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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)

2024 Results Announcement

The board of directors of The Cross-Harbour (Holdings) Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024. The results have been reviewed by the audit committee of the Company.

GROUP RESULTS

The Group reported a profit attributable to shareholders of HK\$434.5 million for the year ended 31 December 2024, representing a decrease of 16.4% as compared with HK\$520.0 million in 2023. The decrease was mainly due to the discontinuation of tunnel operation in August 2023, which had contributed a profit of HK\$295.9 million in 2023, and it fully offset the increase in profit contributions from treasury management business and motoring school operation. Earnings per share were HK\$1.17 (2023: HK\$1.40).

DIVIDENDS

The first, second and third quarterly interim dividends each of HK\$0.06 per share (2023: HK\$0.06 per share) were paid on 12 July 2024, 16 September 2024 and 30 December 2024 respectively. The directors recommend the payment of a final dividend of HK\$0.24 per share (2023: HK\$0.24 per share) which, together with the interim dividends, make total dividends for the year ended 31 December 2024 of HK\$0.42 per share (2023: HK\$0.42 per share), representing a total distribution of approximately HK\$156.5 million (2023: HK\$156.5 million) for the year.

Subject to shareholder approval of the proposed final dividend being obtained in the forthcoming annual general meeting on Monday, 19 May 2025 (the “AGM”), it is expected that the dividend warrants will be despatched on Monday, 2 June 2025 to shareholders registered at the close of business on Tuesday, 27 May 2025. The register of members and transfer books of the Company will be closed from Friday, 23 May 2025 to Tuesday, 27 May 2025, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to qualify for the final dividend, all transfer documents and accompanying share certificates must be lodged for registration with the Company’s share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m., Thursday, 22 May 2025.

LAST SHARE REGISTRATION DATE FOR AGM

For determining the right of shareholders to attend and to speak and vote at the AGM, the deadline for share registration will be Tuesday, 13 May 2025. Shareholders should therefore ensure that all transfer documents and accompanying share certificates are lodged for registration with the Company’s share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m., Tuesday, 13 May 2025.

Consolidated statement of profit or loss for the year ended 31 December 2024

(Expressed in Hong Kong dollars)

	<i>Note</i>	2024 \$'000	2023 \$'000
Continuing operations			
Revenue from contracts with customers within the scope of HKFRS 15	4(a)	795,069	684,265
Revenue from other sources	4(a)	45,486	45,944
Interest revenue from debt securities measured at fair value through profit or loss	4(a)	-	22,575
Other interest revenue	4(a)	135,996	122,380
Total revenue		<u>976,551</u>	<u>875,164</u>
Other net gains	5	249,709	100,232
Direct costs and operating expenses		(350,913)	(310,369)
Selling and marketing expenses		(38,696)	(37,501)
Administrative and corporate expenses		(261,970)	(224,117)
Impairment losses on financial assets		-	(16,602)
Profit from operations		<u>574,681</u>	<u>386,807</u>
Finance costs	6(a)	(18,905)	(16,157)
Share of loss of an associate		-	(47,159)
Impairment loss of an associate		(2,474)	-
Share of profits of a joint venture		9,861	15,915
Profit before taxation	6	<u>563,163</u>	<u>339,406</u>
Income tax	7(a)	(45,697)	(40,423)
Profit for the year from continuing operations		<u>517,466</u>	<u>298,983</u>
Discontinued operation			
Profit for the year from discontinued operation	8	<u>3,442</u>	<u>295,888</u>
Profit for the year		<u><u>520,908</u></u>	<u><u>594,871</u></u>

Consolidated statement of profit or loss for the year ended 31 December 2024 (continued)

(Expressed in Hong Kong dollars)

	<i>Note</i>	2024 \$'000	2023 \$'000
Attributable to:			
Equity shareholders of the Company			
- from continuing operations		431,068	224,086
- from discontinued operation		3,442	295,888
		<u>434,510</u>	<u>519,974</u>
Non-controlling interests		86,398	74,897
		<u>86,398</u>	<u>74,897</u>
Profit for the year		<u><u>520,908</u></u>	<u><u>594,871</u></u>
Earnings per share	9		
Basic and diluted		<u>\$1.17</u>	<u>\$1.40</u>
From continuing operations			
Basic and diluted		<u>\$1.16</u>	<u>\$0.61</u>
From discontinued operation			
Basic and diluted		<u>\$0.01</u>	<u>\$0.79</u>

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 13.

Consolidated statement of profit or loss and
other comprehensive income
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	<i>Note</i>	2024 \$'000	2023 \$'000
Profit for the year		520,908	594,871
Other comprehensive income for the year (after tax and reclassification adjustments)			
<i>Items that will not be reclassified to profit or loss:</i>			
- Financial assets measured at fair value through other comprehensive income (non-recycling)			
- changes in fair value of equity securities		1,727	(8,570)
- Share of other comprehensive income of a joint venture		(126)	(9)
		1,601	(8,579)
Total comprehensive income for the year		522,509	586,292
Attributable to:			
Equity shareholders of the Company			
- from continuing operations		432,707	215,510
- from discontinued operation		3,442	295,888
		436,149	511,398
Non-controlling interests		86,360	74,894
Total comprehensive income for the year		522,509	586,292

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

Consolidated statement of financial position for the year ended 31 December 2024

(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2024</i>		<i>2023</i>	
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment			472,194		519,764
Interest in an associate			-		2,474
Interest in a joint venture			164,485		159,750
Other financial assets	10		3,801,850		3,942,069
Deposits and prepayments			45,620		44,880
Deferred tax assets			44		1,163
			<u>4,484,193</u>		<u>4,670,100</u>
Current assets					
Interest in an associate			18,637		15,195
Inventories			1,326		1,283
Other financial assets	10		1,216,998		984,143
Trade and other receivables	11		99,310		70,482
Amount due from a joint venture			9,000		9,000
Dividend receivable			481		851
Bank deposits and cash			2,767,422		2,764,791
			<u>4,113,174</u>		<u>3,845,745</u>
Current liabilities					
Trade and other payables	12		148,342		130,455
Contract liabilities			453,516		591,698
Lease liabilities			101,814		78,836
Taxation payable			8,679		4,911
Dividends payable			1,635		23,092
			<u>713,986</u>		<u>828,992</u>

Consolidated statement of financial position at 31 December 2024 (continued)

(Expressed in Hong Kong dollars)

	Note	2024		2023	
		\$'000	\$'000	\$'000	\$'000
Net current assets			3,399,188		3,016,753
Total assets less current liabilities			<u>7,883,381</u>		<u>7,686,853</u>
Non-current liabilities					
Lease liabilities			196,111		270,023
Deferred tax liabilities			2,967		3,797
			<u>199,078</u>		<u>273,820</u>
NET ASSETS			<u>7,684,303</u>		<u>7,413,033</u>
CAPITAL AND RESERVES					
Share capital			1,629,461		1,629,461
Reserves			<u>5,865,344</u>		<u>5,585,724</u>
Total equity attributable to equity shareholders of the Company			7,494,805		7,215,185
Non-controlling interests			<u>189,498</u>		<u>197,848</u>
TOTAL EQUITY			<u>7,684,303</u>		<u>7,413,033</u>

Notes to the financial information:

(Expressed in Hong Kong dollars)

1 Corporate and Group information

The Cross-Harbour (Holdings) Limited (the “Company”) is incorporated in Hong Kong with limited liability under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The registered address of the Company is 25th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

During the year, 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 activity of the Company’s joint venture is electronic toll operation.

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

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2024 in due course.

The Company’s auditor has reported on those consolidated financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

3 Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“2020 amendments”) and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 1, *Presentation of financial statements* (the 2020 and 2022 amendments, collectively the “HKAS 1 amendments”)

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the Group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the Group has not entered into any supplier finance arrangements.

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:

	2024 \$'000	2023 \$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by service lines:		
- Course fee from motoring school operation	781,269	670,465
- Consultancy fee and management fee from electronic toll operation	13,800	13,800
	<u>795,069</u>	<u>684,265</u>
Revenue from other sources		
- Dividend income from equity instruments	45,063	44,758
- Others	423	1,186
	<u>45,486</u>	<u>45,944</u>
Interest revenue from debt securities measured at fair value through profit or loss	-	22,575
Other interest revenue		
- Interest income from interest-bearing instruments	7,220	11,124
- Interest income from banks	128,776	111,256
	<u>135,996</u>	<u>122,380</u>
Total revenue	<u><u>976,551</u></u>	<u><u>875,164</u></u>

- (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 operates an electronic toll collection system, provides toll collection services for HKeToll, telematics services, 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, assets and liabilities

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

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

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

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 years ended 31 December 2024 and 2023 is set out below.

	<i>Motoring school operation</i>		<i>Electronic toll operation</i>		<i>Treasury Management</i>		<i>Total</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15	781,269	670,465	13,800	13,800	-	-	795,069	684,265
Dividend income from equity instruments	-	-	-	-	45,063	44,758	45,063	44,758
Interest revenue	37,236	37,483	-	-	98,760	107,472	135,996	144,955
Reportable segment revenue	818,505	707,948	13,800	13,800	143,823	152,230	976,128	873,978
Reportable segment profits before tax	311,301	261,608	23,433	29,485	349,003	162,366	683,737	453,459
Finance costs	(18,905)	(15,861)	-	-	-	(296)	(18,905)	(16,157)
Depreciation	(108,885)	(85,297)	-	-	-	-	(108,885)	(85,297)
Impairment loss of an associate	-	-	-	-	(2,474)	-	(2,474)	-
Share of loss of an associate	-	-	-	-	-	(47,159)	-	(47,159)
Share of profits of a joint venture	-	-	9,861	15,915	-	-	9,861	15,915
Income tax	(43,864)	(38,505)	(1,876)	(1,870)	38	(37)	(45,702)	(40,412)
Reportable segment assets	1,287,198	1,490,188	184,336	178,823	7,084,993	6,808,770	8,556,527	8,477,781
Interest in a joint venture	-	-	164,485	159,750	-	-	164,485	159,750
Interest in an associate	-	-	-	-	-	2,474	-	2,474
Additions to non-current segment assets	62,351	376,183	-	-	375,248	538,848	437,599	915,031
Reportable segment liabilities	839,708	1,009,434	166	81	-	-	839,874	1,009,515

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

	2024 \$'000	2023 \$'000
Revenue		
Reportable segment revenue	976,128	873,978
Unallocated head office and corporate revenue	423	1,186
	<u>976,551</u>	<u>875,164</u>
Consolidated revenue (continuing operations)	<u>976,551</u>	<u>875,164</u>
Profit		
Reportable segment profit before taxation derived from the Group's external customers	683,737	453,459
Unallocated head office and corporate income and expenses	(120,574)	(114,053)
	<u>563,163</u>	<u>339,406</u>
Consolidated profit before taxation (continuing operations)	<u>563,163</u>	<u>339,406</u>
Assets		
Reportable segment assets	8,556,527	8,477,781
Assets of discontinued operation	18,637	15,195
Unallocated head office and corporate assets	22,203	22,869
	<u>8,597,367</u>	<u>8,515,845</u>
Consolidated total assets	<u>8,597,367</u>	<u>8,515,845</u>
Liabilities		
Reportable segment liabilities	839,874	1,009,515
Unallocated head office and corporate liabilities	73,190	93,297
	<u>913,064</u>	<u>1,102,812</u>
Consolidated total liabilities	<u>913,064</u>	<u>1,102,812</u>

(iii) Geographic information

No additional information has been disclosed in respect of the Group's geographical information as the Group operates substantially in one geographical location which is Hong Kong.

5 Other net gains

	2024 \$'000	2023 \$'000
Other net gains		
Change in fair value of other financial assets at FVPL		
- Unlisted fund investments	122,069	152,218
- Equity securities	123,711	54,550
- Debt securities	41	(94,446)
- Treasury bills	-	4,063
- Derivative financial instruments	-	(18,378)
	<u>245,821</u>	<u>98,007</u>
Net gains/(losses) on disposal of property, plant and equipment	930	(184)
Others	2,958	2,409
	<u>249,709</u>	<u>100,232</u>

6 Profit before taxation

	2024 \$'000	2023 \$'000
Profit before taxation is arrived at after charging/(crediting):		
(a) Finance costs		
Interest on lease liabilities	<u>18,905</u>	<u>16,157</u>
(b) Other items		
Auditor's remuneration		
- Audit services	3,007	3,273
- Other services	553	600
	<u>3,560</u>	<u>3,873</u>
Depreciation		
- Owned property, plant and equipment	13,674	14,583
- Right-of-use assets	100,800	77,374
	<u>114,474</u>	<u>91,957</u>
Dividend income		
- Equity instruments at FVOCI (non-recycling)	(2,834)	(2,733)
- Equity instruments at FVPL	(42,229)	(42,025)
	<u>(45,063)</u>	<u>(44,758)</u>
Impairment losses recognised on financial assets		
- Interest bearing instruments, net	-	16,602
Contributions to defined contribution retirement scheme	11,076	10,210
Salaries, wages and other benefits	416,280	380,395
Cost of inventories consumed	19,488	15,148
Net foreign exchange losses/(gains)	<u>8,073</u>	<u>(120)</u>

7 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2024 \$'000	2023 \$'000
Current tax - Hong Kong Profits Tax		
Provision for the year	45,758	36,808
(Over)/under provision in respect of prior years	(350)	722
	<u>45,408</u>	<u>37,530</u>
Deferred tax		
Origination of temporary differences	289	2,893
	<u>45,697</u>	<u>40,423</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, 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 2023.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024 \$'000	2023 \$'000
Profit before taxation from continuing operations	<u>563,163</u>	<u>339,406</u>
Notional tax on profit before taxation	92,748	55,824
Tax effect of non-deductible expenses	37,298	53,720
Tax effect of non-taxable income	(102,843)	(90,206)
Tax effect of unused tax losses not recognised	21,587	23,178
Tax effect of recognition of unused tax losses previously not recognised	(2,743)	(2,815)
(Over)/under provision in prior years	(350)	722
Actual tax expense from continuing operations	<u>45,697</u>	<u>40,423</u>

8 Discontinued operation

Western Harbour Tunnel Company Limited, 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 was classified as discontinued operation during the year ended 31 December 2023.

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

	2024 \$'000	2023 \$'000
Profit for the year from discontinued operation:		
Management fee from an associate	-	1,458
Share of profit of an associate	3,442	294,430
	<hr/>	<hr/>
Profit for the year from discontinued operation and attributable to ordinary equity shareholders of the Company	3,442	295,888
	<hr/> <hr/>	<hr/> <hr/>
Cash flows from discontinued operation:		
Net cash inflows from operating activities	29	1,458
Net cash inflows from investing activities	-	555,417
	<hr/>	<hr/>
Net cash inflows	29	556,875
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9. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$434,510,000 (2023: \$519,974,000) and the weighted average of 372,688,000 (2023: 372,688,000) ordinary shares in issue during the year.

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

10 Other financial assets

	Note	2024 \$'000	2023 \$'000
<i>Non-current</i>			
Financial assets designated at FVOCI (non-recycling)			
- Equity securities listed in Hong Kong*	(i)	54,950	53,223
Financial assets measured at FVPL			
- Unlisted fund investments	(ii)	3,743,714	3,800,645
- Unlisted equity security		3,186	88,201
		<u>3,746,900</u>	<u>3,888,846</u>
		<u>3,801,850</u>	<u>3,942,069</u>
<i>Current</i>			
Financial assets measured at FVPL			
- Debt securities listed outside Hong Kong*		352	311
- Equity securities listed in Hong Kong*	(iii)	844,468	726,966
- Equity securities listed outside Hong Kong*	(iv)	372,178	256,866
		<u>1,216,998</u>	<u>984,143</u>
Financial assets measured at amortised cost			
- Unsecured, interest-bearing instruments	(v)	60,000	60,000
Less: loss allowance		<u>(60,000)</u>	<u>(60,000)</u>
		<u>-</u>	<u>-</u>
		<u>1,216,998</u>	<u>984,143</u>
Total		<u>5,018,848</u>	<u>4,926,212</u>

* Fair value measured using unadjusted quoted price in active markets.

Notes:

- (i) The Group designated these investments at FVOCI (non-recycling), as they are held for strategic purposes. Net fair value gain of \$1,727,000 (2023: net fair value loss of \$8,570,000) was recognised in other comprehensive income and dividends amounted to \$2,834,000 (2023: \$2,733,000) were received and recognised in profit or loss during the year. Neither addition nor disposal was noted during current and prior year.
- (ii) As at 31 December 2024, the Group's unlisted fund investments comprised of 50 (31 December 2023: 55) 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, 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. 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 31 December 2024, the fair value of equity securities listed in Hong Kong and classified at FVPL amounted to \$844,468,000 (2023: \$726,966,000), and net fair value gain of \$142,513,000 (2023: \$44,849,000) was recognised in profit or loss for the year.
- (iv) As at 31 December 2024, the Group's investments in listed equity securities outside Hong Kong and classified at FVPL amounted to \$372,178,000 (2023: \$256,866,000) are equity securities listed in the USA, Canada, Japan and UK, and net fair value gain of \$66,213,000 (2023: \$77,978,000) was recognised in profit or loss for the year.
- (v) The balance as at 31 December 2024 represents an interest-bearing instrument (2023: an interest-bearing instrument) which is unsecured and interest-bearing at 12% per annum (2023: 12% per annum). Loss allowances are fully provided for the interest-bearing instrument with a gross amount of \$60,000,000 as at 31 December 2023.

11 Trade and other receivables

	2024 \$'000	2023 \$'000
Trade receivables	12,972	12,780
Other receivables	37,422	14,553
	<hr/>	<hr/>
	50,394	27,333
Deposits and prepayments (Note)	94,536	88,029
	<hr/>	<hr/>
	144,930	115,362
Less: non-current deposits and prepayments	(45,620)	(44,880)
	<hr/>	<hr/>
	<u>99,310</u>	<u>70,482</u>

Note: As at 31 December 2024, included in deposits and prepayments of the Group is an amount of \$45,620,000 (2023: \$44,880,000) which is related to the 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 31 December 2024 and 2023 are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date, is as follows:

	2024 \$'000	2023 \$'000
Within 1 month	12,069	12,274
1 to 2 months	319	279
2 to 3 months	198	63
Over 3 months	386	164
	<u>12,972</u>	<u>12,780</u>

12 Trade and other payables

	2024 \$'000	2023 \$'000
Trade payables	6,980	7,279
Other payables and accruals	141,362	123,176
	<u>148,342</u>	<u>130,455</u>

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

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:

	2024 \$'000	2023 \$'000
Within 1 month	1,341	1,591
1 month to 3 months	248	289
Over 3 months but within 6 months	5,391	5,399
	<u>6,980</u>	<u>7,279</u>

13 Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the year:

	2024 \$'000	2023 \$'000
Interim dividends declared of \$0.18 per share (2023: \$0.18 per share)	67,084	67,084
Final dividend proposed after the end of the reporting period \$0.24 per share (2023: \$0.24 per share)	89,445	89,445
	<u>156,529</u>	<u>156,529</u>

The final dividend proposed after the end of the reporting 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 year:

	2024 \$'000	2023 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of \$0.24 per share (2023: \$0.24 per share)	89,445	89,445

14 Financial information in announcement

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance opinion has been expressed by KPMG on the preliminary announcement.

BUSINESS REVIEW AND OUTLOOK

Hong Kong's GDP of the first three quarters reported a year-on-year GDP growth rate of 2.6%. Net exports contributed over 2% to this growth, making it the primary driver for the year. During the first 10 months, the value of exports rose around 10% year-on-year, while imports increased by around 7%. In contrast, the total sales value of Hong Kong's retail sector fell by around 7% year-on-year during the same period, as visitors shifted their consumption habits from dining and shopping to a greater focus on cultural and immersive travel experiences. Also, a new trend has emerged where residents shop in Mainland China, further reducing local consumption. On the other hand, the stock market showed positive trends, with the Hang Seng Index rising by a cumulative 17.7% in 2024. The average daily turnover and the total amount raised through IPOs reached HK\$131.8 billion and HK\$87.5 billion respectively, reflecting year-on-year increases of 25.5% and 88.9%. Looking into 2025, the risk of economic downturns is growing as the global political and economic landscape experiences new challenges. New US government tariff policies may bring a new wave of tariff policy disputes globally that would negatively affect Hong Kong's trade and economy. Furthermore, the pace of US interest rate cuts may delay which poses challenges to the stability of global financial markets. Meanwhile, Mainland China continues to focus on developing new quality productive forces and enhancing high-level openness in 2025, further consolidating economic development momentum. Hong Kong would benefit from a series of supportive measures from the central government.

Motoring School Operation

Alpha Hero Group ("AHG") (70% owned) operates driving training schools in Hong Kong. The training vehicles include private cars, light and medium goods vehicles, motorcycles, and commercial vehicles. Its major revenue of driving training course fee increased in the year primarily due to the increased number of completed driving training lessons from non-motorcycle training courses and higher lesson income unit rate. Our schools were given additional driving tests by the Transport Department to accommodate the demand during the year, including the make-up tests for retakers during the weekend. The higher demand for driving training at the designated driving schools were the result of vigorous and proactive sales and marketing efforts, a series of service and quality enhancement programs, and various driving certificate courses in the past years

The availability of sizeable training sites remains a pivotal factor for the operation of designated driving schools in addition to the supply of qualified driving instructors. Due to the extensive land requirement for off-street driving training, the operations of the driving centres at Ap Lei Chau, Siu Lek Yuen and Kwun Tong are dependent on the availability of government land. The tenancy for operating the Ap Lei Chau Driving School, the Siu Lek Yuen Driving School, and the Kwun Tong Driving School will last until May 2026, February 2028, and July 2028 respectively. Further, the designations for the driving training centres at Yuen Long was also extended till September 2028.

The downward trend in the property market affects the overall retail market, leading to sluggish consumer sentiment. This challenging business environment is affecting all industries in Hong Kong, including the driving training sector. In 2024, the number of new students for driving training continued to decrease. We expect the overall driving training market to contract in 2025. Our designated driving schools will strive to enhance customer services levels and quality of driving training. AHG will also maintain a proactive marketing strategy and deploy continuous efforts in segmentation and penetration to maintain our leading market position.

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 services for HKEToll and operates electronic toll collection (“ETC”) system 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 since May 2023. For this year, the ETC system is only in operation at the privately owned Tai Lam Tunnel and will continue until its franchise expires in 2025. To address customer concerns during the transition from ETC to HKEtoll, Autotoll introduced an administration fee waiver starting from May 2023. This waiver applies to all vehicles registered with ETC service that did not pass through Autotoll lanes in a full calendar month, the monthly administration fee of ETC would be waived. As a result, profit contributions from ETC sharply decreased during the year, which completely offset the increase in profit contribution from HKEtoll. Additionally, profit contribution from smart city projects also declined during the year. The total income and profit contribution from toll collection services for HKEtoll is expected to increase in 2025, and it would outweigh the further decline in income and drop in profit contribution from ETC.

Autotoll is a leading provider of smart mobility solutions, and we will continue our efforts to engage in further smart city developments in Hong Kong. Our expertise in engineering, information and communication technologies, IoT, and electronic payment systems positions us well to offer smart solutions, such as communication and surveillance systems for enforcement departments, as well as support government initiatives like developing the Low Altitude Economy.

Treasury Management Business

The Group’s investment objective is to increase the value of its treasury management business, and ultimately to enhance returns for its shareholders. In making investment or divestment decisions on individual financial instrument, the Company considers not only past financial performance such as the financial health and dividend policy, but also the business prospects in the form of capital appreciation, dividend/interest income and trading gains, prevailing market sentiments on different sectors of the investment markets as well as the macroeconomic outlook for each individual investment. As the performance of the investments depends to a large extent on the performances of the relevant financial markets, which are subject to rapid and unpredictable changes, the Company will continue to adopt a prudent investment strategy by maintaining a diversified investment portfolio and cautious approach in assessing the performance of the investments, so as to make timely and appropriate adjustments to its investments holding with a view to achieving consistent risk adjusted returns for its shareholders. In the future, the Company will continue to diversify its investments, including but not limited to unlisted funds, equity securities and debt securities.

Global financial markets performed strongly in 2024, even amidst ongoing conflicts between Russia and Ukraine, as well as Israel and Palestine. With the US entering the interest rate cut cycle in September and demonstrating significant economic resilience, fund flows have favoured US markets. The Dow Jones Industrial Average rose by 12.9% to reach 42,544, while the Nasdaq Composite jumped 28.6% to 19,311. Japan's market continued its upward momentum from 2023, with the Nikkei Stock Average climbing 19.2% to 39,895. Meanwhile, markets in Hong Kong and China bottomed out and began to recover after several years of decline, the Hang Seng Index increased by 17.7% to 20,060, and the SSE Composite Index rose by 12.7% to 3,352. Global private equity activities rebounded in 2024 following a two-year downturn, as the deal and exit volumes gradually returned to normal levels. Under this situation, the Group’s unlisted fund investments and listed equity securities posted net fair value gains for the year. However, revenue generated from the investment portfolio experienced a slight decline, as no further income were received from the debt securities in 2024. On the other hand, interest income from the bank increased during the year.

Throughout the year, the Group continued its efforts to diversify its investment portfolio by making capital contributions to various unlisted funds across different industries and regions. At the same time, the Group disposed of its interests in five unlisted funds and some listed equity securities to realize the accumulated fair gain and strengthen the financial

resources available for potential future investment opportunities. A portion of the proceeds from the disposal was reinvested in equity securities listed in Japan and UK, aiming to enhance the diversification of the investment portfolio of the Group. As of 31 December 2024, the Group's investment portfolio consists of a total of 93 (2023: 92) investments, which mainly comprised 50 (2023: 55) investments in unlisted funds and 42 (2023: 36) investments in equity securities. Overall, the value of the Group's investment portfolio during the year increased slightly to HK\$5,018.8 million (2023: HK\$4,926.2 million).

Commentary on Annual Results

(I) Review of 2024 Results

The Group's profit attributable to shareholders for the year ended 31 December 2024 was HK\$434.5 million (2023: HK\$520.0 million). The decrease was mainly due to the tunnel operation discontinued in August 2023, which had contributed a profit of HK\$295.9 million for the year 2023, and it fully offset the increase in profit contributions from treasury management business and motoring school operation.

The Group recorded an increase in total revenue of 11.6% to HK\$976.6 million (2023: HK\$875.2 million) for the year ended 31 December 2024. The total revenue generated from the motoring school operation increased to HK\$818.5 million (2023: HK\$707.9 million) but the total revenue generated from the treasury management business slightly decreased to HK\$143.8 million (2023: HK\$152.2 million).

Performance of the treasury management business in the year

The treasury management business recorded a net profit of HK\$349.0 million for the year 2024. This net profit was comprised of several key components, including a net fair value gain on financial assets measured at fair value through profit or loss ("FVPL") of HK\$245.8 million, dividend income and interest income from investment portfolio of HK\$52.3 million, interest income from bank of HK\$91.5 million, and impairment loss of an associate of HK\$2.5 million. The overall performance of treasury management business was significantly improved in 2024 as compared with last year.

The net fair value gain on financial assets measured at FVPL of HK\$245.8 million (2023: HK\$98.0 million) was attributable to the net fair value gain on listed equity securities of HK\$208.7 million (2023: HK\$122.8 million) and the net fair value gain on unlisted fund investments of HK\$122.1 million (2023: HK\$152.2 million), against the net fair value loss on an unlisted equity security of HK\$85.0 million (2023: HK\$68.3 million).

The net fair value gain on listed equity securities measured at FVPL of HK\$208.7 million was attributable to (i) the net fair value gain on listed securities in Hong Kong of HK\$142.5 million (2023: HK\$44.8 million) and (ii) the net fair value gain of listed securities outside Hong Kong of HK\$66.2 million (2023: HK\$78.0 million). The net fair value gain of listed equity securities measured at FVPL mainly included the fair value gain of China Unicom (Hong Kong) Limited (Stock Code: 762) of HK\$62.3 million (2023: HK\$1.8 million), the fair value gain of China Telecom Corporation Limited (Stock Code: 728) of HK\$59.3 million (2023: HK\$61.5 million), the fair value gain of Tencent Holdings Limited (Stock Code: 700) of HK\$33.3 million (2023: loss of HK\$10.9 million), the fair value gain of Apollo Global Management, Inc (Stock Code: APO) of HK\$44.3 million (2023: HK\$19.5 million), and the fair value gain of KKR & Co. Inc. (Stock Code: KKR) of HK\$15.1 million (2023: HK\$22.7 million).

The net fair value gain on unlisted fund investments measured at FVPL of HK\$122.1 million comprised of (i) the fair value gain of 31 unlisted funds amounting to HK\$306.1 million and (ii) the fair value loss of 23 unlisted funds amounting to HK\$184.0 million.

The investment portfolio generated a total dividend and interest income of HK\$52.3 million (2023: HK\$78.4 million) for the year. This included dividend income from listed equity securities of HK\$45.1 million (2023: HK\$44.8 million) and interest income from interest-bearing instruments of HK\$7.2 million (2023: HK\$11.1 million). There was no interest income from listed debt securities during the year (2023: HK\$22.5 million). Conversely, interest income from banks rose to HK\$91.5 million (2023: HK\$73.4 million) for the year. Furthermore, no impairment loss on financial assets was recorded in 2024 (2023: HK\$16.6 million).

Performance of the motoring school operation in the year

The principal income of the motoring school operation is the driving training course fee which is recognized in profit or loss upon the completion of the training lessons. Income from driving training course recorded an increase of 16.5% to HK\$781.3 million (2023: HK\$670.5 million) mainly due to the rise in number of completed driving lessons and higher lesson income unit rate for non-motorcycle courses at the designated driving schools. Interest income from banks was HK\$37.2 million (2023: HK\$37.5 million). Operating expenses increased during the current year largely due to increased staff cost, higher rental expenses, and no more subsidies received from the Hong Kong Government for COVID-19. In aggregate, profit before tax from the motoring school operation increased by 19.0% to HK\$311.3 million (2023: HK\$261.6 million).

Performance of the electronic toll operation in the year

The Group's share of profits of a joint venture, Autotoll (BVI) Limited, which operates electronic toll collection ("ETC") system, provides toll collection services for HKeToll, telematics services, intelligent transportation and surveillance system solutions, and smart city service solutions in Hong Kong, was HK\$9.9 million (2023: HK\$15.9 million). The decrease was mainly due to the decline in profit contribution from ETC as a result of a substantial decrease in administration fee income. Profit contribution from smart city projects also dropped in the year. On the other hand, the profit contribution from HKeToll improved for the year as it was fully implemented in all government-tolled tunnels and roads from January 2024.

(II) Treasury Investments and Significant Investments Held

As at 31 December 2024, the Group maintained an investment portfolio with a carrying amount of HK\$5,018.8 million (2023: HK\$4,926.2 million). The aggregate value of the investment portfolio increased by HK\$92.6 million during the year. The portfolio mainly composed of HK\$3,743.7 million (2023: HK\$3,800.7 million) unlisted fund investments and HK\$1,274.8 million (2023: HK\$1,125.2 million) listed and unlisted equity securities.

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

	1 January 2024 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	31 December 2024 HK\$ million
Financial assets measured at FVOCI						
– Listed equity securities	53.2	-	-	1.7	-	54.9
Financial assets measured at FVPL						
– Unlisted fund investments	3,800.7	375.2	(554.3)	-	122.1	3,743.7
– Listed equity securities	983.8	262.9	(238.7)	-	208.7	1,216.7
– Unlisted equity security	88.2	-	-	-	(85.0)	3.2
– Listed debt security	0.3	-	-	-	-	0.3
	4,873.0	638.1	(793.0)	-	245.8	4,963.9
	4,926.2	638.1	(793.0)	1.7	245.8	5,018.8

During the year, the total additions of financial assets amounted to HK\$638.1 million, which consisted of investments in 34 unlisted funds amounting to HK\$375.2 million and investments in 14 listed equity securities amounting to HK\$262.9 million.

During the year, the total disposals of and distributions from financial assets amounted to HK\$793.0 million, which consisted of divestments of 24 unlisted funds amounting to HK\$554.3 million and divestments of 10 listed equity securities amounting to HK\$238.7 million. The divestment of unlisted funds comprised of disposal of interests in five unlisted funds amounted to HK\$316.3 million and distributions from other unlisted funds amounted to HK\$238.0 million.

Other movements in the investment portfolio during the year included a net fair value gain on financial assets measured at FVPL of HK\$245.8 million and a net fair value gain on financial assets measured at FVOCI of HK\$1.7 million.

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 manager who applied various investment strategies to accomplish their respective investment objectives. The principal business of DARF is to invest for returns from capital appreciation and investment income, either through the use of special purpose vehicles or by investing directly. As at 31 December 2024, the Group held about 41,805 class A shares and 26,700 class E1 shares of DARF and recorded a fair value of HK\$653.1 million (2023: HK\$711.5 million) in respect of its holding in about 29.5% of the shares of such investment, which exceeded the purchase cost of HK\$610.2 million for such investment and represented 7.6% of the Group's total assets and 13.0% of the aggregate fair value of the Group's investment portfolio. In terms of performance, a fair value loss of HK\$20.5 million (2023: HK\$15.4 million) on such investment was recognised in profit or loss for the year 2024. Distribution of HK\$37.9 million (2023: Nil) was received from such investment for the year.

Other than the significant investment 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 31 December 2024. Other financial assets mainly composed of unlisted fund investments and equity

securities (accounting for 61.6% and 25.4% 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. Apart from the significant unlisted fund "DARF" mentioned above, the Group at 31 December 2024 held a total of 49 unlisted funds with an aggregate fair value of HK\$3,090.6 million (accounting for 36.0% 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, industrial and infrastructure, logistic, pharmaceuticals, and transportation.

Equity securities held by the Group at 31 December 2024 comprised a total of 42 listed and unlisted equity securities with an aggregate fair value of HK\$1,274.8 million (accounting for 14.8% 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, Japan and Canada.

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 fund investments 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 fund investments 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 markets 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.

(III) Liquidity, Financial Resources, and Capital Structure

The Group maintained a sound financial and liquidity position for the year. As at 31 December 2024, total assets of the Group amounted to HK\$8,597.4 million (2023: HK\$8,515.8 million), with approximately 47.8% (2023: 45.2%) being current assets. Additionally, the Group reported net assets of HK\$7,684.3 million (2023: HK\$7,413.0 million) and net current assets of HK\$3,399.2 million (2023: HK\$3,016.8 million). The net asset value per share was HK\$20.6 (2023: HK\$19.9).

As at 31 December 2024, the Group held bank deposits and cash amounted to HK\$2,767.4 million (2023: HK\$2,764.8 million) and did not have external borrowings and debts (2023: 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 31 December 2024, financial assets denominated in Australian dollars and British pounds accounted for 1.2% each of the Group's total assets. The Group has not used derivative financial instruments to hedge its foreign currency exposures during the year.

(V) Pledge of Assets

Certain securities were pledged to the various financial institutions to secure margin and securities facilities granted to the Group in respect of securities and derivatives transactions. As at 31 December 2024 and 31 December 2023, these facilities were not utilized by the Group.

(VI) Employees

The Company and its subsidiaries have 668 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 year amounted to HK\$427.4 million (2023: HK\$390.6 million). The details of share option scheme are set out in the Report of the Directors.

CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2024, the Company complied with the code provisions of the Corporate Governance Code (the "CG Code") set out within Appendix C1 to the Main Board Listing Rules (the "Listing Rules") save that 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 within Appendix C3 to the Listing Rules (the "Model Code"). All directors confirmed that they had complied with the required standard set out within the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the year.

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 year.

PUBLICATION OF RESULTS ANNOUNCEMENT, ANNUAL REPORT AND NOTICE OF AGM

This results announcement is published on the Company's website at www.ch.limited and the HKEXnews website at www.hkexnews.hk. The Company's 2024 Annual Report and the notice of the AGM will be available on both websites and despatched to the shareholders of the Company in due course.

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

Hong Kong, 24 March 2025

As at the date hereof, the board of 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.