



The Cross-Harbour (Holdings) Limited

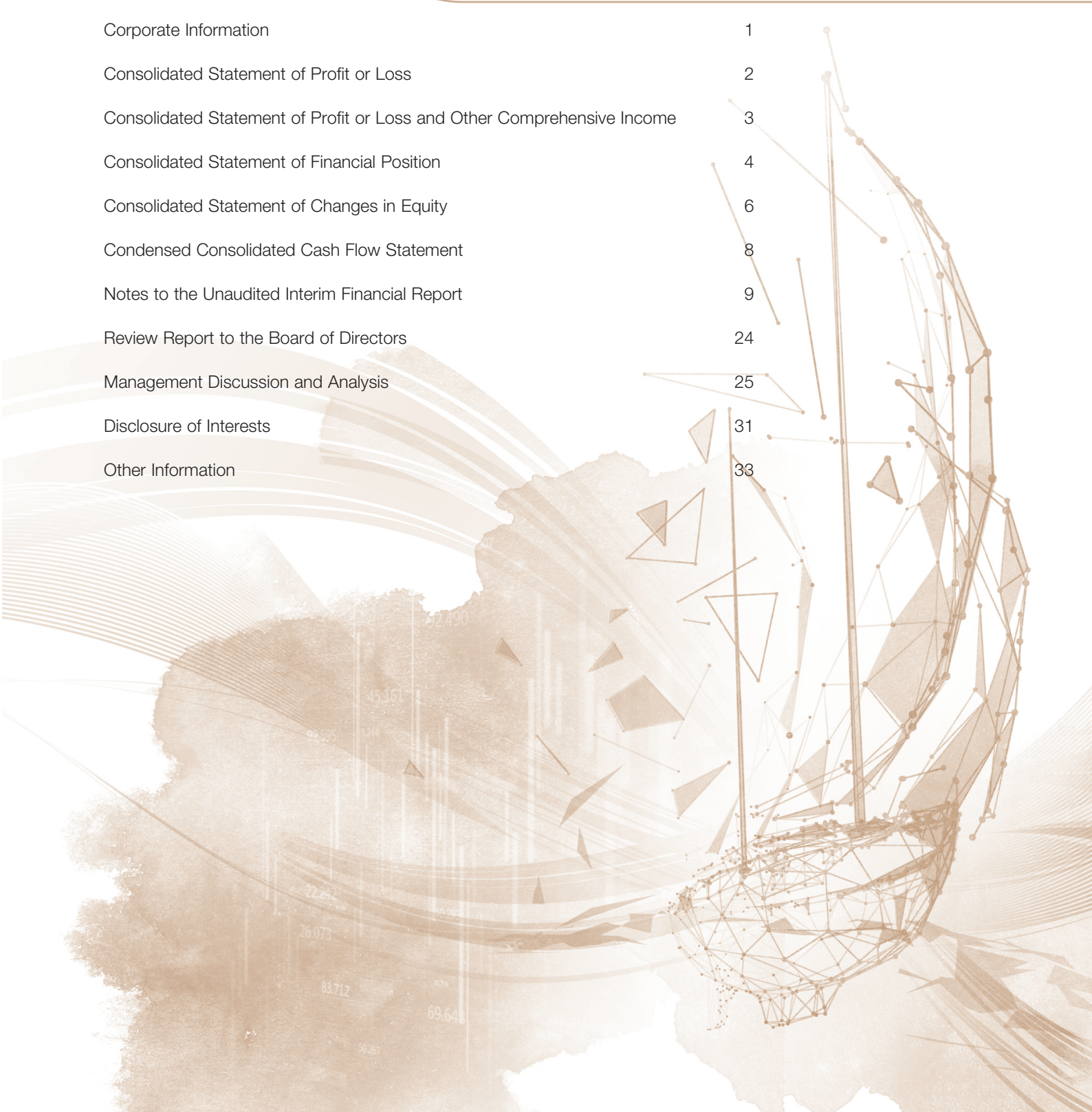
(Stock Code : 32)

INTERIM REPORT
2025



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Corporate Information

(As of 21 August 2025)

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
Leung Yu Ming, Steven
Wong Lung Tak, Patrick, BBS, JP

Audit Committee

Leung Yu Ming, Steven (*Chairman*)
Ng Kwok Fu
Wong Lung Tak, Patrick

Remuneration Committee

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

Nomination Committee

Cheung Chung Kiu (*Chairman*)
Tung Wai Lan, Iris
Ng Kwok Fu
Leung Yu Ming, Steven
Wong Lung Tak, Patrick

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

Man Kit Ling

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 Accounting and Financial Reporting
Council Ordinance

Share Registrar & Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
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 2025 - unaudited
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
	Note	2025 \$'000	2024 \$'000
Continuing operations			
Revenue from contracts with customers within the scope of HKFRS 15	4(a)	375,907	382,308
Revenue from other sources	4(a)	23,574	19,961
Other interest revenue	4(a)	56,319	67,916
Total revenue		455,800	470,185
Other net gains	5	369,938	116,879
Direct costs and operating expenses		(149,426)	(148,390)
Selling and marketing expenses		(15,482)	(14,451)
Administrative and corporate expenses		(102,649)	(121,050)
Profit from operations		558,181	303,173
Finance costs	6(a)	(7,681)	(9,358)
Share of profits of a joint venture		9,647	845
Profit before taxation	6	560,147	294,660
Income tax	7	(20,979)	(22,315)
Profit for the period from continuing operations		539,168	272,345
Discontinued operation			
Profit for the period from discontinued operation	8	18,694	3,202
Profit for the period		557,862	275,547
Attributable to:			
Equity shareholders of the Company			
– from continuing operations		500,364	231,970
– from discontinued operation		18,694	3,202
		519,058	235,172
Non-controlling interests		38,804	40,375
Profit for the period		557,862	275,547
Earnings per share			
Basic and diluted	9	\$1.39	\$0.63
From continuing operations			
Basic and diluted		\$1.34	\$0.62
From discontinued operation			
Basic and diluted		\$0.05	\$0.01

The notes on pages 9 to 23 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 15.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025 - unaudited

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2025	2024
Note	\$'000	\$'000
Profit for the period	557,862	275,547
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	5,426	1,018
Item that may be reclassified subsequently to profit or loss:		
– Share of other comprehensive income of a joint venture	100	(16)
Other comprehensive income for the period	5,526	1,002
Total comprehensive income for the period	563,388	276,549
Attributable to:		
Equity shareholders of the Company		
– from continuing operations	505,860	232,976
– from discontinued operation	18,694	3,202
	524,554	236,178
Non-controlling interests	38,834	40,371
Total comprehensive income for the period	563,388	276,549

There is no tax effect relating to the above components of other comprehensive income.

The notes on pages 9 to 23 form part of this interim financial report.

Consolidated Statement of Financial Position

As at 30 June 2025 - unaudited
(Expressed in Hong Kong dollars)

	Note	30 June 2025		31 December 2024	
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	10		423,369		472,194
Interest in a joint venture			154,232		164,485
Other financial assets	11		4,123,079		3,801,850
Deposits and prepayments	12		64,261		45,620
Deferred tax assets			—		44
			<u>4,764,941</u>		<u>4,484,193</u>
Current assets					
Interest in an associate			—		18,637
Inventories			1,276		1,326
Other financial assets	11		1,439,248		1,216,998
Trade and other receivables	12		77,321		99,310
Amount due from a joint venture			—		9,000
Dividend receivable			8,614		481
Bank deposits and cash	13		2,608,989		2,767,422
			<u>4,135,448</u>		<u>4,113,174</u>
Current liabilities					
Trade and other payables	14		71,286		148,342
Contract liabilities			391,539		453,516
Lease liabilities			102,195		101,814
Taxation payable			28,867		8,679
Dividends payable			23,315		1,635
			<u>617,202</u>		<u>713,986</u>
Net current assets			<u>3,518,246</u>		<u>3,399,188</u>

Consolidated Statement of Financial Position

As at 30 June 2025 - unaudited
(Expressed in Hong Kong dollars)

	Note	30 June 2025 \$'000	31 December 2024 \$'000
Total assets less current liabilities		8,283,187	7,883,381
Non-current liabilities			
Lease liabilities		146,906	196,111
Deferred tax liabilities		3,696	2,967
		150,602	199,078
NET ASSETS		8,132,585	7,684,303
CAPITAL AND RESERVES			
Share capital	15(b)	1,629,461	1,629,461
Reserves		6,278,092	5,865,344
Total equity attributable to equity shareholders of the Company		7,907,553	7,494,805
Non-controlling interests		225,032	189,498
TOTAL EQUITY		8,132,585	7,684,303

The notes on pages 9 to 23 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 - unaudited

(Expressed in Hong Kong dollars)

		Attributable to equity shareholders of the Company							
				Fair value reserve (non-recycling)	Exchange reserve	Retained profits		Non- controlling interests	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2024		1,629,461	1,984	20,921	(3)	5,562,822	7,215,185	197,848	7,413,033
Changes in equity for the six months ended 30 June 2024 :									
Profit for the period		—	—	—	—	235,172	235,172	40,375	275,547
Other comprehensive income		—	—	1,018	(12)	—	1,006	(4)	1,002
Total comprehensive income		—	—	1,018	(12)	235,172	236,178	40,371	276,549
Dividend									
– previous financial year	15(a)(ii)	—	—	—	—	(89,445)	(89,445)	—	(89,445)
– current financial year	15(a)(i)	—	—	—	—	(22,361)	(22,361)	—	(22,361)
Non-controlling interest's share of dividends		—	—	—	—	—	—	(4,500)	(4,500)
Balance at 30 June 2024		1,629,461	1,984	21,939	(15)	5,686,188	7,339,557	233,719	7,573,276

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 - unaudited

(Expressed in Hong Kong dollars)

	Note	Attributable to equity shareholders of the Company					Non-controlling interests	Total equity
		Share capital	Capital reserve	Fair value reserve (non-recycling)	Exchange reserve	Retained profits		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2025		1,629,461	1,984	22,648	(91)	5,840,803	7,494,805	189,498
Changes in equity for the six months ended 30 June 2025 :								
Profit for the period		—	—	—	—	519,058	519,058	38,804
Other comprehensive income		—	—	5,426	70	—	5,496	30
Total comprehensive income		—	—	5,426	70	519,058	524,554	38,834
Dividend								
– previous financial year	15(a)(ii)	—	—	—	—	(89,445)	(89,445)	—
– current financial year	15(a)(i)	—	—	—	—	(22,361)	(22,361)	—
Non-controlling interest's share of dividends		—	—	—	—	—	—	(3,300)
Balance at 30 June 2025		<u>1,629,461</u>	<u>1,984</u>	<u>28,074</u>	<u>(21)</u>	<u>6,248,055</u>	<u>7,907,553</u>	<u>225,032</u>

The notes on pages 9 to 23 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2025 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2025	2024
Note	\$'000	\$'000
Operating activities		
Cash generated from operations	45,025	19,010
Tax paid	(18)	(9,871)
Net cash generated from operating activities	45,007	9,139
Investing activities		
(Increase)/decrease in deposits with banks with original maturity over three months	(105,780)	4,604
Decrease in amount due from a joint venture	—	9,000
Payments for purchase of other financial assets at FVPL	(427,518)	(250,787)
Payment for purchase of property, plant and equipment	(7,102)	(3,538)
Dividends received from equity securities at FVPL	14,648	10,645
Dividends received from equity securities at FVOCI (non-recycling)	529	556
Dividend received from an associate	37,331	—
Dividend received from a joint venture	20,000	—
Proceeds from distribution and disposal of unlisted funds at FVPL	156,435	113,300
Proceeds from sale of equity securities at FVPL	96,254	119,303
Interest received	57,282	69,078
Other cash flows arising from investing activities	447	74
Net cash (used in)/generated from investing activities	(157,474)	72,235
Financing activities		
Dividends paid to equity shareholders of the Company	(90,126)	(111,601)
Capital element of lease rentals paid	(50,639)	(38,960)
Interest element of lease rentals paid	(7,681)	(9,358)
Other cash flows arising from financing activities	(3,300)	(4,500)
Net cash used in financing activities	(151,746)	(164,419)
Net decrease in cash and cash equivalents	(264,213)	(83,045)
Cash and cash equivalents at 1 January	2,521,902	2,498,528
Cash and cash equivalents at 30 June	2,257,689	2,415,483

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The notes on pages 9 to 23 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General information

The Cross-Harbour (Holdings) Limited (the “Company”) is a company incorporated in Hong Kong with limited liability under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

During the period, the principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries are motoring school operations, treasury management and securities investment. The principal activities of the Company’s joint venture are electronic toll operation and smart city solutions.

In the opinion of the directors of the Company, the immediate holding company of the Company is Rose Dynamics Limited, which is incorporated in the British Virgin Islands (“BVI”), and the ultimate holding company of the Company is Windsor Dynasty Limited, which is incorporated in the BVI. These entities do not produce financial statements available for public use.

2 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 21 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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 Company and its subsidiaries (together the “Group”) since the 2024 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 HKFRS Accounting Standards.

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 24.

The financial information relating to the financial year ended 31 December 2024 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 2024 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.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Changes in accounting policies

The Group has applied the amendments to *HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. Such amendments do not have a material effect on the Group's results and financial position for the current or prior periods have been prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Revenue and segment reporting

(a) Revenue

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

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by service lines is as follows:

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by service lines:		
– Course fee from motoring school operation	373,807	379,908
– Consultancy fee and management fee from electronic toll operation	2,100	2,400
	375,907	382,308
Revenue from other sources		
– Dividend income from equity securities	23,310	19,673
– Others	264	288
	23,574	19,961
Other interest revenue		
– Interest revenue from an interest-bearing instrument	3,570	3,590
– Interest revenue from banks	52,749	64,326
	56,319	67,916
Total revenue	455,800	470,185

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Revenue and segment reporting (continued)

(a) Revenue (continued)

- (ii) The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts under HKFRS 15, such that it does not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period, as (i) such unsatisfied performance obligation is part of a contract that has an original expected duration of one year or less; or (ii) the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the Group's performance completed to date in accordance with the practical expedient in HKFRS 15.B16.

(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 operation: this segment invests in subsidiaries which operate designated driving training centres.
- Electronic toll operation: this segment invests in a joint venture which provides toll collection services for HKeToll, telematics services, and intelligent transportation and surveillance system solutions, and smart city services solutions in Hong Kong.
- Treasury management: this segment manages an investment portfolio, including unlisted funds, equity securities, debt securities, and cash and bank deposits, to receive investment returns.

The segment information reported below does not include any amounts for the discontinued operation, which is described in more detail in note 8.

(i) Segment results and assets

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results and assets 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.

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)

4 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 periods ended 30 June 2025 and 2024 is set out below.

	Motoring school operation Six months ended 30 June		Electronic toll operation Six months ended 30 June		Treasury management Six months ended 30 June		Total Six months ended 30 June	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers within the scope of HKFRS 15	373,807	379,908	2,100	2,400	—	—	375,907	382,308
Dividend income from equity securities	—	—	—	—	23,310	19,673	23,310	19,673
Interest revenue	12,052	19,935	167	89	44,100	47,892	56,319	67,916
Reportable segment revenue	385,859	399,843	2,267	2,489	67,410	67,565	455,536	469,897
Reportable segment profit before tax	138,835	154,274	11,793	3,223	441,440	169,291	592,068	326,788
Finance costs	(7,620)	(9,253)	—	—	(61)	(105)	(7,681)	(9,358)
Depreciation	(54,835)	(45,048)	—	—	(60)	(163)	(54,895)	(45,211)
Share of profits of a joint venture	—	—	9,647	845	—	—	9,647	845
Income tax	(20,847)	(22,175)	(132)	(140)	—	—	(20,979)	(22,315)
	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Reportable segment assets	1,292,886	1,287,198	184,974	184,336	7,403,568	7,084,993	8,881,428	8,556,527

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

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

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Revenue		
Reportable segment revenue	455,536	469,897
Unallocated head office and corporate revenue	264	288
Consolidated revenue (continuing operations)	455,800	470,185
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit		
Reportable segment profit before taxation	592,068	326,788
Unallocated head office and corporate income and expenses	(31,921)	(32,128)
Consolidated profit before taxation (continuing operations)	560,147	294,660
	At	At
	30 June	31 December
	2025	2024
	\$'000	\$'000
Assets		
Reportable segment assets	8,881,428	8,556,527
Unallocated head office and corporate assets	18,961	22,203
Discontinued operation	—	18,637
Consolidated total assets	8,900,389	8,597,367

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

5 Other net gains

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Change in fair value of other financial assets at FVPL		
– Unlisted fund investments	133,700	58,909
– Listed equity securities	235,849	116,839
– Unlisted equity security	—	(58,953)
– Debt securities	(49)	11
	<u>369,500</u>	<u>116,806</u>
Net gains on disposal of property, plant and equipment	438	73
	<u>369,938</u>	<u>116,879</u>

6 Profit before taxation

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit before taxation is arrived at after charging:		
(a) Finance costs		
Interest on lease liabilities	<u>7,681</u>	<u>9,358</u>
(b) Other items		
Depreciation		
– Right-of-use assets	47,578	38,090
– Owned property, plant and equipment	<u>10,155</u>	<u>9,739</u>
	<u>57,733</u>	<u>47,829</u>
Contributions to defined contribution retirement scheme	5,396	5,046
Salaries, wages and other benefits (including directors' emoluments)	176,970	172,699
Cost of inventories consumed	<u>4,640</u>	<u>5,336</u>

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Income tax

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Current tax – Hong Kong Profits Tax	20,206	22,715
Deferred tax	773	(400)
	<u>20,979</u>	<u>22,315</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the period, 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 2024.

8 Discontinued operation

Western Harbour Tunnel Company Limited ("WHTCL"), a 50% owned associate, operated the Western Harbour Tunnel under a 30 years franchise. The franchise expired on 1 August 2023 and the ownership of the tunnel was transferred to the Government. The tunnel operation has been classified as discontinued operation since 2023. Liquidation of WHTCL is expected to be completed in October 2025.

The results of the discontinued operation included in the profit for the period are set out below.

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit for the period from discontinued operation:		
Share of profit of an associate	<u>18,694</u>	<u>3,202</u>
Cash flows from discontinued operation:		
Net cash inflows from investing activities	<u>37,331</u>	<u>—</u>

9 Earnings per share

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity shareholders of the Company of \$519,058,000 (2024: \$235,172,000) and the weighted average of 372,688,000 ordinary shares (2024: 372,688,000 ordinary shares) in issue during the period.

Basic earnings per share are the same as diluted earnings per share as the Company has no dilutive potential shares.

10 Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of \$8,917,000 (30 June 2024: \$3,538,000).

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

11 Other financial assets

	Note	30 June 2025 \$'000	31 December 2024 \$'000
Non-current			
Financial assets measured at FVOCI (non-recycling)			
– Equity securities listed in Hong Kong*	(i)	60,376	54,950
Financial assets measured at FVPL			
– Unlisted fund investments	(ii)	4,059,517	3,743,714
– Unlisted equity security		3,186	3,186
		4,062,703	3,746,900
		4,123,079	3,801,850
Current			
Financial assets measured at FVPL			
– Equity securities listed in Hong Kong*	(iii)	1,075,198	844,468
– Equity securities listed outside Hong Kong*	(iv)	363,747	372,178
– Debt securities listed outside Hong Kong*		303	352
		1,439,248	1,216,998
Financial assets measured at amortised cost			
– Unsecured, interest-bearing instruments	(v)	60,000	60,000
Less: loss allowance		(60,000)	(60,000)
		—	—
		1,439,248	1,216,998
Total		5,562,327	5,018,848

* Fair value measured using unadjusted quoted price in active markets. Details of fair value measurement of financial assets are set out in note 16.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

11 Other financial assets (continued)

Notes:

- (i) The Group designated these investments at FVOCI (non-recycling), as they are held for strategic purposes. Net fair value gain of \$5,426,000 (30 June 2024: \$1,018,000) was recognised in other comprehensive income and dividends amounted to \$529,000 (30 June 2024: \$556,000) were received and recognised in profit or loss during the period. Neither addition nor disposal was occurred during the period ended 30 June 2025 (30 June 2024: Nil).
- (ii) As at 30 June 2025, the Group's unlisted fund investments comprised of 53 (31 December 2024: 50) private funds. The Group managed the price risk through diversification of investment portfolio. The underlying investments held by these funds include listed and unlisted equity securities, debt securities, structured financing products and venture capital deals in various regions, covering various industries and sectors including automobile, biotechnology, e-Commerce, enterprise software, healthcare and related services, information technology, internet services, industrials, logistic, pharmaceuticals and transportation. The fair value of these investments may change significantly based on broader macroeconomic conditions, overall capital and investment markets conditions, and factors associated with underlying assets within the private fund portfolio.
- (iii) As at 30 June 2025, the fair value of equity securities listed in Hong Kong and classified at FVPL amounted to \$1,075,198,000 (31 December 2024: \$844,468,000), and net fair value gain of \$230,732,000 (30 June 2024: \$92,446,000) was recognised in profit or loss for the period.
- (iv) As at 30 June 2025, the fair value of the Group's investments in listed equity securities outside Hong Kong and classified at FVPL amounted to \$363,747,000 (31 December 2024: \$372,178,000) which are equity securities listed in the USA, UK, Japan and Canada, and net fair value gain of \$5,117,000 (30 June 2024: \$24,393,000) was recognised in profit or loss for the period.
- (v) The balance represents an interest-bearing instrument which is unsecured and interest-bearing at 12% per annum. Loss allowances are fully provided for the interest-bearing instrument with a gross amount of \$60,000,000 in 2023.

12 Trade and other receivables and deposits and prepayments

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 2025 \$'000	At 31 December 2024 \$'000
Note		
Within one month	5,899	12,069
One to three months	208	517
Over three months	469	386
Trade receivables, net of loss allowance	6,576	12,972
Other receivables	17,502	37,422
Trade and other receivables	24,078	50,394
Deposits and prepayments	117,504	94,536
	141,582	144,930
Less: non-current portion	(64,261)	(45,620)
	77,321	99,310

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Trade and other receivables and deposits and prepayments (continued)

Note:

- (i) As at 30 June 2025, included in deposits and prepayments of the Group is an amount of \$64,261,000 (31 December 2024: \$45,620,000) which is related to Group's deposits placed for the properties leased for own use as driving schools. These amounts are expected to be recovered or recognised as expense after more than one year.

The remaining balance of the trade and other receivables as at 30 June 2025 and 31 December 2024 are expected to be recovered or recognised as expense within one year.

13 Bank deposits and cash

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Deposits with banks and other financial institutions	2,224,190	2,357,548
Cash at bank and in hand	384,799	409,874
Bank deposits and cash	2,608,989	2,767,422
Less: Deposits with original maturity over three months	(351,300)	(245,520)
Cash and cash equivalents	2,257,689	2,521,902

14 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 2025 \$'000	At 31 December 2024 \$'000
Within one month	1,208	1,341
One month to three months	240	248
Over three months but within six months	4,537	5,391
Trade payables	5,985	6,980
Other payables and accruals	65,301	141,362
	71,286	148,342

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

15 Capital, reserves and dividends

(a) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the interim period

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
First quarterly interim dividend declared during the interim period of \$0.06 per share (2024: \$0.06 per share)	22,361	22,361
Second quarterly interim dividend declared after the interim period of \$0.06 per share (2024: \$0.06 per share)	22,361	22,361
	44,722	44,722

The second quarterly 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 of the Company attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period of \$0.24 per share (2024: \$0.24 per share)	89,445	89,445

(b) Share capital

Issued share capital

	30 June 2025		31 December 2024	
	No. of shares '000	Amount \$'000	No. of Shares '000	Amount \$'000
Ordinary shares, issued and fully paid:				
At beginning and end of the period/year	372,688	1,629,461	372,688	1,629,461

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

16 Fair value measurement

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

	Fair value at 30 June 2025 \$'000	Fair value measurements as at 30 June 2025 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	60,376	60,376	—	—
Financial assets measured at FVPL:				
– Unlisted fund investments	4,059,517	—	2,099	4,057,418
– Unlisted equity security	3,186	—	—	3,186
– Equity securities listed in Hong Kong	1,075,198	1,075,198	—	—
– Equity securities listed outside Hong Kong	363,747	363,747	—	—
– Debt security listed outside Hong Kong	303	303	—	—
	5,562,327	1,499,624	2,099	4,060,604

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

16 Fair value measurement (continued)

Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

	Fair value at 31 December 2024 \$'000	Fair value measurements as at 31 December 2024 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	54,950	54,950	—	—
Financial assets measured at FVPL:				
– Unlisted fund investments	3,743,714	—	2,095	3,741,619
– Unlisted equity security	3,186	—	—	3,186
– Equity securities listed in Hong Kong	844,468	844,468	—	—
– Equity securities listed outside Hong Kong	372,178	372,178	—	—
– Debt security listed outside Hong Kong	352	352	—	—
	<u>5,018,848</u>	<u>1,271,948</u>	<u>2,095</u>	<u>3,744,805</u>

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of the unlisted fund investments in level 2 is determined by reference to the prices at the reporting date provided by the investment managers and have been translated using the exchange rates at the end of the reporting period where appropriate.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

16 Fair value measurement (continued)

Information about Level 3 fair value measurements

The fair value of unlisted equity security is determined using the price/sales ratios of comparable listed companies under market approach.

Instruments	Valuation techniques	Significant unobservable inputs	Market multiples	Change in unobservable inputs	Favourable/ (unfavourable) impact on profit or loss
As at 30 June 2025					
– Unlisted equity security	Market comparable companies	Enterprise Value-to-Sales	4.27	+/-5%	+/- HK\$3,864,000
As at 31 December 2024					
– Unlisted equity security	Market comparable companies	Enterprise Value-to-Sales	3.92	+/-5%	+/- HK\$3,283,000

The Group's unlisted private 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 provided 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:

	Note	2025 \$'000	2024 \$'000
<i>Financial assets measured at FVPL:</i>			
<i>- Unlisted fund investments:</i>			
At 1 January		3,741,619	3,798,441
Capital contribution		344,814	149,779
Distribution		(162,711)	(52,143)
Disposal		—	(316,251)
Changes in fair value recognised in profit or loss during the period		133,696	58,814
At 30 June		4,057,418	3,638,640
<i>- Unlisted equity security</i>			
At 1 January		3,186	88,201
Changes in fair value recognised in profit or loss during the period		—	(58,953)
At 30 June	11	3,186	29,248

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

17 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 contributions to investment vehicles:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Unlisted fund investments	<u>1,935,093</u>	<u>1,408,899</u>

18 Material related party transactions

During the period, the Group received consultancy fees and management fee income from a joint venture of \$2.1 million (30 June 2024: \$2.4 million).

19 Non-adjusting event after the reporting period

On 21 August 2025, the Directors proposed a second interim dividend. Further details are set out in note 15(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 23, which comprises the consolidated statement of financial position of The Cross-Harbour (Holdings) Limited as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated 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* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this 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* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, 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 2025 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

21 August 2025

Management Discussion and Analysis

The board of directors (the “Board”) 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 2025. The interim results have been reviewed by the audit committee of the Company and KPMG.

GROUP RESULTS

The Group’s unaudited profit attributable to shareholders for the first half of 2025 amounted to HK\$519.1 million, representing an increase of 120.7% as compared to the profit of HK\$235.2 million recorded in the first half of 2024. Earnings per share were HK\$1.39 (30 June 2024: HK\$0.63).

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 11 July 2025. The Board has declared a second quarterly interim dividend of HK\$0.06 per share payable on 15 September 2025 to shareholders of the Company registered at the close of business on 9 September 2025.

CLOSURE OF BOOKS

The register of members and transfer books of the Company will be closed from Friday, 5 September 2025 to Tuesday, 9 September 2025, 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 Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m., Thursday, 4 September 2025.

BUSINESS REVIEW AND PROSPECTS

Hong Kong economy grew by 3.1% in the first quarter of 2025, mainly driven by growth in exports of goods and services. Total export value rose by 12.5%, mainly due to sustained external demand and some front-loading of shipments in expectations of imminent tariff hikes by the US. GDP of the second quarter of 2025 is expected to remain above 3%. However, the value of total retail sales for the first half of 2025 was estimated to decline by 3.3% compared with the same period in 2024. But it saw a turnaround in May with an increase of 2.4% year-on-year, ending a 14-month streak of declines. It was because of improving tourism and government efforts to bolster consumption sentiment. Due to higher international demand for Chinese assets and improved market liquidity and investor confidence, the Hong Kong’s stock market continued to rise. The IPO market also rebounded significantly in the first half of 2025. Despite ongoing geopolitical tension between US and China and a global tariff war, the Hang Seng Index increased by 20% and average daily turnover grew 82% to HK\$240 billion in the first half of 2025. Looking ahead, Hong Kong economy would continue to grow moderately, benefitting from a resilient Mainland economy and steady growth across other Asian economies. Additionally, private consumption sentiment is likely to stabilize and improve due to rising employment earnings and buoyant stock market.

Motoring School Operation

Alpha Hero Group (70% owned) operates driving training schools in Hong Kong. The training vehicles include private cars, light and medium good vehicles, motorcycles, and commercial vehicles. Its major revenue of driving training course fee slightly decreased by 1.6% as the number of non-motorcycle driving lessons delivered and the number of motorcycle driving lessons delivered for the first half of 2025 decreased by 3.0% and 19.7% respectively, as compared to the last corresponding period. The drop in driving lessons delivered was the result of the shrinking driving training market and sluggish consumer sentiment amid economic recession concerns. Additionally, the significant drop in motorcycle driving lessons because of the demand having largely peaked in the last few years. We expect the overall driving training market would continue to contract in the second half of 2025.

Management Discussion and Analysis

Electronic Toll Operation

Autotoll (BVI) Limited (“Autotoll”), a jointly controlled entity, 50% owned by The Autopass Company Limited (a 70% owned subsidiary), provides toll collection service for the free-flow tolling system (namely “HKeToll”) in Hong Kong. Autotoll also provides telematics services, intelligent transportation and surveillance system solutions, and smart city service solutions in Hong Kong.

HKeToll has been gradually implemented across all government-tolled tunnels and roads in 2023, replacing the Electronic Toll Collection (“ETC”) system operated by Autotoll and manual toll booths. The Hong Kong Government took over the Tai Lam Tunnel and switched the toll collection facilities from ETC to HKeToll on 31 May 2025. ETC system has completed its historical tasks since 1998. Profit contribution from HKeToll increased during the first half of 2025, which completely offset the decrease in profit contributions from ETC and smart city projects.

Treasury Management Business

In the first half of 2025, the Group continued to make capital contributions to 26 unlisted funds in different industries and regions, which were committed in previous years. In April 2025, the Group subscribed two unlisted funds with capital commitment of USD100 million to further diversify the Group’s existing portfolio of investment and enhance its long-term growth strategy. The Group received distributions from 18 unlisted funds during the current period. As of 30 June 2025, the Group’s investment portfolio consisted of a total of 95 (31 December 2024: 93) investments, which comprised mainly 53 (31 December 2024: 50) investments in unlisted funds and 41 (31 December 2024: 42) investments in equity securities. Overall, the value of the Group’s investment portfolio during the period increased to HK\$5,562.3 million.

Commentary on Interim Results

(I) Review of 2025 Interim Results

The Group’s unaudited profit attributable to shareholders for the first half of 2025 was HK\$519.1 million, representing an increase of 120.7% as compared to a profit of HK\$235.2 million recorded in the first half of 2024. The increase in profit was mainly due to the increase in profit contributions from treasury management business.

The Group recorded a total revenue of HK\$455.8 million in the first half of 2025, representing a decrease of 3.1% as compared to HK\$470.2 million recorded in the last corresponding period. The slight decrease in total revenue was mainly due to the decrease in revenue from motoring school operation.

Performance of the treasury management segment for the first half of 2025

The treasury management business recorded a profit before tax of HK\$441.4 million (30 June 2024: HK\$169.3 million) in the first half of 2025. This net profit primarily consists of various components, including a net fair value gain on financial assets measured at fair value through profit or loss (“FVPL”) of HK\$369.5 million, dividend income and interest revenue from investment portfolio of HK\$26.9 million, and interest revenue from bank of HK\$40.5 million.

The net fair value gain on financial assets measured at FVPL of HK\$369.5 million (30 June 2024: HK\$116.8 million) was mainly attributable to (i) the net fair value gain on listed equity securities of HK\$235.8 million (30 June 2024: HK\$116.8 million) and (ii) the net fair value gain on unlisted fund investments of HK\$133.7 million (30 June 2024: HK\$58.9 million). There is no fair value loss on unlisted equity security for the current period (30 June 2024: HK\$58.9 million).

Management Discussion and Analysis

The net fair value gain on listed equity securities measured at FVPL of HK\$235.8 million was attributable to (i) the net fair value gain of listed securities in Hong Kong of HK\$230.7 million (30 June 2024: HK\$92.4 million) and (ii) the net fair value gain of listed securities outside Hong Kong of HK\$5.1 million (30 June 2024: HK\$24.4 million). The net fair value gain of listed equity securities measured at FVPL mainly included the fair value gain of Oshidori International Holdings Limited (Stock Code: 622) of HK\$73.6 million (30 June 2024: loss of HK\$20.8 million), the fair value gain of China Unicom (Hong Kong) Limited (Stock Code: 762) of HK\$47.8 million (30 June 2024: HK\$56.8 million), the fair value gain of China Telecom Corporation Limited (Stock Code: 728) of HK\$37.3 million (30 June 2024: HK\$46.7 million), and the fair value gain of Alibaba Group Holding Limited (Stock Code: 9988) of HK\$34.0 million (30 June 2024: loss of HK\$6.3 million).

The net fair value gain on unlisted fund investments measured at FVPL of HK\$133.7 million comprised of (i) the fair value gain of 36 unlisted funds amounting to HK\$229.0 million and (ii) the fair value loss of 18 unlisted funds amounting to HK\$95.3 million.

The investment portfolio generated a total dividend and interest revenue of HK\$26.9 million (30 June 2024: HK\$23.3 million). This included dividend income from listed equity securities increased to HK\$23.3 million (30 June 2024: HK\$19.7 million), interest revenue derived from interest-bearing instruments maintained at HK\$3.6 million (30 June 2024: HK\$3.6 million). On the other hand, interest revenue from bank deposits decreased to HK\$40.5 million (30 June 2024: HK\$44.3 million) during the current period.

Performance of the motoring school operation for the first half of 2025

The principal income of the motoring school operation is the driving training course fee which is recognised in profit or loss upon the completion of the training lessons. Income from driving training courses recorded a decrease of 1.6% to HK\$373.8 million (30 June 2024: HK\$379.9 million). It was mainly due to the drop in the number of completed driving lessons for both non-motorcycle and motorcycle courses at the designated driving schools. Interest revenue from banks also decreased to HK\$12.1 million (30 June 2024: HK\$19.9 million). Operating expenses slightly increased during the current period mainly due to an increase in staff cost. Therefore, the profit before tax of the motoring school operation decreased by 10.0% to HK\$138.8 million (30 June 2024: HK\$154.3 million).

Performance of the electronic toll operation for the first half of 2025

The profit before tax contributed by the electronic toll operation rose to HK\$11.8 million (30 June 2024: HK\$3.2 million) in the first half of 2025. It mainly includes a share of profits of a joint venture, Autotoll (BVI) Limited, amounting to HK\$9.6 million (30 June 2024: HK\$0.8 million), and consultancy and management fee income from Autotoll of HK\$2.1 million (30 June 2024: HK\$2.4 million). The increase in share of profits from Autotoll was largely driven by the improved performance of HKeToll.

Management Discussion and Analysis

(II) Treasury Investments and Significant Investments Held

As at 30 June 2025, the Group maintained an investment portfolio with a carrying amount of HK\$5,562.3 million (31 December 2024: HK\$5,018.8 million). The aggregate value of the investment portfolio increased by HK\$543.5 million during the period. The portfolio is mainly composed of HK\$4,059.5 million (31 December 2024: HK\$3,743.7 million) unlisted fund investments and HK\$1,502.5 million (31 December 2024: HK\$1,165.9 million) listed and unlisted equity securities.

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

	1 January 2025 HK\$ million	Addition HK\$ million	Disposal/ Distribution HK\$ million	Fair value change in OCI HK\$ million	Fair value change in profit and loss /ECL HK\$ million	30 June 2025 HK\$ million
Financial assets measured at FVOCI						
– Listed equity securities	54.9	—	—	5.4	—	60.3
Financial assets measured at FVPL						
– Unlisted fund investments	3,743.7	344.8	(162.7)	—	133.7	4,059.5
– Listed equity securities	1,216.7	82.8	(96.3)	—	235.8	1,439.0
– Unlisted equity security	3.2	—	—	—	—	3.2
– Listed debt security	0.3	—	—	—	—	0.3
	<u>4,963.9</u>	<u>427.6</u>	<u>(259.0)</u>	<u>—</u>	<u>369.5</u>	<u>5,502.0</u>
	<u>5,018.8</u>	<u>427.6</u>	<u>(259.0)</u>	<u>5.4</u>	<u>369.5</u>	<u>5,562.3</u>

During the period, the total additions of financial assets amounted to HK\$427.6 million, which consisted of investments in 26 unlisted funds amounting to HK\$344.8 million and investments in 2 listed equity securities amounting to HK\$82.8 million.

During the period, the total disposals of financial assets amounted to HK\$259.0 million, which consisted of divestments of 18 unlisted funds amounting to HK\$162.7 million and divestments of 2 listed equity securities amounting to HK\$96.3 million.

Other movements in the investment portfolio during the period included a net fair value gain on financial assets measured at FVPL of HK\$369.5 million and a net fair value gain on financial assets measured at FVOCI of HK\$5.4 million.

Management Discussion and Analysis

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

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 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 2025, the Group held about 41,805 class A shares and 26,700 class E1 shares of DARF and recorded a fair value of HK\$690.7 million (31 December 2024: HK\$653.1 million) in respect of its holding in 29.9% of the shares of such investment, which exceeded the purchase cost of HK\$610.2 million for such investment and represented 7.8% of the Group's total assets and 12.4% of the aggregate fair value of the Group's investment portfolio. In terms of performance, a fair value gain of HK\$39.9 million (30 June 2024: fair value loss of HK\$12.4 million) on such investment was recognised in profit or loss for the period. Distribution of HK\$2.3 million was received from such investment for the period (30 June 2024: HK\$17.9 million).

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 2025. Other financial assets mainly composed of unlisted fund investments and equity securities (accounting for 60.6% and 27.0% of the carrying amount of the Group's investment portfolio respectively).

The Group invested in diverse unlisted funds with different focuses on industries, sectors, regions, and asset types, in order to achieve investment objectives of reducing investment concentration risk and to enhance returns for its shareholders. As at 30 June 2025, apart from the significant unlisted fund "DARF" mentioned above, the Group held a total of 52 unlisted funds with an aggregate fair value of HK\$3,368.8 million (accounting for 37.8% of the Group's total assets). The underlying investments include listed and unlisted equity securities, debt securities, private equity funds, structured products and venture capital deals in various regions, covering various industries and sectors including air freight, automobile, biotechnology, chemicals, e-Commerce, enterprise software, energy, healthcare and related services, information technology, internet services, industrials and infrastructure, logistic, pharmaceuticals and transportation.

Equity securities held by the Group at 30 June 2025 comprised a total of 41 listed and unlisted equity securities with an aggregate fair value of HK\$1,502.5 million (accounting for 16.9% of the Group's total assets) covering various industry sectors including telecommunications, information technology, e-Commerce, software, biotechnology, materials, financial services, securities investment, asset management, port operation, property (development, investment and management), healthcare and related services, industrial and infrastructure. The listed equity securities are listed in various stock exchanges including Hong Kong, the United States, United Kingdom and Japan.

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 mainly comprising unlisted funds providing higher growth with a medium to long term horizon, and equity securities providing liquidity, capital appreciation and stable and recurring income, 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 unlisted funds and equity securities 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 overall capital and investment market conditions, macroeconomic conditions as well as the prospects of the relevant industry. 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.

Management Discussion and Analysis

(III) Liquidity, Financial Resources, and Capital Structure

The Group maintained a sound financial and liquidity position for the period. As of 30 June 2025, total assets of the Group amounted to HK\$8,900.4 million (31 December 2024: HK\$8,597.4 million), with approximately 46.5% (31 December 2024: 47.8%) being current assets. The major non-current assets were unlisted funds held for long-term purpose and amounted to HK\$4,059.5 million (31 December 2024: HK\$3,743.7 million). Additionally, the Group reported net assets of HK\$8,132.6 million (31 December 2024: HK\$7,684.3 million) and net current assets of HK\$3,518.2 million (31 December 2024: HK\$3,399.2 million). The net asset value per share was HK\$21.8 (31 December 2024: HK\$20.6).

As at 30 June 2025, the Group held bank deposits and cash amounted to HK\$2,609.0 million (31 December 2024: HK\$2,767.4 million), of which HK\$760.2 million (31 December 2024: HK\$724.1 million) was kept under the motoring schools for recurring operation. The Group had maintained sufficient cash reserves to fulfill capital contributions to unlisted funds.

The Group did not have any bank borrowings as of 30 June 2025 (31 December 2024: nil). Most of the bank deposits and cash were denominated in United State dollars or Hong Kong dollars. The gearing ratio was not applicable to the Group. If applicable, the gearing ratio is calculated as the ratio of net borrowings to total equity.

(IV) Foreign Currency Exposure

The Group's primary business transactions, assets, and liabilities are denominated in Hong Kong dollars and United States dollars. The Group considers its foreign currency exposure arising from United States dollars would not be material as Hong Kong dollar is pegged against United States dollar. The Group has foreign currency risk mainly through its financial assets in currencies other than United States dollars and Hong Kong dollars, principally Australian dollars and British pounds. As at 30 June 2025, financial assets denominated in Australian dollars and British pounds accounted for 1.4% and 1.2% of the Group's total assets respectively. The Group has not used derivative financial instruments to hedge its foreign currency exposures during the period.

(V) Pledge of Assets

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 2025 and 31 December 2024, these facilities were not utilised by the Group.

(VI) Comments on Segmental Information

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

(VII) Employees

The Company and its subsidiaries have 688 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 or employee share options will be 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\$182.4 million (30 June 2024: HK\$177.7 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 2025:

(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	272,912,585	272,912,585 ¹	73.23%
Wong Chi Keung	Beneficial owner	306,019	306,019	0.08%
Ng Kwok Fu	Beneficial owner	9,708		
	Interest of spouse	7,766	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	2,871,231,906	2,871,231,906 ²	73.96%

(c) Interests in Instant Glory International 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	1	1 ³	50%

(d) 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	Beneficial owner	US\$164,560,000	US\$300,000,000

Notes:

- Mr. Cheung Chung Kiu ("Mr. C.K. Cheung") was deemed to be interested in 272,912,585 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.
- Mr. C.K. Cheung was deemed to be interested in 2,871,231,906 shares in C C Land Holdings Limited ("C C Land") 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.
- Mr. C.K. Cheung was deemed to be interested in 1 share representing 50% interest in Instant Glory International Limited by virtue of his direct control of Victory Trend Holdings Limited which owned the share.

Disclosure of Interests

Save as disclosed herein, as at 30 June 2025, 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 Scheme

The share option scheme adopted by the Company on 21 May 2015 (the “2015 Scheme”) expired on 21 May 2025 and a new share option scheme (the “2025 Scheme”) was adopted by the Company on 19 May 2025. A summary of the principal terms of the 2025 Scheme is given in the circular to shareholders dated 17 April 2025.

The number of options available for grant under the 2015 Scheme was 37,268,820 at the beginning of the accounting period and up to its expiry. The number of options available for grant under the 2025 Scheme was 37,268,820 as at 19 May 2025 and 30 June 2025. No option lapsed and no option was granted, exercised or cancelled under the 2015 Scheme and the 2025 Scheme.

Other Persons’ Interests and Short Positions

As at 30 June 2025, the interests and long positions of other persons (not being directors or chief executives) in 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	272,912,585	73.23%
Rose Dynamics	Beneficial owner	272,912,585	73.23%

Note: Each parcel of 272,912,585 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 31, 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 2025.

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 in Appendix C1 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 C.3.3 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 codes of conduct regarding securities transactions by directors and by 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 in Appendix C3 to the Listing Rules (the “Model Code”).

In response to a specific enquiry by the Company, all directors confirmed that they had complied with the required standard set out in 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 of the Company and KPMG. The audit committee of the Company has also reviewed the accounting policies and practices adopted by the Company, and discussed internal control, risk management and financial reporting matters with management.

Update on Directors’ Information

The Company has not been advised by its directors of any change in the information required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules since its last update to shareholders.

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

Hong Kong, 21 August 2025