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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 SUBSCRIPTION OF LIMITED PARTNERSHIP INTERESTS IN A PARTNERSHIP**

##### **THE SUBSCRIPTION**

On 17 December 2020, the Subscriber executed the Subscription Agreement with the Partnership, pursuant to which the Subscriber has agreed to subscribe for limited partnership interests in the Partnership with the Capital Commitment.

##### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the Subscription exceed 5% but all the applicable percentage ratios are below 25%, the Subscription constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements thereunder.

#### **1. THE SUBSCRIPTION**

On 17 December 2020, the Subscriber, executed the Subscription Agreement with the Partnership, pursuant to which the Subscriber has agreed to subscribe for limited partnership interests in the Partnership with the Capital Commitment.

#### **2. THE SUBSCRIPTION AGREEMENT**

A brief summary of certain principal terms of the Subscription Agreement is as follows:

Date : 17 December 2020

Parties : (1) the Subscriber; and  
(2) the Partnership

Subscription : The Subscriber has agreed (a) to make a capital commitment in an amount of US\$50,000,000 (approximately equivalent to HK\$390,000,000) to, and purchase limited partnership interests from, the Partnership, payable in the manner and at the times provided in the Limited Partnership Agreement, (b) to become a party to, adhere to and be bound by the Limited Partnership Agreement, and (c) to become a limited partner of the Partnership.

- Closing : The closing of the Subscription shall take place on such date and time and at such place as shall be selected by the General Partner.
- Acceptance : The limited partnership interests agreed to subscribe for shall not be deemed to be issued to, or owned by, the Subscriber until the Subscription is accepted by the General Partner in accordance with the Subscription Agreement.

The Capital Commitment corresponds with the limited partnership interests agreed to subscribe for in the Partnership and was determined after arm's length negotiations between the parties. The Capital Commitment will be settled in cash and funded by the Group's internal resources.

### 3. THE LIMITED PARTNERSHIP AGREEMENT

A brief summary of certain principal terms of the Limited Partnership Agreement is as follows:

- Name of the Partnership : Banner Ridge DSCO Fund I (Offshore), LP
- Term : The Partnership has a term of ten (10) years from 20 March 2020 but the General Partner may authorize a one-year extension thereof without the consent of the Limited Partners and may thereafter authorize a subsequent one-year extension thereof without the consent of the Limited Partners. The term of the Partnership may be further extended for such term as is requested by the General Partner and approved by the advisory board for the Partnership.
- Scope : The Partnership has been organized for the object and purpose of, including through its ownership of partnership interests in the Domestic Fund, among other things, investing in securities primarily issued by investment funds that are managed by independent portfolio managers.
- Parties : (1) General Partner, as the general partner and attorney of the limited partners of the Partnership including the Subscriber  
(2) Special Limited Partner  
(3) Initial Limited Partner
- Transferability of interests : A Limited Partner may not transfer all or any portion of its limited partnership interests in the Partnership without the prior written consent of the General Partner except as otherwise provided in the Limited Partnership Agreement.
- Management : The management, control and operation of the Partnership shall be vested in the General Partner which has the sole discretion to make investment on behalf of the Partnership and to exercise certain powers.
- Management fee : The Subscriber is required to pay to the Partnership a management fee in an amount equal to one-fourth of 0.60% of the Capital Commitment, which will be payable quarterly in arrears for each calendar quarter. For each complete fiscal year following the commitment period (commencing on 20 March 2020 and ending four (4) years following the final closing date being the same as

the final closing of the Domestic Fund, unless sooner terminated by the General Partner, subject to the terms of the Limited Partnership Agreement), the annual rate of the management fee will be reduced by 10% of the applicable rate of the management fee for the prior year.

Distributions : Except as otherwise provided in the Limited Partnership Agreement or as required by law, any proceeds (from the Partnership's investment in the Domestic Fund) received by the Partnership from the Domestic Fund, net of current expenses or reserves for future expenses, shall be distributed promptly following the date upon which the Partnership receives such proceeds from the Domestic Fund. Except with respect to any special allocations, net proceeds received from the Domestic Fund shall be distributed 100% to the General Partner and all Limited Partners proportionally.

Distributions will be made to the General Partner and all Limited Partners in such ways as stipulated in the Limited Partnership Agreement, including, among other things:

- (a) prior to the winding up of the Partnership, distributions will be made in cash or in marketable securities; and
- (b) upon winding up of the Partnership, distributions may also include restricted securities or other assets of the Partnership.

#### **4. INFORMATION ON THE SUBSCRIBER AND THE GROUP**

The Subscriber is indirectly wholly-owned by the Company and its principal business activity is investment holding. The principal business activity of the Company is investment holding. 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.

#### **5. INFORMATION ON THE PARTNERSHIP, THE GENERAL MANAGER, THE SPECIAL LIMITED PARTNER, THE INITIAL LIMITED PARTNER AND THE INVESTMENT MANAGER**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires,

- (a) the Partnership is a Cayman Islands exempted limited partnership, and its principal business activity is to invest in securities primarily issued by investment funds that are managed by independent portfolio managers, through the Partnership's investment in the Domestic Fund;
- (b) the General Partner is a company incorporated in Delaware with limited liability and registered as a foreign company in the Cayman Islands, and its principal business activity is to manage, control and operate the Partnership;
- (c) the Special Limited Partner is a company incorporated in Delaware with limited liability, and its principal business activity is to receive the performance allocation, if any, from the Partnership and affiliated entities;
- (d) the Initial Limited Partner is a company incorporated in the Cayman Islands with limited liability, and its principal business activity is to act as a nominee entity; and
- (e) the Investment Manager is a Delaware limited partnership, and its principal business activity is to serve as investment manager to provide discretionary advisory services to private funds and special purpose vehicles.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the General Partner, the Special Limited Partner, the Initial Limited Partner, other Limited Partners, the Investment Manager and their respective ultimate beneficial owners are Independent Third Parties.

## **6. REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

In line with its development strategy, the main purpose of the Subscription is to diversify the Group's investment portfolio with an aim to enhancing profitability.

The Directors consider that the terms of the Subscription Agreement and the Limited Partnership Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **7. LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the Subscription exceed 5% but all the applicable percentage ratios are below 25%, the Subscription constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements thereunder.

## **8. DEFINITIONS**

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

“Board”	the board of Directors
“Capital Commitment”	the capital commitment in the amount of US\$50,000,000 (approximately equivalent to HK\$390,000,000) agreed to be made by the Subscriber to the Partnership pursuant to the Subscription Agreement
“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
“Domestic Fund”	Banner Ridge DSCO Fund I, LP, a Delaware limited partnership
“General Partner”	Banner Ridge DSCO Fund I GP, LLC, a Delaware limited liability company registered as a foreign company in the Cayman Islands
“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)
“Initial Limited Partner”	Mourant Nominees (Cayman) Limited, the initial limited partner of the Partnership which is incorporated in the Cayman Islands with limited liability

“Investment Manager”	Banner Ridge Partners, LP, a Delaware limited partnership
“Letter Agreement”	the letter agreement dated 17 December 2020 issued by the General Partner and the Investment Manager to the Subscriber supplementing the Limited Partnership Agreement and the Subscription Agreement for the Subscriber
“Limited Partner(s)”	limited partner(s) of the Partnership
“Limited Partnership Agreement”	the amended and restated exempted limited partnership agreement of the Partnership dated 17 December 2020 by and among the General Partner (as the general partner and attorney of the limited partners of the Partnership including the Subscriber), the Special Limited Partner and the Initial Limited Partner, as supplemented by the Letter Agreement and as amended and restated from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partnership”	Banner Ridge DSCO Fund I (Offshore), LP, a Cayman Islands exempted limited partnership, or any variations thereof that are made by the General Partner in accordance with the Limited Partnership Agreement
“Special Limited Partner”	Banner Ridge III SP, LLC, a Delaware limited liability company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Phenomenal Combo Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly wholly-owned by the Company
“Subscription”	subscription of limited partnership interests in the Partnership by the Subscriber in accordance with the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement executed on 17 December 2020 by the Subscriber with the Partnership as supplemented by the Letter Agreement
“United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$” or “US dollar”	United States dollars, the lawful currency of the United States
“%”	per cent

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

Hong Kong, 18 December 2020

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