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宏信建发
CDHORIZON

宏信建設發展有限公司

# HORIZON CONSTRUCTION DEVELOPMENT LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9930)**

# ANNOUNCEMENT
# CONNECTED TRANSACTION
# ACQUISITION OF EQUITY INTEREST IN SHANGHAI HONGZUO

**EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that, on 13 March 2026, Tianjin Hongtou (a wholly-owned subsidiary of the Company) and Shanghai Depeng entered into the Equity Transfer Agreement, pursuant to which Tianjin Hongtou has conditionally agreed to acquire and Shanghai Depeng has conditionally agreed to sell 25.6306% of the equity interest in the Target Company held by it at a consideration of RMB77,402,873.02.

As at the date of this announcement, Shanghai Depeng is a wholly-owned subsidiary of Far East Horizon, and Far East Horizon is a controlling shareholder of the Company, holding approximately 44.89% of the total issued ordinary shares of the Company, and Shanghai Depeng is therefore a connected person of the Company under the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

## BACKGROUND

The Board is pleased to announce that, on 13 March 2026, Tianjin Hongtou (a wholly-owned subsidiary of the Company) and Shanghai Depeng entered into the Equity Transfer Agreement, pursuant to which Tianjin Hongtou has conditionally agreed to acquire and Shanghai Depeng has conditionally agreed to sell 25.6306% of the equity interest in the Target Company held by it at a consideration of RMB77,402,873.02.

## EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarized below:

**Date:** 13 March 2026

**Parties:** (1) Tianjin Hongtou (as the purchaser); and

(2) Shanghai Depeng (as the seller).

**Subject matter:** Pursuant to the Equity Transfer Agreement, Tianjin Hongtou agreed to conditionally acquire and Shanghai Depeng agreed to conditionally sell 25.6306% of the equity interest in Shanghai Hongzuo at a consideration of RMB77,402,873.02.

**Basis of determination of the consideration:** The consideration under the Equity Transfer Agreement was determined by the parties after arm's length negotiations with reference to the appraised value of the entire shareholders' equity of Shanghai Hongzuo as at 31 December 2025 (the "**Valuation Benchmark Date**") (i.e. approximately RMB264 million) as set out in the valuation report (the "**Valuation Report**") prepared by Yin Xin Assets Appraisal Co., Ltd. (銀信資產評估有限公司), an independent and qualified valuer (the "**Valuer**"), using the market approach, and taking into account, among other things, a number of factors including the overall financial position subsequent to full payment of RMB35 million registered capital and business performance, business quality and expected growth of Shanghai Hongzuo.

**Payment:** Tianjin Hongtou shall, within fifteen business days from the date on which the conditions precedent are satisfied, pay the equity transfer consideration in a total amount of RMB77,402,873.02 to the bank account designated by Shanghai Depeng.

**Conditions precedent to payment:** The payment of the equity transfer consideration shall be subject to the satisfaction or prior written waiver by Tianjin Hongtou of all of the following conditions:

(1) the existing shareholders of the Target Company have waived their right of first refusal in respect of the transaction, whether required by the laws of the PRC or the articles of association of the Target Company;

(2) the closing as agreed under the Equity Transfer Agreement has been completed;

(3) as of the date of payment of the equity transfer consideration, Shanghai Depeng has not breached any of its obligations, representations or warranties under the transaction documents.

**Closing:** Shanghai Depeng shall procure and ensure that the Target Company completes the closing of the Acquisition within twenty-five (25) business days after the date of signing, including:

(1) Tianjin Hongtou has been registered as the shareholder of the Target Company holding the subject equity interest;

(2) the filing procedures have been completed with the market supervision and administration department for the new articles of association of the Target Company applicable after the completion of the Acquisition;

(3) the newly appointed directors, supervisors (if any) and senior management of the Target Company after the completion of the Acquisition have completed the filing procedures with the market supervision and administration department (if applicable).

**Profit distribution:** Any accumulated reserve funds and undistributed profits of the Target Company corresponding to the subject equity interest prior to the date of the agreement, and any rights and interests such as dividends declared from the date of the agreement to the Closing Date, shall belong to Tianjin Hongtou.

## EXPLANATORY NOTES ON VALUATION

### 1. Reason for adoption of the market approach

The data obtained from the market approach is based on intuitive market data, which is more objective and comprehensive in reflecting the investment value of the valued unit. Considering that the number of peer listed companies in the PRC capital market comparable to Shanghai Hongzuo satisfies the required conditions, the criteria for adopting the market approach for valuation are met. Therefore, the Valuer has selected the valuation results using the market approach as the valuation conclusion of the Valuation Report. As at the Valuation Benchmark Date, the value of total shareholders' equity interests of Shanghai Hongzuo adopting the market approach amounted to approximately RMB264,000,000.00. The valuation conclusion is valid for one year from the Valuation Benchmark Date to 31 December 2026.

## 2. Assumptions adopted in the market approach valuation

***Basic assumptions***

*(i) Transaction assumption*

It is assumed that the valuation subject is involved in a transaction, the Valuer will carry out the valuation in a simulated market based on the transaction conditions of the valuation subject. The result of the valuation is an estimate of the price at which the valuation subject is most likely to be transacted.

*(ii) Open market assumption*

It is assumed that the valuation subject and its assets involved are traded in the open market where each of the buyer and the seller is provided with equal opportunity and time to have access to adequate market information, the trading behaviors of both the buyer and the seller are conducted under voluntary, rational, and non-mandatory conditions.

*(iii) Enterprise going concern assumption*

It is assumed that the valuation subject and its assets involved will continue their operations in their original locations according to their purposes and modes of use as at the Valuation Benchmark Date.

***General assumptions***

(i) It is assumed that there will be no significant changes in the prevailing economic policies and guidelines in the region where Shanghai Hongzuo is located;

(ii) It is assumed that there will be no significant changes in the bank credit interest rates, exchange rates and tax rates in the region where Shanghai Hongzuo is located;

(iii) It is assumed that there will be no significant changes in the social and economic environment in the region where Shanghai Hongzuo is located;

(iv) It is assumed that the development trend of the industry to which Shanghai Hongzuo belongs is stable, and the prevailing laws, regulations and economic policies related to the production and operation of Shanghai Hongzuo remain stable;

(v) It is assumed that no material adverse impacts caused by other unpredictable factors and force majeure will occur.

***Assumptions for the state of Shanghai Hongzuo as of the Valuation Benchmark Date***

(i) Save for the knowledge as to the Valuer, it is assumed that the purchase, acquisition or development processes of Shanghai Hongzuo and its assets involved are in compliance with relevant national laws and regulations;

(ii) Save for the knowledge as to the Valuer, it is assumed that Shanghai Hongzuo and its assets involved bear no defects of rights, liabilities and restrictive conditions that may affect their value, and it is assumed that considerations, taxes and various amounts payable relating to the valuation subject and its assets involved have been fully settled;

(iii) Save for the knowledge as to the Valuer, it is assumed that Shanghai Hongzuo and its tangible assets including equipment involved are free from any major technical failure that may affect their continuous usage, that such assets contain no hazardous substances that may adversely influence their value, and that the places where such assets are located are subject to no hazardous materials and other harmful environmental conditions that may cause detrimental impacts on the value of such assets.

***Specific assumptions***

(i) It is assumed that during the future operating period of Shanghai Hongzuo, the management will perform their duties with due diligence, core members will remain stable, and the main business structure, composition of revenue and costs, and the structure of administrative expenses, selling expenses and research and development expenses will continue to operate according to the established business plans and business strategies;

(ii) It is assumed that the stock exchanges where the comparable listed companies are located are efficient markets, their stock transaction prices are fair and valid, and differences between markets do not have a significant impact on the value of Shanghai Hongzuo as at the benchmark date;

(iii) It is assumed that the information disclosure of the comparable listed companies is true, accurate and complete, and there are no false statements, erroneous records or material omissions that affect the judgment of value.

**3. Specific process of valuation**

***Selection of comparable companies***

Taking into account the industry in which Shanghai Hongzuo operates, its business structure, business model, enterprise scale, asset allocation and utilization, operating stage, growth, operating risks, financial risks and other factors, the Valuer determined the following criteria for the selection of comparable listed companies:

(i) not designated as ST or ST*;

(ii) listed for more than three years as of the Valuation Benchmark Date;

(iii) A-shares accounted for 100% of the total share capital during 2023-2025;

(iv) no suspension of trading, material asset restructuring or abnormal share price fluctuations in the recent three years;

(v) companies with business activities similar or comparable to Shanghai Hongzuo's principal business of photovoltaic power station investment.

Based on the above selection criteria, the Valuer has obtained an exhaustive list of comparable companies that meet the above criteria on a best effort basis, and identified three comparable companies. After giving due consideration to the business nature of Shanghai Hongzuo as a new energy asset management platform, its asset structure and the capital-intensive nature and stable asset value characteristics of the photovoltaic power station industry, the Valuer has selected the price-to-book (P/B) ratio as the comparable value ratio, which has been modified accordingly based on the indicators of profitability, solvency, operating capabilities, scale and growth capabilities of comparable companies. Details of the modified P/B ratios of such comparable companies as at the Valuation Benchmark Date are set out below:

*Unit: RMB*

| **Items** | **Lixin Energy (Stock Code: 001258.SZ)** | **Jinkai New Energy (Stock Code: 600821.SH)** | **Xinneng Technology (Stock Code: 603105.SH)** |
|---|---|---|---|
| Share price (30 days prior to the Valuation Benchmark Date) | 7.36 | 5.25 | 9.37 |
| Total share capital (10,000 shares) | 93,333.33 | 199,726.35 | 50,000.91 |
| Value of total shareholders' equity interests | 686,840.00 | 1,048,696.46 | 468,558.53 |
| Less: Non-operating net assets and liabilities | 33,958.45 | 306,200.82 | 52,069.96 |
| Value of total shareholders' equity interests (adjusted) | 652,881.55 | 742,495.65 | 416,488.57 |
| Total adjusted equity attributable to owners of the parent | 269,566.10 | 660,418.33 | 175,534.87 |
| P/B | 2.42 | 1.12 | 2.37 |
| Correction coefficient | 1.0114 | 0.9766 | 0.9777 |
| Modified P/B ratio | 2.45 | 1.09 | 2.32 |

*Note:* Based on the completeness of the disclosure of financial data of listed companies, the financial data of the comparable companies are extracted from their respective published 2025 third quarter reports.

***Valuation calculation***

Value of Shanghai Hongzuo's total shareholders' equity interests = Operating net assets attributable to the parent x weighted modified value ratio P/B x (1 – non-liquidity discount ratio) + surplus currency funds + non-operating assets – non-operating liabilities

| **Parameters** | **Amount** |
|---|---|
| P/B ratio taken for Shanghai Hongzuo (1) | 1.95 |
| Operating net assets attributable to the parent (RMB) | 165,749,041.60 |
| Non-liquidity discount ratio (2) | 20.87% |
| Surplus currency funds (RMB) | 22,343,485.79 |
| Non-operating assets (RMB) | 19,572,615.46 |
| Non-operating liabilities (RMB) | 34,388,464.12 |
| Value of Shanghai Hongzuo's total shareholders' equity interests (3) (RMB) | 264,000,000.00 |

*Notes:*

(1) P/B ratio taken for Shanghai Hongzuo is the average of the modified P/B ratios of the above three comparable companies.

(2) Non-liquidity discount ratio represents the value discount ratio with reference to the trading price of the outstanding shares of the listed companies. In view of that Shanghai Hongzuo is not a listed company, the Valuer has estimated the discount for lack of marketability by comparing the price-to-earnings ratios of equity transactions of non-listed companies with those of listed companies. Upon calculation, the non-liquidity discount ratio for this valuation is 20.87%.

(3) Value of Shanghai Hongzuo's total shareholders' equity interests has been rounded to the nearest hundred thousand.

**4. Opinions from the Board**

The Board has discussed with the Valuer and reviewed the Valuation Report, and has fully considered the appropriateness of the valuation method adopted by the Valuer as well as the selection criteria of the aforesaid comparable companies and the valuation assumptions. The Board is of the opinion that the valuation results are fair and reasonable.

## INFORMATION ON SHANGHAI HONGZUO

Shanghai Hongzuo is a limited liability company established in Shanghai on 14 August 2017, which is mainly engaged in technical development, technical consultation, technical transfer and technical services in the professional field of new energy technology, sales and installation of photovoltaic equipment, professional construction of environmental protection construction projects, and import and export of goods and technology, and financial consultation. As at the date of this announcement, HongShan Valley Management Limited holds 72.0882% of the equity interest in Shanghai Hongzuo through its wholly-owned subsidiary Hongchen New Energy Technology (Yangzhou) Co., Ltd.(宏辰新能源科技(揚州)有限公司), and Far East Horizon holds 25.6306% of the equity interest in Shanghai Hongzuo through its wholly-owned subsidiary Shanghai Depeng. No other shareholder holds 10% or more of the equity interest in Shanghai Hongzuo. As at the date of this announcement, HongShan Valley Management Limited is a wholly-owned subsidiary of HSIF I Industrial Holdings Limited, which is in turn a wholly-owned subsidiary of HongShan Infrastructure Fund I, L.P. The general partner of HongShan Infrastructure Fund I, L.P. is HSG Infrastructure I Management, L.P., whose general partner is HSG Holdings IX, Ltd. HSG Holdings IX, Ltd. is wholly owned by SNP China Enterprises Limited, which in turn is wholly owned by Mr. Neil Nanpeng Shen. HongShan Infrastructure Fund I, L.P. is an investment fund focused on new economy infrastructure investments.

According to the unaudited consolidated management accounts of Shanghai Hongzuo prepared in accordance with the China Accounting Standards for Business Enterprises, as at 31 December 2025, the total assets of Shanghai Hongzuo were approximately RMB440,304,300 and the net assets were RMB173,276,700. The following is the net profit (before and after tax and extraordinary items) attributable to Shanghai Hongzuo for the two financial years ended 31 December 2025:

| | **For the year ended 31 December 2024** *(RMB'0,000)* *(Audited)* | **For the year ended 31 December 2025** *(RMB'0,000)* *(Unaudited)* |
|---|---|---|
| Net profit before tax and extraordinary items | 2,056.76 | 1,236.72 |
| Net profit after tax and extraordinary items | 1,913.74 | 1,126.00 |

## REASONS FOR AND BENEFITS OF THE TRANSACTION

Shanghai Hongzuo is one of the leading investment and operation enterprises of distributed photovoltaic power stations in China, and its main business currently does not involve overseas markets. Meanwhile, the photovoltaic markets in the Middle East and Southeast Asia are experiencing rapid growth. In particular, the Middle East is one of the fastest-growing photovoltaic markets globally, with local governments actively supporting industry development. The compound annual growth rate of installed solar capacity in the region is expected to exceed 50% over the next five years. The Company has already established a sizable physical asset presence in the Middle East and Southeast Asia, together with well-developed local networks and teams. Its equipment leasing business has become increasingly mature, and the equipment deployed locally can effectively support the construction of photovoltaic power stations, with an established customer base in place. The Acquisition will facilitate deeper cooperation between the parties and create strategic synergies in the Middle East and Southeast Asia. Going forward, the parties intend to jointly engage leading local EPC companies and, by developing a new overseas cooperation model, accelerate the expansion of opportunities across the upstream and downstream segments of the overseas distributed photovoltaic market, which is conducive to realizing the overall interests of the Company and its shareholders.

## DIRECTORS' CONFIRMATION

Mr. KONG Fanxing, Mr. XU Huibin, Ms. GUO Lina and Mr. LIU Jialin, the Directors, concurrently hold directorships or senior management positions in Far East Horizon. In addition, Mr. ZHAN Jing, a Director, is also a director of Shanghai Hongzuo. As such, these Directors are deemed to have material interests in the transactions under the Equity Transfer Agreement and have abstained from voting on the relevant Board resolutions. Save for the aforementioned Directors, none of the other Directors has or is deemed to have a material interest in the above connected transaction.

Having made all reasonable and careful enquiries, the Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are fair and reasonable and are entered into on normal commercial terms. Although the Acquisition is not conducted in the ordinary and usual course of business of the Company, it is in the interests of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Shanghai Depeng is a wholly-owned subsidiary of Far East Horizon, and Far East Horizon is a controlling shareholder of the Company, holding approximately 44.89% of the total issued ordinary shares of the Company, and Shanghai Depeng is therefore a connected person of the Company under the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Acquisition exceeds 0.1% but is less than 5%, the Acquisition is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

## GENERAL INFORMATION

### (1) The Company and Tianjin Hongtou

The Company is one of the leading equipment operation service providers in China, as well as one of the leaders in aerial work platform, neo-excavation support system and neo-formwork system equipment operation service market. It provides comprehensive and multi-dimensional services covering the full cycle of projects.

As at the date of this announcement, Tianjin Hongtou is a wholly-owned subsidiary of the Company, which is mainly engaged in enterprise management, enterprise management consulting, financial consulting, and information consulting services.

### (2) Shanghai Depeng

Shanghai Depeng is a limited liability company incorporated in the PRC, which is mainly engaged in import and export of goods and technology, sales of paper products and packaging materials, industrial investment, and exhibition services. As at the date of this announcement, Shanghai Depeng is a wholly-owned subsidiary of Far East Horizon.

### (3) Far East Horizon

Far East Horizon, together with its subsidiaries, is one of China's leading innovative financial companies focusing on the Chinese fundamental industries and leveraging the business model of integrating finance and industry to serve enterprises of greatest vitality with the support of the fast-growing and enormous economy in China. It provides integrated finance, investment, trade, advisory and engineering services in healthcare, culture & tourism, engineering construction, machinery, chemical & medicine, electronic information, public consuming, transportation & logistics, urban public utility as well as other fundamental sectors.

## DEFINITIONS

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

| | |
|---|---|
| "Acquisition" | the acquisition of 25.6306% of the equity interest in the Target Company held by Shanghai Depeng by Tianjin Hongtou pursuant to the Equity Transfer Agreement |
| "Board" | the board of directors of the Company |
| "Closing Date" | the completion date of the closing as set out in the section headed "Equity Transfer Agreement – Closing" in this announcement |
| "Company" | Horizon Construction Development Limited (宏信建設發展有限公司), a company incorporated with limited liability in the Cayman Islands, the Shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited |
| "Director(s)" | the director(s) of the Company |
| "connected person(s)" | has the meaning ascribed thereto under the Listing Rules |
| "controlling shareholder(s)" | has the meaning ascribed thereto under the Listing Rules |
| "Far East Horizon" | Far East Horizon Limited, a company incorporated in Hong Kong with limited liability, and listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 3360) |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| "PRC" or "China" | the People's Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Shanghai Depeng" | Shanghai Depeng Industrial Co., Ltd. (上海德朋實業有限公司), a wholly-owned subsidiary of Far East Horizon as at the date of this announcement |
| "Shanghai Hongzuo" or "Target Company" | Shanghai Hongzuo New Energy Technology Co., Ltd. (上海宏祚新能源科技有限公司), being the target company of the Acquisition |
| "Tianjin Hongtou" | Tianjin Hongtou Enterprise Management Co., Ltd. (天津宏投企業管理有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement |

| | |
|---|---|
| "Equity Transfer Agreement" | the equity transfer agreement dated 13 March 2026 entered into between Tianjin Hongtou and Shanghai Depeng in relation to the acquisition of 25.6306% of the equity interest in the Target Company held by Shanghai Depeng by Tianjin Hongtou |
| "%" | per cent. |

By Order of the Board
**Horizon Construction Development Limited**
**KONG Fanxing**
*Chairman*

Hong Kong, 13 March 2026

*As at the date of this announcement, the executive directors of the Company are Mr. ZHAN Jing (Chief Executive Officer) and Mr. TANG Li; the non-executive directors of the Company are Mr. KONG Fanxing (Chairman), Mr. XU Huibin, Mr. HE Ziming, Mr. YUAN Shaozhen and Ms. GUO Lina; and the independent non-executive directors of the Company are Mr. LIU Jialin, Mr. XU Min, Ms. JIN Jinping and Mr. SUM Siu Kei.*