	208,056
Attributable to:			
Equity shareholders of the Company		446,285	184,347
Non-controlling interests		27,411	23,709
Profit for the period		473,696	208,056
Earnings per share	7		
Basic		\$1.20	\$0.49

The notes on pages 9 to 26 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 14.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2021	2020
<i>Note</i>	\$'000	\$'000
Profit for the period	473,696	208,056
Other comprehensive income for the period (after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
– Financial assets measured at fair value through other comprehensive income (non-recycling)		
– Net changes in fair value of equity securities recognised during the period	(60,615)	126,475
Items that are or may be reclassified subsequently to profit or loss:		
– Financial assets measured at fair value through other comprehensive income (recycling)		
– Net changes in fair value of debt securities recognised during the period	(61,691)	(16,907)
– Debt security at FVOCI – reclassified to profit or loss	342	–
– Share of other comprehensive income of a joint venture:		
– Exchange differences on translation of financial statements of overseas subsidiary of a joint venture	28	32
Other comprehensive income for the period	(121,936)	109,600
Total comprehensive income for the period	351,760	317,656
Attributable to:		
Equity shareholders of the Company	324,341	293,938
Non-controlling interests	27,419	23,718
Total comprehensive income for the period	351,760	317,656

The notes on pages 9 to 26 form part of this interim financial report.

Consolidated Statement of Financial Position

As at 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

	Note	30 June 2021		31 December 2020	
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	8		308,581		343,766
Interest in associates	10		544,659		575,222
Interest in a joint venture			153,594		141,304
Other financial assets	9		4,972,365		4,192,107
Deposits and prepayment	11		27,099		270,989
Deferred tax assets			4,804		4,594
			6,011,102		5,527,982
Current assets					
Inventories			1,065		1,020
Other financial assets	9		2,178,517		1,754,345
Trade and other receivables	11		95,456		131,206
Amount due from a joint venture			—		9,000
Dividend receivable			74,094		66,350
Bank deposits and cash	12		1,934,371		2,675,858
			4,283,503		4,637,779
Current liabilities					
Trade and other payables	13		57,175		228,312
Contract liabilities			581,767		500,413
Lease liabilities			54,543		56,064
Taxation payable			23,960		14,427
Dividends payable			23,404		1,044
			740,849		800,260
Net current assets			3,542,654		3,837,519



Consolidated Statement of Financial Position

As at 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

		30 June 2021	31 December 2020
	Note	\$'000	\$'000
Total assets less current liabilities		9,553,756	9,365,501
Non-current liabilities			
Lease liabilities		37,215	64,142
Deferred tax liabilities		2,292	2,494
		39,507	66,636
NET ASSETS		9,514,249	9,298,865
CAPITAL AND RESERVES			
Share capital	14(b)	1,629,461	1,629,461
Reserves		7,697,679	7,485,144
Total equity attributable to equity shareholders of the Company		9,327,140	9,114,605
Non-controlling interests		187,109	184,260
TOTAL EQUITY		9,514,249	9,298,865

The notes on pages 9 to 26 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021 - unaudited

(Expressed in Hong Kong dollars)

Attributable to equity shareholders of the Company									
			Fair value	Fair value				Non-	Total
Note	Share	Capital	reserve	reserve	Exchange	Retained	Total	controlling	equity
	capital	reserve	(recycling)	(non-	reserve	profits		interests	
	\$'000	\$'000	\$'000	recycling)	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020	1,629,461	1,984	(20,310)	398,209	(119)	5,334,715	7,343,940	158,881	7,502,821
Changes in equity for the six months ended 30 June 2020:									
Profit for the period	—	—	—	—	—	184,347	184,347	23,709	208,056
Other comprehensive income	—	—	(16,907)	126,475	23	—	109,591	9	109,600
Total comprehensive income	—	—	(16,907)	126,475	23	184,347	293,938	23,718	317,656
Dividend approved in respect of the previous financial year	14(a)	—	—	—	—	(89,445)	(89,445)	—	(89,445)
Non-controlling interest's share of dividends		—	—	—	—	—	—	(17,370)	(17,370)
Dividends declared in respect of the current financial year	14(a)	—	—	—	—	(22,361)	(22,361)	—	(22,361)
Balance at 30 June 2020	<u>1,629,461</u>	<u>1,984</u>	<u>(37,217)</u>	<u>524,684</u>	<u>(96)</u>	<u>5,407,256</u>	<u>7,526,072</u>	<u>165,229</u>	<u>7,691,301</u>
Changes in equity for the six months ended 31 December 2020:									
Profit for the period	—	—	—	—	—	540,896	540,896	40,539	581,435
Other comprehensive income	—	—	16,601	1,075,617	142	—	1,092,360	62	1,092,422
Total comprehensive income	—	—	16,601	1,075,617	142	540,896	1,633,256	40,601	1,673,857
Non-controlling interest's share of dividends		—	—	—	—	—	—	(21,570)	(21,570)
Dividends declared in respect of the current financial year		—	—	—	—	(44,723)	(44,723)	—	(44,723)
Balance at 31 December 2020	<u>1,629,461</u>	<u>1,984</u>	<u>(20,616)</u>	<u>1,600,301</u>	<u>46</u>	<u>5,903,429</u>	<u>9,114,605</u>	<u>184,260</u>	<u>9,298,865</u>

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021 - unaudited

(Expressed in Hong Kong dollars)

		Attributable to equity shareholders of the Company								
		Share capital	Capital reserve	Fair value reserve (recycling)	Fair value reserve (non-recycling)	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2021		1,629,461	1,984	(20,616)	1,600,301	46	5,903,429	9,114,605	184,260	9,298,865
Changes in equity for the six months ended 30 June 2021										
Profit for the period		-	-	-	-	-	446,285	446,285	27,411	473,696
Other comprehensive income		-	-	(61,349)	(60,615)	20	-	(121,944)	8	(121,936)
Total comprehensive income		-	-	(61,349)	(60,615)	20	446,285	324,341	27,419	351,760
Dividend approved in respect of the previous financial year		14(a)	-	-	-	-	(89,445)	(89,445)	-	(89,445)
Non-controlling interest's share of dividends			-	-	-	-	-	-	(24,570)	(24,570)
Dividends declared in respect of the current financial year		14(a)	-	-	-	-	(22,361)	(22,361)	-	(22,361)
Balance at 30 June 2021		1,629,461	1,984	(81,965)	1,539,686	66	6,237,908	9,327,140	187,109	9,514,249

The notes on pages 9 to 26 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2021 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2021	2020
<i>Note</i>	\$'000	\$'000
Operating activities		
Cash generated from operations	111,791	96,591
Tax paid	(6,774)	(34,930)
Net cash generated from operating activities	105,017	61,661
Investing activities		
Decrease in deposits with banks with original maturity over three months	482,625	164,566
Decrease in amount due from a joint venture	9,000	9,000
Payments for purchase of debt securities at FVOCI (recycling)	—	(173,237)
Payments for purchase of other financial assets at FVPL	(1,391,377)	(235,470)
Payments for investments in interest-bearing instruments	(420,000)	(285,800)
Payment for purchase of property, plant and equipment	(7,292)	(18,599)
Payment for acquisition of an associate	(1)	—
Increase in loan to an associate	(108,631)	—
Dividends received from equity securities at FVPL	14,829	38,287
Dividends received from equity securities at FVOCI (non-recycling)	1,749	676
Dividends received from an associate	348,500	391,000
Proceeds from distribution of unlisted funds at FVPL	221,917	1,773
Proceeds from sale of equity securities at FVPL	134,332	—
Interest received	84,660	103,881
Proceeds from repayment of interest-bearing instruments	257,999	443,801
Proceeds from sale of debt securities at FVOCI (recycling)	55,083	—
Proceeds from sale of debt securities at FVOCI	99,161	—
Other cash flows arising from investing activities	(2,754)	6,492
Net cash (used in)/generated from investing activities	(220,200)	446,370
Financing activities		
Dividends paid to equity shareholders of the Company	(89,446)	(86,881)
Capital element of lease rentals paid	(28,448)	(28,609)
Interest element of lease rentals paid	(1,215)	(1,727)
Other cash flows arising from financing activities	(24,570)	(17,390)
Net cash used in financing activities	(143,679)	(134,607)
Net (decrease)/increase in cash and cash equivalents	(258,862)	373,424
Cash and cash equivalents at 1 January	2,116,587	1,694,688
Cash and cash equivalents at 30 June	1,857,725	2,068,112

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The notes on pages 9 to 26 form part of this interim financial report.



Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 23 August 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 27.

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial report as comparative information does not constitute the company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The company has delivered the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2 Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendment to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*

Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendment to HKFRS 16, Covid-19-related rent concessions beyond 30 June 2021 (2021 amendment)

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from June 2021 to 30 June 2022.

The Group has early adopted the 2021 amendment in this financial year. There is no impact on the opening balance of equity at 1 January 2021.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)



3 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are motoring school operations and securities investment. Given below is an analysis of the revenue of the Group:

(i) *Disaggregation of revenue*

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by service lines:		
– Course fee from motoring school operations	243,941	217,080
– Management fee from tunnel operations	1,250	1,250
– Consultancy fee and management fee from electronic toll operations	1,800	1,800
	<u>246,991</u>	<u>220,130</u>
Revenue from other sources		
– Dividend income from equity instruments	20,822	38,957
– Others	1,342	4,462
	<u>22,164</u>	<u>43,419</u>
Interest revenue from debt securities at FVPL	<u>2,709</u>	<u>19,732</u>
Other interest revenue		
– Interest income from debt securities at FVOCI	46,520	32,092
– Interest income from interest-bearing instruments	17,992	43,285
– Interest income from bank	3,453	16,082
	<u>67,965</u>	<u>91,459</u>
Total revenue	<u>339,829</u>	<u>374,740</u>





Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Revenue and segment reporting *(continued)*

(b) Segment reporting

The Group manages its businesses by divisions which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Motoring school operations: this segment invests in an subsidiaries which operate four designated driver training centres.
- Tunnel operations: this segment invests in an associate which operate the Western Harbour Tunnel franchise.
- Electronic toll operations: this segment invests in a joint venture which operates an electronic toll collection system and provision of telematics service.
- Treasury management: this segment engages in investing and financing activities and receives dividend income and interest income. It manages investments in financial assets including bank deposits and cash.

(i) *Segment results and assets*

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current and non-current assets with the exception of other corporate assets. Segment liabilities include trade creditors attributable to the sales activities and the accruals of the individual segments and dividend payable and taxation payable managed directly by the segments with the exception of other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)



3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results and assets (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Motoring School Operations		Tunnel Operations		Electronic Toll Operations		Treasury Management		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue from contracts with customers within the scope of HKFRS 15	243,941	217,080	1,250	1,250	1,800	1,800	—	—	246,991	220,130
Dividend income from equity instruments	—	—	—	—	—	—	20,822	38,957	20,822	38,957
Interest revenue	1,441	5,502	—	—	—	34	69,233	105,655	70,674	111,191
Reportable segment revenue	245,382	222,582	1,250	1,250	1,800	1,834	90,055	144,612	338,487	370,278
Reportable segment profit/(loss) before tax	93,191	68,908	214,042	203,179	13,948	21,508	200,401	(35,003)	521,582	258,592
Finance costs	1,136	1,592	—	—	—	—	79	155	1,215	1,747
Depreciation	37,179	40,482	—	—	—	—	—	—	37,179	40,482
Share of profits of an associate	—	—	212,792	201,929	—	—	—	—	212,792	201,929
Share of profits of a joint venture	—	—	—	—	12,261	19,788	—	—	12,261	19,788
Income tax	15,630	11,645	—	—	138	362	69	166	15,837	12,173
Reportable segment assets at 30 June 2021/ 31 December 2020	1,210,841	1,142,597	436,027	575,222	154,774	156,337	8,469,175	8,262,594	10,270,817	10,136,705



Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment revenues, profit or loss and assets

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
Revenue		
Reportable segment revenue	338,487	370,278
Unallocated head office and corporate revenue	1,342	4,462
Consolidated revenue	339,829	374,740
Profit		
Reportable segment profit derived from the Group's external customers	521,582	258,592
Other revenue	13	13
Unallocated head office and corporate income and expenses	(32,004)	(38,376)
Consolidated profit before taxation	489,591	220,229
Assets		
Reportable segment assets	10,270,817	10,136,705
Unallocated head office and corporate assets	23,788	29,056
Consolidated total assets	10,294,605	10,165,761

Six months ended 30 June

2021 2020
\$'000 \$'000

At 30 June

2021 At 31 December
\$'000 2020
\$'000 \$'000

4 Other net gains/(losses)

	Six months ended 30 June	
	2021	2020
	\$'000	\$'000
Change in fair value of financial assets measured at FVPL		
– Unlisted fund investments	275,116	11,148
– Debt securities	(2,952)	(7,407)
– Equity securities	(147,084)	(159,743)
	125,080	(156,002)
Net gains on sale of property, plant and equipment	264	166
Loss upon maturity of debt security at FVOCI	(342)	–
Others	(1,066)	–
	123,936	(155,836)

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)



5 Profit before taxation

	Six months ended 30 June	
	2021 \$'000	2020 \$'000
Profit before taxation is arrived at after charging/(crediting)		
(a) Finance costs		
Interest on lease liabilities	1,215	1,727
Other borrowing costs	—	20
	<u>1,215</u>	<u>1,747</u>
(b) Other items		
Depreciation		
– Owned property, plant and equipment	13,780	22,478
– Right-of-use assets	28,436	29,081
Rent concession (note 8(a))	(19,374)	(9,642)
Cost of inventories consumed	5,227	3,773
Contributions to defined contribution retirement scheme	4,090	3,954
Salaries, wages and other benefits (including directors' emoluments)	119,094	112,087
	<u>119,094</u>	<u>112,087</u>

6 Income tax

	Six months ended 30 June	
	2021 \$'000	2020 \$'000
Current tax – Hong Kong Profits Tax	16,307	13,607
Deferred tax	(412)	(1,434)
	<u>15,895</u>	<u>12,173</u>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2020: 16.5%) to the six months ended 30 June 2021, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first \$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2020.

7 Earnings per share

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to ordinary equity shareholders of the Company of \$446,285,000 (2020: profit for the period of \$184,347,000) and the weighted average of 372,688,206 ordinary shares (2020: 372,688,206 ordinary shares) in issue during the period. Diluted earnings per share are the same as basic earnings per share as the Company had no dilutive potential ordinary shares.



Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

8 Property, plant and equipment

(a) Right-of-use assets

During the six months ended 30 June 2021, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The amount of lease payments for the interim reporting period is summarised below:

	Six months ended 30 June 2021		
	Fixed	COVID-19	Total
	payments	rent	payments
	\$'000	concessions	\$'000
		\$'000	\$'000
Properties leased for own use as driving schools	26,125	(19,374)	6,751
	Six months ended 30 June 2020		
	Fixed	COVID-19	Total
	payments	rent	payments
	\$'000	concessions	\$'000
		\$'000	\$'000
Properties leased for own use as driving schools	25,712	(9,642)	16,070

As disclosed in note 2, the Group has early adopted the Amendment to HKFRS 16, Leases, Covid-19-Related Rent Concessions beyond 30 June 2021, and has applied the practical expedient introduced by the Amendment to all eligible rent concessions received by the Group during the period.

(b) Acquisitions of owned assets

During the six months ended 30 June 2021, the Group acquired items of property, plant and equipment with a cost of \$7,292,000 (six months ended 30 June 2020: \$18,599,000).

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)



9 Other financial assets

	Notes	30 June 2021 \$'000	31 December 2020 \$'000
Non-current			
Financial assets designated at FVOCI (non-recycling)			
– Equity securities listed in Hong Kong			
• Evergrande Vehicles*	(i)	1,567,970	1,638,501
• Others*	(ii)	66,239	56,323
		<u>1,634,209</u>	<u>1,694,824</u>
Financial assets measured at FVOCI (recycling)			
– Debt securities listed outside Hong Kong*		509,792	559,782
– Debt securities listed in Hong Kong*	(iii)	—	139,554
		<u>509,792</u>	<u>699,336</u>
Financial assets measured at FVPL			
– Unlisted fund investments	(iv)	2,620,440	1,586,578
– Unlisted equity security		129,563	129,279
– Debt securities listed outside Hong Kong*		15,346	18,050
– Equity securities listed outside Hong Kong*		63,015	64,040
		<u>2,828,364</u>	<u>1,797,947</u>
		<u>4,972,365</u>	<u>4,192,107</u>
Current			
Financial assets measured at amortised cost			
– Unsecured, interest-bearing instruments	(v)	637,000	474,999
Less: loss allowance		(64,305)	(42,761)
		<u>572,695</u>	<u>432,238</u>
Financial assets measured at FVOCI (recycling)			
– Debt securities listed outside Hong Kong*		233,391	291,157
– Debt securities listed in Hong Kong*	(iii)	141,433	—
		<u>374,824</u>	<u>291,157</u>
Financial assets measured at FVPL			
– Debt securities listed outside Hong Kong*		—	99,409
– Equity securities listed in Hong Kong*		1,152,546	931,541
– Equity securities listed outside Hong Kong*		78,452	—
		<u>1,230,998</u>	<u>1,030,950</u>
		<u>2,178,517</u>	<u>1,754,345</u>
Total		<u>7,150,882</u>	<u>5,946,452</u>

* Fair value measured using unadjusted quoted price in active markets. Details of fair value measurement of financial assets are set out in note 15.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

9 Other financial assets (continued)

Notes:

- (i) The amount represents the fair value of 54,255,000 shares (approximately 0.56% shareholdings) of China Evergrande New Energy Vehicle Group Limited (“Evergrande Vehicle”), which is listed in Hong Kong and principally engaged in investment in high technology new energy vehicle manufacture as well as healthcare business. The Group designated this investment at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the period (30 June 2020: Nil). No shares from such investments were disposed of during the period (30 June 2020: Nil).
- (ii) The amount mainly represents the Group’s investment in several blue-chips stocks listed in Hong Kong. The Group designated these investments at FVOCI (non-recycling), as they are held for strategic purposes. Dividends amounting to \$1,749,000 (30 June 2020: \$676,000) were received during the period. None of these investments were sold during the period (30 June 2020: Nil).
- (iii) The balance represented a listed debt security issued by an indirectly wholly-owned subsidiary of C C Land Holdings Limited, a connected party and a related party under common control with the Group. The instrument was invested at an initial cost of \$141,236,000 on 6 June 2019, interest bearing at 6.35% and will mature on 6 June 2022. During the period, interest income of \$4,431,000 (30 June 2020: \$4,450,000) were received on this investment.
- (iv) As at 30 June 2021 and 31 December 2020, the Group’s unlisted fund investments comprised of 22 (31 December 2020: 10) private equity funds investment. The Group managed the equity price risk through diversification of investment portfolio. The underlying investments held by these funds include listed and unlisted equity instruments, structured financing products and venture capital deals in various regions not limited to PRC and Hong Kong, covering various industry sectors mainly including biopharmaceuticals, biotechnology, healthcare and related services, information technology and e-Commerce. The fair value of these investments are affected by the market conditions in the abovementioned sectors, the overall capital market conditions, as well as the performance of individual investees of each of these funds. The investments held in the portfolio may be realised only after several years and their fair values may change significantly.
- (v) The balance represents seven (31 December 2020: eight) interest-bearing instruments which are unsecured, interest-bearing from 7% to 12% per annum (31 December 2020: 8% to 12% per annum) and will mature in 2021 and 2022.
- (vi) As at 30 June 2021, the Group held investments in ordinary shares and debt securities issued by China Evergrande Group and its subsidiaries, and their carrying value represented approximately 20% (31 December 2020: 23%) of the Group’s total assets. These investments include investment in ordinary shares of China Evergrande Group (FVPL) of \$231,768,000 (31 December 2020: \$341,240,000), ordinary shares of Evergrande Property Services (FVPL) of \$2,189,000 (31 December 2020: \$2,007,000), ordinary shares of Evergrande Vehicle (FVOCI, non-recycling) of \$1,567,970,000 (31 December 2020: \$1,638,501,000), and investments in two (31 December 2020: two) tranches of debt securities issued by China Evergrande Group and its subsidiary of \$273,195,000 (31 December 2020: \$325,447,000) (FVOCI, recycling) and \$15,346,000 (31 December 2020: \$18,050,000) (FVPL) respectively. Both Evergrande Vehicle and Evergrande Property Services are subsidiaries of China Evergrande Group, and are listed in Hong Kong. There was no acquisition or disposal of above equity and debt instruments during the current period.

As at 30 June 2021, the Group’s investments in listed debt securities amounted to \$899,962,000 (31 December 2020: \$1,107,951,000) are issued by Hong Kong listed companies or their subsidiaries operating in the real estate sector in the PRC. As at 30 June 2021, the Group also held listed equity securities in the real estate sector amounted to \$337,713,000 (31 December 2020: \$489,097,000). The fair value of these investments may be affected by the economic condition of the PRC real estate sector, as well as equity price and interest rate movements.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)



10 Interest in associates

- (a) The following list contains only the particulars of the associates, which is an unlisted corporate entity whose quoted market price is not available:

<u>Name of associate</u>	<u>Form of business structure</u>	<u>Place of incorporation and business</u>	<u>Proportion of ownership interest</u>		<u>Principal activity</u>	<u>Financial year end</u>
			<u>Group's effective interest</u>	<u>Held by a subsidiary</u>		
Western Harbour Tunnel Company Limited ("WHTCL")	Incorporated	Hong Kong	50%	50%	Operation of the Western Harbour Crossing	31 July
Ace Season Investments Limited ("ASIL")	Incorporated	British Virgin Islands	45%	45%	Investment holding	31 December



Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

10 Interest in associates (continued)

- (b) WHTCL was granted a thirty-year franchise to construct and operate the Western Harbour Tunnel in accordance with the Western Harbour Crossing Ordinance enacted on 22 July 1993.
- (c) Summarised financial information of the material associate, WHTCL, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, is disclosed below:

	Note	Six months ended 30 June	
		2021 \$'000	2020 \$'000
Gross amounts of the associate's			
Revenue			
Toll revenue		788,086	724,142
Other revenue	(i)	26,879	26,508
		814,965	750,650
Other income		163	3,065
Expenditure			
Operating and administrative expenses		(64,233)	(62,796)
Rates and government rent		(32,958)	(39,854)
Amortisation and depreciation	(ii)	(195,575)	(155,620)
Operating profit before finance charges		522,356	495,445
Interest on shareholders' loans		(26)	(27)
Profit before taxation		522,336	495,418
Income tax	(iii)	(87,398)	(82,206)
Profit and total comprehensive income		434,938	413,212
Group's effective interest		50%	50%
Group's share of profit and total comprehensive income		217,469	206,606
Fair value adjustments		(4,677)	(4,677)
		212,792	201,929
Dividend received from the associate		352,000	343,000

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)



10 Interest in associates (continued)

- (c) Summarised financial information of the material associate, WHTCL, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, is disclosed below: (continued)

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Gross amounts of the associate's		
Current assets	365,357	348,272
Non-current assets	1,056,914	1,252,076
Current liabilities	(iv) (428,971)	(305,830)
Non-current liabilities	(166,077)	(198,233)
Equity	<u>827,223</u>	<u>1,096,285</u>
Reconciled to the Group's interest in associates		
Gross amount of net assets of the associate	827,223	1,096,285
Group's effective interest	50%	50%
Group's share of net assets of the associate	413,612	548,143
Fair value adjustments	19,335	24,012
Amount due from the associate	(v) 417	417
Loan to and interest receivable from the associate	(vi) <u>2,663</u>	<u>2,650</u>
Carrying amount in the consolidated financial statements	<u>436,027</u>	<u>575,222</u>

Notes:

- (i) Other revenue includes income from telecommunications network providers, outdoor advertising site rental.
- (ii) Amortisation of the cost of tunnel is calculated to write off the cost over the franchise period on a units-of-usage basis whereby amortisation is provided based on the share of traffic volume for a particular period over the projected total traffic volume for the remainder of the franchise period of the tunnel.
- (iii) Taxation includes the current and deferred income tax for the period. The provision for Hong Kong Profits Tax is calculated at 8.25% on assessable profits up to \$2,000,000 and 16.5% on any part of assessable profits over \$2,000,000 to the six months ended 30 June 2021. The provision for Hong Kong Profits Tax was calculated at the same basis in 2020.
- (iv) Current liabilities include current tax liabilities of \$213.7 million (2020: \$95.8 million).
- (v) The amount due from an associate is unsecured, interest-free and recoverable on demand. The amount is classified as non-current as the directors do not intend to demand repayment within the next twelve months.
- (vi) The loan to an associate is unsecured and bears interest at a rate of 1% per annum (2020: 1%) per annum) as determined by the shareholders of that associate. Interest earned by the Group from the associate for the six months ended 30 June 2021 amounted to \$13,000 (2020: \$13,000). The loan is repayable on demand as may from time to time be agreed among the associate shareholders. The loan is classified as non-current as the directors do not intend to demand repayment within the next twelve months.



Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

11 Trade and other receivables

Included in trade and other receivables are trade receivables (net of loss allowance) with the following ageing analysis, based on the invoice date, as of the end of the reporting period:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Within 1 month	15,720	11,461
1 to 2 months	—	147
2 to 3 months	274	7
Over 3 months	2	100
Trade receivables, net of loss allowance	15,996	11,715
Other receivables	38,882	100,138
Trade and other receivables	54,878	111,853
Deposits and prepayments	67,677	290,342
	122,555	402,195
Less: non-current portion	(27,099)	(270,989)
	95,456	131,206

As at 30 June 2021, included in deposits and prepayments of the Group is an amount of Nil (31 December 2020: HK\$232,635,000) which is related to a prepayment for unlisted fund investments.

Apart from the prepayment for unlisted fund investments of \$Nil (31 December 2020: HK\$232,635,000) that will be converted into non-current financial assets, the amount of the Group's deposits and prepayments expected to be recovered or recognised as expense after more than one year is \$27,099,000 (31 December 2020: \$38,354,000). The remaining balance of the trade and other receivables are expected to be recovered or recognised as expense within one year.

12 Bank deposits and cash

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Deposits with banks and other financial institutions	787,695	1,944,650
Cash at bank and in hand	1,146,676	731,208
Bank deposits and cash in the consolidated statement of financial position	1,934,371	2,675,858
Less: Deposits with original maturity over three months	(76,646)	(559,271)
Cash and cash equivalents in the condensed consolidated cash flow statement	1,857,725	2,116,587

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)



13 Trade and other payables

Included in trade and other payables are trade payables with the following ageing analysis, based on the invoice date, as of the end of the reporting period:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Within 1 month	3,794	3,147
1 month to 3 months	3,162	2,710
Over 3 months but within 6 months	5,692	6,035
Trade payables	12,648	11,892
Other payables and accruals	44,527	216,420
	<u>57,175</u>	<u>228,312</u>

All of the balances are expected to be settled or recognised as income within one year or are repayable on demand.

14 Capital, reserves and dividends

(a) Dividends

(i) *Dividends payable to equity shareholders attributable to the interim period*

	Six months ended 30 June	
	2021 \$'000	2020 \$'000
First interim dividend declared during the interim period of 6 cents per share (2020: 6 cents per share)	22,361	22,361
Second interim dividend declared after the interim period of 6 cents per share (2020: 6 cents per share)	22,361	22,361
	<u>44,722</u>	<u>44,722</u>

The second interim dividend declared after the interim period has not been recognised as a liability at the end of the reporting period.

(ii) *Dividend payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period*

	Six months ended 30 June	
	2021 \$'000	2020 \$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period of 24 cents per share (2020: 24 cents per share)	89,445	89,445



Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

14 Capital, reserves and dividends (continued)

(b) Share capital

Movements of the Company's ordinary shares are set out below:

	2021		2020	
	No. of shares '000	Amount \$'000	No. of Shares '000	Amount \$'000
Ordinary shares, issued and fully paid:				
At 1 January	<u>372,688</u>	<u>1,629,461</u>	<u>372,688</u>	<u>1,629,461</u>
At 30 June/31 December	<u>372,688</u>	<u>1,629,461</u>	<u>372,688</u>	<u>1,629,461</u>

15 Fair value measurement of financial instruments

Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)



15 Fair value measurement of financial instruments (continued)

Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

	Fair value at 30 June 2021 \$'000	Fair value measurements as at 30 June 2021 categorised into		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements				
Assets				
Financial assets designated at FVOCI (non-recycling):				
– Equity securities listed in Hong Kong	1,634,209	1,634,209	–	–
Financial assets designated at FVOCI (recycling):				
– Debt securities listed in Hong Kong	141,433	141,433	–	–
– Debt securities listed outside Hong Kong	743,183	743,183	–	–
Financial assets measured at FVPL:				
– Unlisted fund investments	2,620,440	–	9,938	2,610,502
– Unlisted equity security	129,563	–	–	129,563
– Equity securities listed in Hong Kong	1,152,546	1,152,546	–	–
– Equity securities listed outside Hong Kong	141,467	141,467	–	–
– Debt securities listed outside Hong Kong	15,346	15,346	–	–
	6,578,187	3,828,184	9,938	2,740,065

	Fair value at 31 December 2020 \$'000	Fair value measurements as at 31 December 2020 categorised into		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000

Recurring fair value measurements

Assets

Financial assets measured at FVOCI (non-recycling):				
– Equity securities listed in Hong Kong	1,694,824	1,694,824	–	–
Financial assets measured at FVOCI (recycling):				
– Debt securities listed in Hong Kong	139,554	139,554	–	–
– Debt securities listed outside Hong Kong	850,939	850,939	–	–
Financial assets measured at FVPL:				
– Unlisted fund investments	1,586,578	–	28,882	1,557,696
– Unlisted equity security	129,279	–	–	129,279
– Equity securities listed in Hong Kong	931,541	931,541	–	–
– Equity securities listed outside Hong Kong	64,040	64,040	–	–
– Debt securities listed outside Hong Kong	117,459	117,459	–	–
	5,514,214	3,798,357	28,882	1,686,975



Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

15 Fair value measurement of financial instruments (continued)

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of the financial assets is determined based on executable quotes provided by investment fund managers.

Information about Level 3 fair value measurements

The fair value of unlisted equity securities is determined using the price/sales ratios of comparable listed companies adjusted by lack of marketability discount. The fair value measurement is negatively correlated to discount for lack of marketability.

Instruments	Valuation techniques	Significant unobservable inputs	Weighted average	Change in unobservable inputs	Favourable/ (unfavourable) impact on profit or loss
As at 30 June 2021					
- Unlisted equity securities	Market comparable companies	Discount for lack of marketability	20%	+/-5%	+/- HK\$8,098,000

The Group's unlisted private equity funds categorised in Level 3 were managed by unrelated asset managers who applied various investment strategies to accomplish their respective investment objectives. The fair value of these funds is recorded based on valuations supplied by the fund managers. These valuations are measured by the percentage of ownership of the private equity's net asset value, which is an unobservable input. The fund managers estimated the fair value of underlying investments based on direct market quote for level 1 financial instruments. For other investments, the fund managers apply appropriate valuation techniques such as latest transaction price, discounted cash flow, or a forward price/earnings multiple arrived at by comparison with publicly-traded comparable companies and after applying a liquidity discount. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instruments or based on any available observable market data.

The movements during the period in the balance of Level 3 fair value measurements are as follows:

	2021 \$'000	2020 \$'000
<i>Financial assets measured at FVPL:</i>		
<i>- Unlisted fund investments:</i>		
At 1 January	1,557,696	1,028,935
Payment for capital contribution	996,721	215,841
Distribution	(221,917)	(134,930)
Changes in fair value recognised in profit or loss during the period	<u>278,002</u>	<u>16,142</u>
At 30 June	<u>2,610,502</u>	<u>1,125,988</u>
<i>- Unlisted equity security</i>		
At 1 January	129,279	—
Purchase	—	133,538
Changes in fair value recognised in profit or loss during the period	<u>284</u>	<u>(617)</u>
At 30 June	<u>129,563</u>	<u>132,921</u>

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)



16 Commitments

Investment commitment

The Group makes capital commitments to various funds. At the end of the reporting period, the Group had the following outstanding commitments to make capital commitments to investment vehicles:

	At 30 June 2021 \$'000	At 31 December 2020 \$'000
Private equity funds	<u>1,820,710</u>	<u>434,689</u>

17 Material related party transactions

During the period, the Group entered into the following material related party transactions:

- (a) The Group extended a loan to and received interest from an associate, WHTCL. The balance of the loan and interest receivable at 30 June 2021 was \$2.7 million (31 December 2020: \$2.6 million).
- (b) The Group received interest income and management fee income from WHTCL of \$13,000 (2020: \$13,000) and \$1.25 million (2020: \$1.25 million) respectively.
- (c) The Group received consultancy fees and management fee income from a joint venture of \$1.8 million (2020: \$1.8 million).
- (d) The Group granted an interest-free loan to an associate, ASIL. The balance of the loan was \$108,631,000 (31 December 2020: Nil).
- (e) The Group holds a listed debt security of \$141,433,000 (31 December 2020: \$139,554,000) issued by an indirectly wholly-owned subsidiary of C C Land Holdings Limited, a connected party and a related party under common control with the Group. During the period, interest income of \$4,431,000 (30 June 2020: \$4,450,000) were received on this investment.

18 Non-adjusting event after the reporting period

On 23 August 2021, the Directors proposed a second interim dividend. Further details are set out in note 14(a) "Dividends".





Review Report to the Board of Directors

Review Report to the Board of Directors of The Cross-Harbour (Holdings) Limited

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 2 to 26 which comprises the consolidated statement of financial position of The Cross-Harbour (Holdings) Limited as of 30 June 2021 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2021 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Hong Kong, 23 August 2021

Management Discussion and Analysis



The board of directors of The Cross-Harbour (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2021. The interim results have been reviewed by the audit committee and KPMG. KPMG’s review report is set out on page 27.

Group Results

The Group’s unaudited profit attributable to shareholders for the first half of 2021 was HK\$446.3 million, representing an increase of 142.1% as compared with a profit of HK\$184.3 million for the first half of 2020. Earnings per share was HK\$1.20 against HK\$0.49 for the last corresponding period.

Dividends

A first quarterly interim dividend of HK\$0.06 per share, absorbing a total amount of approximately HK\$22.4 million, was paid on 9 July 2021. Your directors have today declared a second quarterly interim dividend of HK\$0.06 per share payable on 16 September 2021 to shareholders registered at the close of business on 9 September 2021.

Closure of Books

The register of members and transfer books of the Company will be closed from Tuesday, 7 September 2021 to Thursday, 9 September 2021, during which period no transfer of shares in the Company will be registered. In order to qualify for the second quarterly interim dividend, all transfer documents and accompanying share certificates must be lodged for registration with Tricor Tengis Limited by 4:30 p.m., Monday, 6 September 2021.

Business Review and Prospects

Hong Kong’s economy showed signs of recovery in the first half of 2021, its GDP rebounded to 7.9% year-on-year in the first quarter after six consecutive quarters of contraction. The value of total retail sales of Hong Kong resumed growth in February and continued to increase in June by 5.8% as compared with a year earlier. The unemployment rate went down since March and further dropped to 6% in May. However, the improved figures were largely due to a low base of comparison and the economic recovery was uneven and incomplete. The growth in GDP was mainly driven by exports as major economies such as Mainland China and US bounce back from the pandemic. With social distancing requirements and cross-border restrictions remaining in place, overall economic activities in Hong Kong still remained below the pre-pandemic level. The spread of new COVID-19 variants brings a lot of uncertainty and unexpected risks to the global economy and the financial markets, which may in turn adversely affects the Group’s operating environments. The financial markets will continue to be fluctuant in the second half of 2021 under the persistently tense political relations between China and the US. In view of this, we expect that the overall performance of the Group would not recover to its pre-pandemic level in 2021.





Management Discussion and Analysis

Motoring School Operation

Alpha Hero Group (70% owned) operates driving training schools in Hong Kong. Operating income increased by 12.4% as an aggregate result of increase in number of vehicle driving lessons delivered, higher lesson income unit rate, and increase in demand for motorcycle training courses. As the fourth wave of COVID-19 started to subside in the first quarter of 2021, the Transport Department resumed the driving tests and driving test appointment services in February and March, respectively. As a result, the number of vehicle driving lessons delivered for the current period increased by 3.2% as compared to the last corresponding period.

Electronic Toll Operation

Autotoll (BVI) Limited (“Autotoll”), a jointly controlled entity, 50% owned by The Autopass Company Limited (a 70% owned subsidiary), provides electronic toll collection (“ETC”) facilities in Hong Kong covering ten different toll roads and tunnels. There are fifty-two auto-toll lanes in operation at present. The total number of tags in circulation as at 30 June 2021 was about 363,200. The overall usage of auto-toll facilities in all ten toll roads and tunnels is maintained at around 50%. The number of daily transactions handled by Autotoll was about 350,000 with toll amount of approximately HK\$8.7 million. The number of subscribers for the Global Positioning System at the end of June was about 13,600.

Tunnel Operation

Western Harbour Tunnel Company Limited (“WHTCL”), a 50% owned associate, operates the Western Harbour Tunnel (“WHT”) in Hong Kong under a 30 years’ franchise. The average daily throughput of the WHT for the first half of 2021 increased by 10.6% to 53,553 vehicle journeys as compared to 48,421 vehicle journeys recorded in the last corresponding period. The average toll per vehicle decreased from HK\$82.2 in the last corresponding period to HK\$81.3 in the first half of 2021. WHT’s market share was maintained at about 22% for the current period. In view of the waning of the fourth wave of COVID-19 and the increasing vaccination rate in Hong Kong, social distancing measures might be further relaxed by the Government in the second half of 2021. The traffic and toll revenue of WHT for the remaining period of the year would expect to further recover.

Treasury Management Business

With the rollout of COVID-19 vaccination programs worldwide, the stock market anticipated a sustained global economic recovery, which led to the Hang Seng Index (“HSI”) reaching a high of 31,085 in February 2021. But subsequently, the investment sentiment was dampened by rising inflation expectations in the US and the spread of new COVID-19 variants, the HSI retreated to 27,900 in March and closed at 28,378 at the end of June. Under this fluctuating market situation, the Group’s unlisted fund investments recorded a net fair value gain while the Group’s listed equity securities recorded a net fair value loss in the first half of 2021. The market liquidity was still ample in the first half of 2021 due to the continuing low interest rate environment and loosening monetary policy adopted by the governments over the world, so the Group increased its investments in unlisted fund investments and equity securities in different industries and reduced the investments in debt securities of the property industry, in order to enhance and diversify the Group’s investment portfolio.



Commentary on Interim Results

(I) Review of 2021 Interim Results

The Group's unaudited profit attributable to shareholders for the six months ended 30 June 2021 was HK\$446.3 million, representing an increase of 142.1% as compared to the profit of HK\$184.3 million recorded in the last corresponding period. The increase in profit was primarily attributable to the net fair value gain on financial assets measured at fair value through profit or loss (FVPL) of HK\$125.2 million, as compared with the net fair value loss on financial assets measured at FVPL of HK\$156.0 million recorded for the last corresponding period.

The Group recorded a total revenue of HK\$339.8 million in the first half of 2021, representing a decrease of 9.3% as compared to HK\$374.7 million recorded in the last corresponding period. The drop in total revenue was the result of the decrease in revenue from treasury management segment which outweighed the increase in revenue from motoring school operation.

Performance of the treasury management segment for the first half of 2021

Including the net fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI") that recognised in the fair value reserve, the net fair value gain on financial assets measured at FVPL, dividend income from listed equity securities, interest income from debt securities and interest-bearing instruments measured at amortised cost, and impairment losses on financial assets, the overall performance of treasury management segment was improved in current period as compared with the last corresponding period.

The net fair value gain on financial assets measured at FVPL was HK\$125.2 million for the current period (30 June 2020: loss of HK\$156.0 million). It was mainly attributable to net fair value gain on unlisted fund investments of HK\$275.1 million (30 June 2020: HK\$11.1 million), partially offset by net fair value loss on listed equity securities of HK\$147.1 million (30 June 2020: HK\$159.7 million). The net fair value gain on unlisted fund investments was mainly attributable to the fair value gain on Diversified Absolute Return Fund of HK\$89.9 million (30 June 2020: HK\$48.7 million) and the fair value gain on limited partnership interest in VMS Investment Fund II of HK\$110.8 million (30 June 2020: HK\$7.0 million). The net fair value loss on listed equity securities measured at FVPL was mainly attributable to fair value loss on China Evergrande Group (Stock Code: 3333) of HK\$109.5 million (30 June 2020: HK\$36.6 million).

The financial assets measured at FVOCI recorded a net fair value loss of HK\$122.3 million in the fair value reserve for the current period (30 June 2020: gain of HK\$109.6 million). It comprised net fair value loss on listed equity securities of HK\$60.6 million (30 June 2020: gain of HK\$126.5 million) and net fair value loss on listed debt securities of HK\$61.7 million (30 June 2020: HK\$16.9 million). The net fair value loss on listed equity securities measured at FVOCI was mainly attributable to fair value loss on China Evergrande New Energy Vehicle Group Limited (Stock Code: 708) of HK\$70.5 million (2020: gain of HK\$141.6 million).

Dividend income from listed equity securities amounted to HK\$20.8 million for the current period (30 June 2020: HK\$39.0 million). The drop was due to the lower dividend received from China Evergrande Group (Stock Code: 3333) of HK\$4.2 million for the current period (30 June 2020: HK\$36.1 million).

Interest income from debt securities amounted to HK\$49.2 million for the current period (30 June 2020: HK\$51.8 million). Interest income derived from interest-bearing instruments measured at amortised cost amounted to HK\$18.0 million for the current period (30 June 2020: HK\$43.3 million). Interest income from bank deposits amounted to HK\$3.5 million for the current period (30 June 2020: HK\$16.1 million).



Management Discussion and Analysis

Performance of other reportable segments for the first half of 2021

The motoring school operations recorded an increase in operating income of 12.4% to HK\$243.9 million as a result of increase in demand for both motorcycle training courses and vehicle driving lessons. Operating expenses decreased during the current period because of the increase in receipts of subsidies granted from the Hong Kong Government for COVID-19. Therefore, the profit before tax from the motoring school operations increased to HK\$93.2 million, representing an increase of 35.3% as compared to HK\$68.9 million recorded in the last corresponding period.

The Group's share of profits of associate increased by 5.4 % to HK\$212.8 million as compared to HK\$201.9 million in the last corresponding period due to increased profit sharing from Western Harbour Tunnel Company Limited ("WHTCL"). Toll revenue of West Harbour Tunnel ("WHT") increased by 8.8% to HK\$788.1 million as compared to HK\$724.1 million in the last corresponding period, because of the increase in traffic of the tunnel by 10.6%. Higher traffic was mainly due to the better economy because of the gradual relaxation of social distancing measures in the first half of 2021.

The Group's share of profits of a joint venture, Autotoll (BVI) Limited, which operates an electronic toll collection system and provision of telematics services and intelligent transport system solutions, was HK\$12.3 million for the first half of 2021 against HK\$19.8 million recorded in the last corresponding period, representing a decrease of 38% as a result of a decrease in project income from electronic toll collection system.

(II) Treasury Investments and Significant Investments Held

As at 30 June 2021, the Group maintained an investment portfolio with a carrying amount of HK\$7,150.9 million (31 December 2020: HK\$5,946.4 million). The portfolio is composed of HK\$3,057.7 million listed and unlisted equity securities, HK\$2,620.5 million unlisted fund investments, HK\$900.0 million listed debt securities, and HK\$572.7 million interest-bearing instruments. Certain securities were pledged to a financial institution to secure margin and securities facilities granted to the Group in respect of securities and derivatives transactions. As at 30 June 2021 and 31 December 2020, these facilities were not utilised by the Group.

The movements in the investment portfolio held by the Group during the period

	1 January 2021 HK\$ million	Addition during the period HK\$ million	Disposal during the period HK\$ million	Fair value change recorded in OCI (FVOCI) HK\$ million	Fair value change in profit and loss (FVPL)/ ECL HK\$ million	30 June 2021 HK\$ million
Financial assets measured at FVOCI						
—Listed equity securities	1,694.8	—	—	(60.6)	—	1,634.2
—Listed debt securities	990.6	—	(54.7)	(61.7)	10.5	884.7
Financial assets measured at FVPL						
—Listed equity securities	995.6	534.1	(88.3)	—	(147.4)	1,294.0
—Listed debt securities	117.4	—	(99.2)	—	(2.9)	15.3
—Unlisted fund investments	1,586.6	980.6	(221.9)	—	275.2	2,620.5
—Unlisted equity security	129.2	—	—	—	0.3	129.5
Financial assets measured at amortised cost						
—Interest-bearing instruments	432.2	420.0	(258.0)	—	(21.5)	572.7
	<u>5,946.4</u>	<u>1,934.7</u>	<u>(722.1)</u>	<u>(122.3)</u>	<u>114.2</u>	<u>7,150.9</u>



The aggregate value of the investment portfolio increased by HK\$1,204.5 million during the period.

Financial assets purchased during the period totalled HK\$1,934.7 million, including investments in 16 unlisted funds amounted to HK\$980.6 million, investments in 9 listed equity securities amounted to HK\$534.1 million, and investments in 3 interest-bearing instruments amounted to HK\$420 million.

Financial assets disposed during the period totalled HK\$722.1 million, including divestments of 4 interest-bearing instruments amounted to HK\$258.0 million, divestments of 3 unlisted funds amounted to HK\$221.9 million, divestments of 2 listed debt securities amounted to HK\$153.9 million, and divestments of 2 listed equity securities amounted to HK\$88.3 million.

Other movements in the investment portfolio during the period included net fair value loss on financial assets measured at FVOCI of HK\$122.3 million and net fair value gain on financial assets measured at FVPL of HK\$125.2 million.

Significant investments of individual fair value of 5% or above of the Group's total assets

(i) *China Evergrande New Energy Vehicle Group Limited (Stock Code: 708) ("Evergrande Vehicle")*

The principal business activities of Evergrande Vehicle and its subsidiaries include the technology research and development and manufacturing of, and sales services in respect of new energy vehicles, as well as health management businesses in China. As at 30 June 2021, the Group held 54,255,000 shares in Evergrande Vehicle and recorded a fair value of HK\$1,568.0 million (31 December 2020: HK\$1,638.5 million) in respect of its holding in 0.56% of the shares of such investment, which exceeded the purchase cost of HK\$62.2 million for such investment and represented 15.2% of the Group's total assets and 21.9% of the aggregate carrying amount of the Group's investment portfolio. In terms of performance, fair value loss of HK\$70.5 million on such investment was recorded in the fair value reserve, as compared to fair value gain of HK\$141.6 million recorded in the last corresponding period. No dividend income was received from such investment for the period (30 June 2020: Nil).

In August, Evergrande Vehicle made a profit warning announcement that it expects to record a net loss for the first half of 2021 of approximately RMB4.8 billion. The expected loss is primarily attributable to the development of new energy vehicle business in its early investment stage, resulting in an increase in research and development and other related costs, and interest payments. The future prospects of Evergrande Vehicle will be subject to its development of the new energy vehicle industry. Subsequent to the end of the period, the unit share price of Evergrande Vehicle has significantly dropped from HK\$28.9, the closing share price as at 30 June 2021. The fair value of such investment and corresponding fair value reserve also decreased significantly after June. The net asset of the Group was also negatively affected.

(ii) *Diversified Absolute Return Fund*

Diversified Absolute Return Fund ("DARF") is an unlisted fund managed by asset managers who applied various investment strategies to accomplish their respective investment objectives. The principal business of DARF is to invest for returns from capital appreciation and investment income, either through the use of special purpose vehicles or by investing directly. As at 30 June 2021, the Group held 41,805 class A shares and 9,500 class E1 shares of DARF and recorded a fair value of HK\$816.5 million (31 December 2020: HK\$652.8 million) in respect of its holding in 24.6% of the shares of such investment, which exceeded the purchase cost of HK\$476.5 million for such investment and represented 7.9% of the Group's total assets and 11.4% of the aggregate fair value of the Group's investment portfolio. The Group further invested HK\$73.8 million into the fund during the current period. In terms of performance, a fair value gain of HK\$89.9 million on such investment was recognised in profit or loss for the period, as compared to a fair value gain of HK\$48.7 million recorded in last corresponding period. No distribution was received from such investment for the period (2020: nil).





Management Discussion and Analysis

Other than the significant investments mentioned above, the carrying amount of each of the financial assets of the Group's investment portfolio represented less than 5% of the Group's total assets as at 30 June 2021. Other financial assets composed of unlisted fund investments, listed and unlisted equity securities, listed debt securities and interest-bearing instruments (accounting for 25.2%, 20.8%, 12.6% and 8.1% of the carrying amount of the Group's investment portfolio respectively).

Apart from the significant listed equity security mentioned above, the other equity securities held by the Group at 30 June 2021 comprised a total of 25 listed and unlisted equity securities with an aggregate fair value of HK\$1,489.7 million (accounting for 14.5% of the Group's total assets) covering various industry sectors including property development, property investment, information technology, e-Commerce, telecommunications, financial services, investment holdings, and industrial and infrastructure.

Listed debt securities held by the Group at 30 June 2021 comprised a total of 6 listed bonds with an aggregate fair value of HK\$900.0 million (accounting for 8.7% of the Group's total assets) with coupon rates ranging from 6.35% to 12.375% per annum, and they are issued by Hong Kong listed companies or its subsidiaries primarily operating in the PRC and UK real estate sector.

The Group also invested in various unlisted fund investments with different focuses on industry sectors, regions and asset types, in order to achieve investment objectives of reducing investment concentration risk and to enhance returns for its shareholders. Apart from the significant unlisted fund investment mentioned above, the Group at 30 June 2021 held a total of 21 unlisted fund investments with an aggregate fair value of HK\$1,804.0 million (accounting for 17.5% of the Group's total assets) and their underlying investments include listed and unlisted equity instruments, structured financing products and venture capital deals in various regions not limited to the PRC and Hong Kong, covering various industry sectors including biopharmaceuticals, biotechnology, healthcare and related services, information technology and e-Commerce.

The Group also held a total of 7 interest-bearing instruments at 30 June 2021 with an aggregate amount of HK\$572.7 million (accounting for 5.6% of the Group's total assets) and bearing interests ranging from 7% to 12% per annum, maturing in 2021 and 2022 generating an aggregate interest income of HK\$18.0 million for the current period.

The Group's investment objective is to increase the value of its treasury management business so as to enhance returns for its shareholders. Through a prudent strategy of maintaining an appropriate mix of different types of investment instruments in its portfolio comprising listed equity securities providing liquidity and capital appreciation, debt securities and interest-bearing instruments providing stable and recurring interest income and unlisted fund investments providing higher growth with a medium to long term horizon, the Group seeks not only to enhance its source of revenue in order to mitigate the risks of losing income from any one particular source, but also to achieve consistent risk adjusted returns in its investment portfolio.

The future prospects of the Group's equity securities and unlisted fund investments will be subject to various factors, including but not limited to political, economic, technology, financial and risk factors that are specific to individual industry sectors of the investments and will therefore vary from one investment to another depending on the general market conditions as well as the prospects of the relevant industry.

The future prospects of the Group's debt securities are exposed to interest rate risk through the impact of rate change on their fair values. However, the Group will benefit from a portfolio constructed of different kinds of investments aiming to, on average, yield higher long-term returns and lower the risk associated with any individual investment.



Investment category of significant aggregate fair value

Of the investment portfolio held by the Group as at 30 June 2021, a significant portion comprises investments under the new energy vehicle category with an aggregate fair value of HK\$1,568.0 million, accounting for about 21.9% of the aggregate fair value of the Group's investment portfolio. Details of the performance from such investment are mentioned in the significant investments above.

Of the investment portfolio held by the Group as at 30 June 2021, a significant portion comprises investments in listed companies under the property category with an aggregate fair value of HK\$1,237.7 million (composed of HK\$900.0 million listed debt securities and HK\$337.7 million listed equity securities) accounting for about 17.3% of the aggregate fair value of the Group's investment portfolio. In terms of performance, interest and dividend incomes derived from such portion of investments for the period amounted to HK\$49.2 million and HK\$6.8 million respectively. Further, a net fair value loss of HK\$112.2 million and HK\$53.8 million on such portion of investments were recorded in the profit or loss and fair value reserve respectively in the current period. As to the future prospects of such portion of investments, their performance will be subject to various factors including the trend of the property market as well as the investor sentiments in the PRC, Hong Kong and UK.

(III) Liquidity and Financial Resources

As at 30 June 2021, the Group had bank balances and deposits in the amount of HK\$1,934.4 million (31 December 2020: HK\$2,675.9 million). The Group did not have any bank borrowings as at 30 June 2021 (31 December 2020: nil). The gearing ratio, if any, is calculated as the ratio of net bank borrowings to total equity. Except for the Group's bank deposits denominated in foreign currencies other than the United States dollars, the Group's major sources of income and major assets are denominated in Hong Kong dollars and United States dollars.

(IV) Comments on Segmental Information

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries, associates and a joint venture are motoring school operations, treasury management and securities investment, tunnel operations and electronic toll collection operation.

(V) Employees

The Group has 686 employees. Employees are remunerated according to job nature and market trends, with a built-in merit component incorporated in the annual increment to reward and motivate individual performance. Apart from provident fund schemes and medical insurance, discretionary bonuses and employee share options are awarded to employees of the Group at the discretion of the board of directors, depending upon the financial performance of the Group. Total staff costs for the current period amounted to HK\$123.2 million.



Disclosure of Interests

Directors' and Chief Executive's Interests and Short Positions

The register kept by the Company under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") shows the following directors' interests and long positions in shares and/or in debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2021:

(a) Interests in the Company – Shares

Name of director	Capacity	No. of shares held	Total no. of shares held	Approximate % of interest
Cheung Chung Kiu	Interest of controlled corporation	255,753,585	255,753,585	68.62%
Wong Chi Keung	Beneficial owner	306,019	306,019	0.08%
Ng Kwok Fu	Beneficial owner	9,708		
	Interest of spouse	<u>7,766</u>	17,474	0.01%

(b) Interests in C C Land Holdings Limited (associated corporation) – Shares

Name of director	Capacity	No. of shares held	Total no. of shares held	Approximate % of interest
Cheung Chung Kiu	Interest of controlled corporation	2,724,239,906	2,724,239,906	70.17%

(c) Interests in Perfect Point Ventures Limited (associated corporation) – Debentures

Name of director	Capacity	Amount of debentures held	Amount of debentures in same class in issue
Cheung Chung Kiu	Interest of controlled corporation	US\$18,000,000	US\$250,000,000

Notes:

1. Mr. Cheung Chung Kiu ("Mr. C.K. Cheung") was deemed to be interested in 255,753,585 shares in the Company by virtue of his indirect control of Rose Dynamics Limited ("Rose Dynamics") which owned those shares. Rose Dynamics was a wholly owned subsidiary of Windsor Dynasty Limited ("Windsor Dynasty"), a company wholly owned by Mr. C.K. Cheung.
2. Mr. C.K. Cheung was deemed to be interested in 2,724,239,906 shares in C C Land Holdings Limited by virtue of his indirect control of Fame Seeker Holdings Limited ("Fame Seeker") which owned those shares. Fame Seeker was a wholly owned subsidiary of Windsor Dynasty.
3. Mr. C.K. Cheung was deemed to be interested in US\$18,000,000 of the US\$250,000,000 6.35% notes due 2022 issued by Perfect Point Ventures Limited by virtue of his indirect control of Gold Faith Investments Limited ("Gold Faith") which owned those notes. Gold Faith was wholly owned by Konco Limited and Konco Limited was wholly owned by the Company. The Company was in turn an indirect non wholly-owned subsidiary of Windsor Dynasty as given in Note 1 above.

Save as disclosed herein, as at 30 June 2021, there were no other interests or short positions in shares and underlying shares and in debentures, of the Company, or of any of its associated corporations, recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Code for Securities Transactions by Directors adopted by the Company.



Share Options

The share option scheme adopted by the Company on 21 May 2015 (the “Scheme”) is the only share option scheme of the Company. A summary of the principal terms of the Scheme is given in the circular to shareholders dated 17 April 2015.

No option lapsed and no option was granted, exercised or cancelled under the Scheme during the half-year period ended 30 June 2021. Nor were there any outstanding options with regard to the Scheme and any other schemes of the Company at the beginning and/or at the end of the period.

Other Persons’ Interests and Short Positions

As at 30 June 2021, the interests and long position as of other persons (not being directors or chief executives) in the shares of the Company recorded in the register kept by the Company under section 336 of the SFO were as follows:

Name of shareholder	Capacity	No. of shares held	Approximate % of interest
Windsor Dynasty	Interest of controlled corporation	255,753,585	68.62%
Rose Dynamics	Beneficial owner	255,753,585	68.62%

Note: Each parcel of 255,753,585 shares represents Rose Dynamics’ direct interest in the Company. Windsor Dynasty was deemed to be interested in those shares by virtue of its direct control of Rose Dynamics.

Apart from the above and Mr. C.K. Cheung’s interest already disclosed on page 35, there were no other interests or short positions in shares and underlying shares of the Company recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as at 30 June 2021.





Other Information

Corporate Governance Code

Throughout the accounting period covered by the interim report, the Company complied with the code provisions of the Corporate Governance Code (the “CG Code”) set out within Appendix 14 to the Main Board Listing Rules (the “Listing Rules”) save for the deviation described below.

The Company has no formal letters of appointment for directors except the managing director setting out the key terms and conditions of their appointment, and has therefore deviated from D.1.4 of the CG Code. This notwithstanding, every director, including those appointed for a specific term, shall be subject to retirement by rotation, removal, vacation or termination of the office as a director, and disqualification to act as a director in the manner specified in the Company’s articles of association, applicable laws and the Listing Rules. Shareholders are sent (at the same time as the notice of the relevant general meeting) a circular containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the re-election of each retiring director who stands for re-election at the meeting, including the information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Model Code for Securities Transactions

The Company has adopted a code of conduct regarding securities transactions for its directors and its relevant employees (within the meaning of the CG Code) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out within Appendix 10 to the Listing Rules (the “Model Code”).

All directors confirmed that they had complied with the required standard set out within the Model Code and the Company’s code of conduct regarding directors’ securities transactions throughout the period.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares in the Company during the period.

Review by Audit Committee

The interim report has been reviewed by the audit committee and KPMG. The audit committee has also reviewed the accounting principles and practices adopted by the Company and discussed internal control, risk management and financial reporting matters with management.

Directors’ Information

The Company has not been advised by its directors of any change in the information required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since its last update to shareholders.

Change in Website Address and Email Address

With effect from 24 August 2021, the website address of the Company has been changed from www.crossharbour.com.hk to www.ch.limited (the “New Website”) and the email address of the Company from investors@crossharbour.com.hk to investors@ch.limited (the “New Email”). Accordingly, from 24 August 2021 onwards, all announcements, notices or other documents required to be published by the Company in accordance with the Listing Rules are published on the New Website and the website of The Stock Exchange of Hong Kong Limited; and shareholders may continue to send enquiries to the board via the registered office of the Company or via the New Email.

On behalf of the board
Yeung Hin Chung, John
Managing Director

Hong Kong, 23 August 2021