

【For Immediate Release】



Cross-Harbour Holdings Always Puts Shareholder Interest First Aims to Maximize Long Term Returns to Shareholders with Prudent Investment Approach

(18 May 2020 – Hong Kong) **The Cross-Harbour (Holdings) Limited** (“Cross-Harbour Holdings” or the “Company”, which together with its subsidiaries, is referred to as the “Group”; stock code: 32) has exchanged views with the media today on its business development after its annual general meeting.

The Cross-Harbour Holdings always regards Hong Kong as its home base and principally engages in investment holding. The Group’s subsidiaries, associates and joint ventures put emphasis on transport infrastructure. For instance, it operates a tunnel, driver driving training centres, electronic toll collection systems and treasury management business. The Group owns a 50% interest in Western Harbour Tunnel Company Limited and operates the Western Harbour Tunnel for a franchise period of 30 years which will end in July 2023. Meanwhile, the Group needs to maintain highly liquid funds for long-term investments to sustain its business development and maintain a stable dividend policy.

The Group has been achieving good results in terms of key performance indicators since the current management took over The Cross-Harbour Holdings in 2001. The Group’s share price was HK\$12.80 per share on 15 May 2020, which is almost 4.5 times of a low of about HK\$2.83 per share in 2001. Equity attributable to shareholder in 2019 was HK\$7.34 billion, which is about 5.7 times of the HK\$1.29 billion in 2001. Dividend in 2019 was 42 HK cents per share, which is about 2.1 times of the 20 HK cents per share in 2001.

For a listed company such as The Cross-Harbour Holdings, its management needs to strike a balance between the interests of shareholders who have different investment preferences and social responsibility when formulating investment strategies and plans. For example, in the past, some funds which invested in The Cross-Harbour Holdings tried to pressure the management into increasing the toll at the Western Harbour Tunnel to the maximum statutory toll allowed by the law so that the additional gain can be distributed to the shareholders. However, the management did not bow to such the pressure. The management persevered in striking a balance between shareholders’ interests and its social responsibility and hence refused to do so.

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The Group has a set of internal standards for its investment decisions. Every project must be in the best long term interests of the shareholders. It also reviews the standards regularly to maximize their effectiveness. Taking into account its appreciation factors, the average annual return on the Group's investment in financial assets was about 13% in the 5-years from 2015 to 2019 and was about 6% in the 10-years from 2010 to 2019 (by referencing to Hang Seng Index performance of approximately 5% and 4% over the same periods respectively).

The Group received proposals from investors from time to time acquiring its assets. The Group has an open mind and will always consider any proposals that can benefit both the Company and its shareholders. Also, the Group will keep an eye for opportunities for investments in fields which are related to its business, especially potential targets for acquisition in infrastructure. The Group's decisions on acquisition or investment in any specific business projects or assets will have to align with the needs of its long term business development.

The Group, its board of director and management are pleased to share its fruit of success with its shareholders and therefore always maintains a stable dividend policy. In doing so, they will also balance the needs for long term business development with the shareholders long term interest. The Group will continue to pursue excellent financial performance, maximize the shareholder long term values and strive for sustainable returns.

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