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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)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF HORIZON
CONSTRUCTION DEVELOPMENT LIMITED ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**PUBLICATION OF PROSPECTUS BY HORIZON CONSTRUCTION
DEVELOPMENT
AND
EXPECTED SIZE OF GLOBAL OFFERING AND OFFER PRICE RANGE**

The Company announces that Horizon Construction Development has published the Prospectus in relation to the Proposed Spin-off and the Global Offering on 12 May 2023. The Prospectus is available for viewing and downloading on the website of Horizon Construction Development (www.hongxinjianfa.com) and the website of the Stock Exchange (www.hkexnews.hk) from 12 May 2023.

As disclosed in the Prospectus, the total number of Horizon Construction Development Shares to be offered under the Global Offering will be 364,694,000 Horizon Construction Development Shares (assuming that the Over-allotment Option is not exercised), which is equivalent to approximately 11.4% of the total number of the Horizon Construction Development Shares in issue immediately upon completion of the Global Offering, or 419,398,000 Horizon Construction Development Shares (assuming that the Over-allotment Option is fully exercised), which is equivalent to approximately 12.9% of the total number of the Horizon Construction Development Shares in issue immediately upon completion of the Global Offering and the full exercise of the Over-allotment Option.

It is expected that the offer price of the Horizon Construction Development Shares under the Global Offering will be no less than HK\$4.52 per Horizon Construction Development Share and no more than HK\$4.80 per Horizon Construction Development Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%).

Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off and the Global Offering (including the preferential offering) will proceed. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. Any persons who are in doubt about their position or any action to be taken are recommended to consult their professional advisers.

INTRODUCTION

Reference is made to the Company's announcements dated 30 June 2021, 1 November 2021, 15 November 2021, 25 February 2022, 27 February 2023, 12 April 2023, 17 April 2023 and 28 April 2023 regarding the Proposed Spin-off and separate listing of Horizon Construction Development on the Main Board of the Stock Exchange (the "Announcements"). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

PUBLICATION OF PROSPECTUS

Horizon Construction Development has published the Prospectus in relation to the Proposed Spin-off and Global Offering on 12 May 2023. The Prospectus contains, among other things, (a) details of the number of Horizon Construction Development Shares to be offered under the Global Offering, the offer price range, and other details of the Global Offering; and (b) certain business and financial information of Horizon Construction Development and its subsidiaries.

The Prospectus is available for viewing and downloading on the website of Horizon Construction Development (www.hongxinjianfa.com) and the website of the Stock Exchange (www.hkexnews.hk) from 12 May 2023. Horizon Construction Development has adopted a fully electronic application process for the Global Offering, and Horizon Construction Development will not provide printed copies of the Prospectus or printed copies of any application forms to the public in relation to the Global Offering.

PREFERENTIAL OFFERING

The Qualifying Shareholders will be provided with the assured entitlement for an aggregate of 36,470,000 Reserved Shares under the preferential offering, representing approximately 10.0% of the Horizon Construction Development Shares initially available for subscription under the Global Offering (assuming that the over-allotment option of the Global Offering is not exercised), while the basis of the assured entitlement is one (1) Reserved Share for every integral multiple of 119 Shares held by the Qualifying Shareholders on the Record Date, being Tuesday, 2 May 2023. The Reserved Shares will be offered out of the Horizon Construction Development Shares initially being offered for subscription and purchase under the International Offering and will not be subject to reallocation between the Hong Kong Public Offering and the International Offering.

The blue application form has been despatched to all Qualifying Shareholders to the address of the Qualifying Shareholders shown in the register of members of the Company on the Record Date. In addition, the Qualifying Shareholders will receive a copy of the Prospectus in the manner which is chosen by them, or is deemed to have been chosen, to receive corporate communications under the Company's corporate communication policy. The procedures for applying for the Reserved Shares under the preferential offering are set out in the Prospectus and the blue application form.

EXPECTED SIZE OF GLOBAL OFFERING AND OFFER PRICE RANGE

As disclosed in the Prospectus, the total number of Horizon Construction Development Shares to be offered under the Global Offering will be 364,694,000 Horizon Construction Development Shares (assuming that the Over-allotment Option is not exercised), which is equivalent to approximately 11.4% of the total number of the Horizon Construction Development Shares in issue immediately upon completion of the Global Offering, or 419,398,000 Horizon Construction Development Shares (assuming that the Over-allotment Option is fully exercised), which is equivalent to approximately 12.9% of the total number of the Horizon Construction Development Shares in issue immediately upon completion of the Global Offering and the full exercise of the Over-allotment Option.

It is expected that the offer price of the Horizon Construction Development Shares under the Global Offering will be no less than HK\$4.52 per Horizon Construction Development Share and no more than HK\$4.80 per Horizon Construction Development Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%).

Based on the number of the Horizon Construction Development Shares to be offered under the Global Offering and the expected Offer Price range mentioned above, if the Global Offering proceeds:

- (a) The market capitalisation of Horizon Construction Development will range from approximately HK\$14,451.5 million to HK\$15,346.8 million (assuming that the Over-allotment Option is not exercised); and
- (b) The Company will directly hold approximately 71.72% of the total issued share capital of Horizon Construction Development and will also be entitled to control the exercise of voting rights in respect of the Shares held by Farsighted Wit Limited (representing approximately 5.52% of the total issued share capital of Horizon Construction Development) at the general meetings of Horizon Construction Development.

CONDITIONS OF GLOBAL OFFERING

The Global Offering is conditional upon, among other things, (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Horizon Construction Development Shares being offered pursuant to the Global Offering (including the additional Horizon Construction Development Shares which may be made available pursuant to the exercise of the Over-allotment Option, if any) (subject only to allotment); (ii) Horizon Construction Development and the Overall Coordinators (on behalf of the Underwriters) agreeing on the final offer price of the Horizon Construction Development Shares under the Global Offering on or around Thursday, 18 May 2023 (the "**Pricing Determination Date**"); (iii) execution and delivery of the International Underwriting Agreement on or around the Pricing Determination Date; and (iv) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

An application has been made to the Stock Exchange for the listing of, and permission to deal in, the Horizon Construction Development Shares on the Main Board of the Stock Exchange.

Please refer to the Prospectus for details in relation to the conditions of the Global Offering. If the conditions are not fulfilled on or before the time specified therein, the Proposed Spin-off and the Global Offering will not proceed and an announcement will be published by the Company as soon as practicable thereafter.

GENERAL

In connection with the Global Offering, the price of the Horizon Construction Development Shares may be stabilised in accordance with the Securities and Futures (Price Stabilising) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) are contained in the Prospectus.

This announcement is not intended to, and does not, constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any Horizon Construction Development Shares in connection with the Global Offering or otherwise. Any such offer or solicitation is made solely through the Prospectus or other offering documents that may be issued in compliance with applicable laws and any decision to subscribe for or purchase the Horizon Construction Development Shares in connection with the Global Offering or otherwise should be made solely on the basis of the information contained in the Prospectus and such other offering documents. No action has been or will be taken in any jurisdiction (other than in Hong Kong) that would permit a public offering of the Horizon Construction Development Shares to be offered under the Global Offering in any jurisdiction where action for that purpose is required. The Company will make further announcement(s) in relation to the Proposed Spin-off and the Global Offering as and when appropriate.

Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off and the Global Offering (including the preferential offering) will proceed. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company. Any persons who are in doubt about their position or any action to be taken are recommended to consult their professional advisers.

By Order of the Board
Far East Horizon Limited
KONG Fanxing

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 12 May 2023

As at the date of this announcement, the executive directors of the Company are Mr. KONG Fanxing (Chairman), Mr. WANG Mingzhe and Mr. CAO Jian, the non-executive directors of the Company are Mr. CHEN Shumin, Ms. WEI Mengmeng, Mr. LIU Haifeng David, Mr. KUO MingJian 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.