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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 DISPOSAL OF LIMITED PARTNERSHIP INTERESTS

THE DISPOSAL

The Board announces that on 24 June 2024, the Sellers (both of which are indirect wholly-owned subsidiaries of the Company) entered into the Agreements with the Pathway Entities regarding the sale of the Interests to the Pathway Entities at the aggregate purchase price of US\$38,717,712.13 (equivalent to approximately HK\$301,998,000).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 24 June 2024, the Sellers (both of which are indirect wholly-owned subsidiaries of the Company) entered into the Agreements with the Pathway Entities regarding the sale of the Interests to the Pathway Entities at the aggregate purchase price of US\$38,717,712.13 (equivalent to approximately HK\$301,998,000).

THE AGREEMENTS

The principal terms of each of the Agreements are substantially the same, as summarised below:

Date of the Agreements

24 June 2024

Parties

- (i) PCL and MWH, being the Sellers; and
- (ii) the Pathway Entities.

The respective Seller and Pathway Entity subject to each individual Agreement is as disclosed below.

Assets being disposed of

Pursuant to the Agreements, (i) PCL has agreed to sell, and the relevant Pathway Entities have agreed to purchase, PCL's entire right, title and interest in Partnership 1, Partnership 2 and Partnership 3; and (ii) MWH has agreed to sell, and the relevant Pathway Entities have agreed to purchase, MWH's entire right, title and interest in Partnership 4 and Partnership 5, on an aggregate basis as detailed below.

Purchase price and payment

The purchase price payable for the Interests under each Agreement is as follows (rounded to two decimal places):

Agreement	Pathway Entity	Proportion of Interests to be purchased by the relevant Pathway Entity out of the entire Interests held by the relevant Seller in each Partnership	Total purchase price applicable (US\$)
1	1	4.55%	1,759,896.00 (equivalent to approximately HK\$13,727,000)
2	2	22.73%	8,799,480.04 (equivalent to approximately HK\$68,636,000)
3	3	3.41%	1,319,921.99 (equivalent to approximately HK\$10,295,000)
4	4	4.55%	1,759,896.00 (equivalent to approximately HK\$13,727,000)
5	5	11.36%	4,399,740.02 (equivalent to approximately HK\$34,318,000)
6	6	34.09%	13,199,220.05 (equivalent to approximately HK\$102,954,000)
7	7	7.95%	3,079,818.01 (equivalent to approximately HK\$24,023,000)

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8

11.36%

4,399,740.02

(equivalent to approximately
HK\$34,318,000)

The aggregate purchase price for all the Interests as at the Cut-Off Date under all the Agreements is US\$38,717,712.13 (equivalent to approximately HK\$301,998,000).

The portion of the purchase price with respect to each Interest will be adjusted (i) upwards, by an amount equal to the sum of all further capital contributions made by the relevant Seller to the relevant Partnership after the Cut-Off Date and on or before the applicable Closing Date; and (ii) downwards, by an amount equal to the sum of all distributions made to the relevant Seller by the relevant Partnership after the Cut-Off Date and on or before the applicable Closing Date.

At each Closing, the relevant Pathway Entity will pay to the relevant Seller the applicable purchase price (as adjusted in accordance with the above) relating to the Interests being transferred by such Seller in cash to the designated bank account of such Seller.

The aggregate purchase price for all the Interests was arrived at through an auction process conducted by a reputable investment bank engaged by the Company, under which prospective buyers were invited to make bids to acquire all the Interests. Pathway submitted the winning bid, which resulted in an aggregate purchase price of US\$38,717,712.13 (equivalent to approximately HK\$301,998,000). Taking into account of the above, the Board is of the view that the basis for determining the aggregate purchase price for all the Interests is fair and reasonable.

Based on currently available information, the adjusted aggregate purchase price for all the Interests upon all Closings is US\$40,483,016.52 (equivalent to approximately HK\$315,768,000).

Further disclosures will be made by the Company if the adjusted aggregate purchase price for all the Interests upon all Closings is materially different to that disclosed above.

Closing

Each Closing shall take place in such manner and at such time and place as the Pathway Entities and the applicable Seller may agree.

It is expected that all Closings will take place on or about 28 June 2024.

FINANCIAL EFFECTS OF THE DISPOSAL

The Interests are accounted for as financial assets measured at fair value through profit or loss (“FVTPL”) in the consolidated financial statements of the Company. The financial assets measured at FVTPL in respect of all the Interests as recorded in the audited consolidated accounts of the Company as at the Cut-Off Date amounted to approximately US\$40,069,000 (equivalent to approximately HK\$312,538,000).

The Group recorded a fair value gain on all the Interests of approximately US\$4,503,000 (equivalent to approximately HK\$35,123,000) (audited) for the financial year ended 31 December 2023 (for the financial year ended 31 December 2022: fair value loss of approximately US\$370,000 (equivalent to approximately HK\$2,886,000) (audited)).

In view of the total amount of capital invested by the Sellers for the Interests of approximately US\$35,980,000 (equivalent to approximately HK\$280,644,000), the historical amount of distributions of approximately US\$103,000 (equivalent to approximately HK\$803,000) received by the Sellers from the Partnerships up to the Cut-Off Date, and the aggregate purchase price of US\$38,717,712.13 (equivalent to approximately HK\$301,998,000) for all the Interests, the Disposal would yield an overall positive investment return of approximately US\$2,841,000 (equivalent to approximately HK\$22,160,000).

For financial reporting purposes, the Group is expected to recognise a loss of approximately US\$1,351,000 (equivalent to approximately HK\$10,538,000) from the Disposal, which is calculated based on the aggregate purchase price of US\$38,717,712.13 (equivalent to approximately HK\$301,998,000) as at the Cut-Off Date and the book FVTPL in respect of all the Interests as at the Cut-Off Date of approximately US\$40,069,000 (equivalent to approximately HK\$312,538,000) (audited). The actual gain or loss in connection with the Disposal may be different from the above and will be determined based on the financial position as at all Closings.

Following all Closings, the Group will cease to hold any Interests in the Partnerships.

The net proceeds from the Disposal (after deducting transaction expenses in relation thereto) are expected to be used for future potential investment opportunities and as general working capital for the Group.

INFORMATION ON THE PARTIES

The principal business activities of the Company's subsidiaries, associates and a joint venture are motoring school operations, treasury management and securities investment, tunnel operation and electronic toll collection. In particular, the Sellers are indirect wholly-owned subsidiaries of the Company and are principally engaged in investment holding.

Each of the Pathway Entities is a fund or separate account managed and/or advised by Pathway. Founded in 1991, Pathway provides private market portfolio solutions for institutional investors worldwide. Since its formation, Pathway has managed or advised commitments of more than US\$120 billion to more than 1,400 private market investments. Pathway is registered as an investment adviser with the U.S. Securities and Exchange Commission. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Pathway and its ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In line with the investment objectives of its treasury management business, the Company regularly assesses the possibility of making appropriate adjustments to its investment holdings with a view to achieving consistent risk-adjusted returns for its shareholders. Following an assessment of: (i) the overall exposure, potential returns and risk profile of its existing portfolio of unlisted funds; (ii) the pipeline of potential future investment opportunities; and (iii) the opportunity to capture substantially the value of the Group's investments in the Partnerships with an early exit, the Directors consider that the Disposal is a good opportunity for the Group to realize its investments and strengthen its cash position. The cash inflow resulting from the Disposal will provide the Company with the financial flexibility and resources to consider and pursue other investment opportunities should they arise.

In view of the foregoing, the Directors consider that the entering into of the Agreements and the terms of the Disposal contemplated thereunder are fair and reasonable and on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings set respectively adjacent below:

“Agreements”	eight sale and purchase agreements each dated 24 June 2024 and entered into among the respective Seller and Pathway Entity in relation to the Disposal of the relevant Interests on an aggregate basis
“Board”	the board of Directors
“Closing”	with respect to any Interests, the completion of the sale and purchase of such Interests on the applicable Closing Date pursuant to the relevant Agreement
“Closing Date”	the date of Closing pursuant to the relevant Agreement
“Company”	The Cross-Harbour (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Cut-Off Date”	31 December 2023
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Interests by the Sellers to the Pathway Entities pursuant to the terms and conditions of the Agreements
“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)”	third party(ies) independent of and not connected with the Company and its connected person(s)
“Interests”	the investments of the Sellers in the Partnerships
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MWH”	Master Warrior Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Partnership 1”	Clearlake Capital Partners VII (Offshore), L.P., a Cayman Islands exempted limited partnership principally engaged in private equity investments and investment monitoring, of which PCL held an interest measured at FVTPL of approximately US\$12,882,000 (equivalent to approximately HK\$100,480,000) as at the Cut-Off Date
“Partnership 2”	Genstar Capital Partners X, L.P., a Delaware limited partnership principally engaged in private equity investments and investment monitoring, of which PCL held an interest measured at FVTPL of approximately US\$5,658,000 (equivalent to approximately HK\$44,132,000) as at the Cut-Off Date
“Partnership 3”	Genstar X Opportunities Fund I, L.P., a Delaware limited partnership principally engaged in private equity investments and investment monitoring, of which PCL held an interest measured at FVTPL of approximately US\$5,352,000 (equivalent to approximately HK\$41,746,000) as at the Cut-Off Date
“Partnership 4”	Icon Partners V C, L.P., a Delaware limited partnership principally engaged in private equity investments and investment monitoring, of which MWH held an interest measured at FVTPL of approximately US\$7,093,000 (equivalent to approximately HK\$55,325,000) as at the Cut-Off Date
“Partnership 5”	Insight Partners (Cayman) XII Buyout Annex Fund, L.P., a Cayman Islands exempted limited partnership principally engaged in private equity investments and investment monitoring, of which MWH held an interest measured at FVTPL of approximately US\$9,084,000 (equivalent to approximately HK\$70,855,000) as at the Cut-Off Date
“Partnerships”	Partnership 1, Partnership 2, Partnership 3, Partnership 4 and Partnership 5 collectively, and each a “Partnership”
“Pathway”	Pathway Capital Management, LP, which principal office is at 18575 Jamboree Road, 7 th Floor, Irvine, California 92612, United

	States of America, and which is registered as an investment adviser with the U.S. Securities and Exchange Commission
“Pathway Entities”	eight funds or separate accounts managed and/or advised by Pathway, and each a “Pathway Entity”
“PCL”	Phenomenal Combo Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Sellers”	MWH and PCL collectively, and each a “Seller”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 25 June 2024

As at the date hereof, the board of the directors of the Company 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, Leung Yu Ming, Steven and Wong Lung Tak, Patrick who are independent non-executive directors.

In this announcement, US\$ has been converted to HK\$ at the rate of US\$1 = HK\$7.8 for illustration purposes only. No representation is made that any amounts in US\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates at all.