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## **THE CROSS-HARBOUR (HOLDINGS) LIMITED**

**港通控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 32)**

### **DISCLOSEABLE TRANSACTION ON-MARKET ACQUISITION OF LISTED SECURITIES**

#### **THE ACQUISITION**

The Company through its two indirect wholly owned subsidiaries, Subsidiary 1 and Subsidiary 2, has conducted a series of Acquisitions on the open market during the Relevant Period and acquired a total of 85,024,000 China Telecom Shares at an aggregate purchase price of approximately HK\$224.04 million (exclusive of transaction costs).

#### **LISTING RULES IMPLICATIONS**

Each of the Acquisitions does not individually constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As the series of Acquisitions were conducted within a period of 12 months, they are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions when aggregated exceed(s) 5% but all are less than 25%, the Acquisitions constitute a discloseable transaction for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **1. THE ACQUISITION**

The Board announces that the Company through its two indirect wholly owned subsidiaries, Subsidiary 1 and Subsidiary 2, has conducted a series of Acquisitions on the open market during the Relevant Period and acquired a total of 85,024,000 China Telecom Shares. The aggregate purchase price for the Acquired Shares was approximately HK\$224.04 million (exclusive of transaction costs) and paid in cash from the internal resources of the Group. The Acquired Shares represented approximately 0.61% of the total China Telecom Shares in issue as at 17 September 2021.

As the Acquisitions were conducted on the open market, identities of the seller(s) of the Acquired Shares cannot be ascertained. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the seller(s) of the Acquired Shares and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

## 2. INFORMATION ON CHINA TELECOM

China Telecom is a joint stock limited liability company incorporated in the PRC with its H shares listed on the main board of the Stock Exchange (stock code: 728) and its A shares listed on the Shanghai Stock Exchange (stock code: 601728).

According to publicly available information, China Telecom is an integrated information services operator mainly engaged in telecommunications and related businesses. Its main business includes mobile telecommunications services, wireline and smart family services, industrial digital services, and commodity sales. The mobile telecommunications services business mainly includes mobile voice, handset Internet access, and mobile value-added services. The wireline and smart family services business mainly includes fixed-line telephone, wireline broadband and smart home services. The industrial digital business mainly includes industry cloud, Internet data center (IDC), digital platform, network dedicated line, Internet of Things and other businesses. The commodity sales business refers to its sales of mobile terminal equipment and wireline communication equipment to users. China Telecom distributes its products within the domestic market.

The following financial information is extracted from the publicly available documents of China Telecom:

	<b>For the year ended 31 December</b>	
	2020	2019
	<i>RMB' Million</i>	<i>RMB' Million</i>
Revenue	393,561	375,734
Profit before taxation	27,387	27,034
Profit after taxation	21,080	20,712

Based on the publicly available documents of China Telecom, the consolidated net asset value of China Telecom as at 30 June 2021 was approximately RMB375,674 million.

## 3. INFORMATION ON SUBSIDIARY 1 AND SUBSIDIARY 2 AND THE GROUP

Each of Subsidiary 1 and Subsidiary 2 is indirectly wholly owned by the Company with its principal business activity being securities investment. The Company is an investment holding company, and the principal business activities of its subsidiaries, associates and a joint venture are motoring school operations, treasury management and securities investment, tunnel operation and electronic toll collection.

## 4. REASONS FOR AND BENEFITS OF THE ACQUISITION

China Telecom, with its provision of fundamental telecommunications services including comprehensive wireline telecommunications services, mobile telecommunications services, value-added telecommunications services such as Internet access services, information services and other related services within the service area, has performed and developed well in recent years. Having considered the recent performance of China Telecom, its future development potential and the purchase prices of the Acquired Shares, the Company considers that the Acquisitions present an attractive investment opportunity and will generate long-term capital appreciation for the Group. The Acquisitions are in line with the Group's principal business sector on securities investments. Since the purchase price paid for each Acquired Share was the then prevailing market price per China Telecom Share at the time of each Acquisition, the Board is of the view that the Acquisitions are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

## 5. LISTING RULES IMPLICATIONS

Each of the Acquisitions does not individually constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As the series of Acquisitions were conducted within a period of 12 months, they are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions when aggregated exceed(s) 5% but all are less than 25%, the Acquisitions constitute a discloseable transaction for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## 6. DEFINITIONS

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

“Acquired Share(s)”	a total of 85,024,000 China Telecom Shares acquired by the Company through Subsidiary 1 and Subsidiary 2 in the Acquisitions
“Acquisition(s)”	acquisition(s) of China Telecom Shares during the Relevant Period
“Board”	the board of Directors
“China Telecom”	China Telecom Corporation Limited, a joint stock limited liability company incorporated in the PRC with its H shares listed on the main board of the Stock Exchange (stock code: 728) and its A shares listed on the Shanghai Stock Exchange (stock code: 601728)
“China Telecom Share(s)”	H share(s) of par value RMB1 each in the share capital of China Telecom
“Company”	The Cross-Harbour (Holdings) Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) of the Company and is (are) independent of and not connected with the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Relevant Period”	the period from 11 January 2021 to 17 September 2021 (both dates inclusive)
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary 1”	Gold Faith Investments Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly wholly owned by the Company
“Subsidiary 2”	Value Train Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly wholly owned by the Company
“%”	per cent

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

Hong Kong, 17 September 2021

*As at the date hereof, the Board comprises Cheung Chung Kiu, Yeung Hin Chung, John, Yuen Wing Shing, Wong Chi Keung, Leung Wai Fai and Tung Wai Lan, Iris who are executive directors; and Ng Kwok Fu, Luk Yu King, James and Leung Yu Ming, Steven who are independent non-executive directors.*