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遠東宏信有限公司
FAR EAST HORIZON LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 3360)

**COMPLETION OF ISSUANCE OF U.S.\$250,000,000 ZERO COUPON
GUARANTEED CONVERTIBLE BONDS DUE 2026 BY UNIVERSE TREK
LIMITED AND GUARANTEED BY THE COMPANY**

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners



(in alphabetical order)

Joint Lead Manager and Joint Bookrunner



Reference is made to the announcement of Far East Horizon Limited (the “**Company**”) dated 27 May 2021 in relation to the issuance of U.S.\$250,000,000 zero coupon guaranteed convertible bonds due 2026 by Universe Trek Limited and guaranteed by the Company (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

Completion of Issuance of the Bonds

The Company is pleased to announce that all conditions precedent under the Subscription Agreement have been satisfied and it has completed the issuance of the Bonds in an aggregate principal amount of U.S.\$250,000,000 as at the date of this announcement.

Permission for the listing of, and dealing in, the Bonds on the Stock Exchange is expected to become effective on 16 June 2021.

Adjustment Events under the Principal Terms of the Bonds

As disclosed in the Announcement, the initial Conversion Price of HK\$10.20 per Conversion Share will be subject to adjustment upon the occurrence of certain events. The Company wishes to provide further information on the Adjustment Events as follows:

- (1) *Other Offers to Shareholders:* If and whenever the Company or any of its Subsidiaries issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under (i) rights issues of Shares or options over Shares at less than 95% of the Current Market Price per Share, (ii) rights issues of other securities, (iii) issues at less than 95% of the Current Market Price per Share and (iv) other issues of convertible or exchangeable securities at less than 95% of the Current Market Price per Share), the initial Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{(A-B)}{A}$$

where:

“**A**” is the Current Market Price of one Share on the Trading Day (as defined in the Conditions) of the date on which such issue, sale or distribution is publicly announced; and

“**B**” is the Fair Market Value (as defined in the Conditions) on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

Furthermore, it should be noted this adjustment event may be triggered by a spin-off listing of the Company's subsidiary. As disclosed in the announcement of the Company dated 16 December 2020, the Company was considering a possible spin-off and separate listing of the equipment operation business of the Group. To the extent practicable under the applicable laws, the Company would provide the qualifying Shareholders with an assured entitlement to the shares of the spun-off entity pursuant to the requirements of Practice Note 15 of the Listing Rules. For more details, please refer to the announcement of the Company dated 16 December 2020. In a scenario where a spin-off offering to the qualifying Shareholders is to subscribe for the new spun-off entity's shares at the same price as its offer price, such right would not likely be assessed to carry any market value as the offer made to the Shareholders is at the same subscription price as the general public, and will result in a nil adjustment under this adjustment event. In a scenario where a spin-off offering to the qualifying Shareholders is to be distributed in specie of the new spun-off entity's shares, the same formula as set out above will apply, except:

where:

“**A**” is the Current Market Price of one Share on the Effective Date (as defined in the Conditions); and

“**B**” is the Fair Market Value attributable to one Share.

- (2) *Change of Control*: If a Change of Control shall occur, the initial Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \frac{\text{OCP}}{1+(\text{CP} \times \text{c}/\text{t})}$$

where:

“**NCP**” means the new Conversion Price.

“**OCP**” means the Conversion Price in effect on the relevant Conversion Date (as defined in the Conditions).

“**CP**” means 14.87 per cent. expressed as a fraction.

“**c**” means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date.

“**t**” means the number of days from and including the Issue Date to but excluding the Maturity Date, provided that the Conversion Price shall not be reduced pursuant to this adjustment event below the level permitted by applicable laws and regulations from time to time (if any).

- (3) *Determination by the Company:* If the Company determines that an adjustment should be made to the initial Conversion Price, the Issuer or the Company may request an Independent Financial Advisor (as defined in the Conditions), acting as expert, to determine as soon as practicable (i) what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereto and is appropriate to give the result which the Independent Financial Advisor considers in good faith to reflect the intentions of the provisions of the Conditions; and (ii) the date on which such adjustment should take effect. The Company will comply with the applicable requirements under the Listing Rules.

This announcement does not constitute, or form part of, an offer or invitation, or solicitation or inducement of an offer, to subscribe for or purchase any of the Bonds or other securities of the Company, nor is this announcement circulated to invite offers for any securities of the Company.

By order of the Board
Far East Horizon Limited
KONG Fanxing
Chief Executive Officer and Executive Director

Hong Kong, 15 June 2021

As at the date of this announcement, the executive directors of the Company are Mr. KONG Fanxing and Mr. WANG Mingzhe, the non-executive directors of the Company are Mr. NING Gaoning (Chairman), Mr. YANG Lin, Mr. LIU Haifeng David, Mr. KUO Ming-Jian and Mr. John LAW, and the independent non-executive directors of the Company are Mr. CAI Cunqiang, Mr. HAN Xiaojing, Mr. LIU Jialin and Mr. YIP Wai Ming.