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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**

**BASIS OF THE ASSURED ENTITLEMENT OF
THE QUALIFYING SHAREHOLDERS IN THE PREFERENTIAL OFFERING
AND
ADDITIONAL INFORMATION FOR
PRC STOCK CONNECT INVESTORS**

The Company announces that the Company has determined the basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Shares in the Preferential Offering, if and when made. 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.

As the size and structure of the Global Offering have not yet been finalised, the basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in the basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Shares in the Preferential Offering, a further announcement will be made by the Company.

As the Proposed Spin-off is conditional upon, among other things, the approval of the Listing Committee, the final decision of the Board and the board of directors of Horizon Construction Development, market conditions and other considerations, the Proposed Spin-off may or may not materialise. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not 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 and 17 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.

BASIS OF THE ASSURED ENTITLEMENT OF THE QUALIFYING SHAREHOLDERS IN THE PREFERENTIAL OFFERING

The basis of the Assured Entitlement of the Qualifying Shareholders to the Horizon Construction Development Shares (the "**Reserved Shares**") in the Preferential Offering, if and when made, has been determined. The Reserved Shares represent approximately 11.1% and 10.0% of the number of the Horizon Construction Development Shares being initially offered under the International Offering and the Global Offering (assuming that the over-allotment option of the Global Offering is not exercised), respectively. The Reserved Shares will be offered out of the Horizon Construction Development Shares being initially 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 basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 119 shares of the Company (the "**Shares**") held by the Qualifying Shareholders on the Record Date, being Tuesday, 2 May 2023.

The Qualifying Shareholders should note that their Assured Entitlements to the Reserved Shares may not represent a full board lot of 1,000 Horizon Construction Development Shares. The Reserved Shares allocated to the Qualifying Shareholders will be rounded down to the closest whole number if required. No odd lot matching services will be provided and dealings in odd lots of the Reserved Shares may be at a price below the prevailing market price for full board lots of the Reserved Shares.

The Assured Entitlements of the Qualifying Shareholders to the Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

The Qualifying Shareholders may apply for a number of the Reserved Shares which is greater than, equal to or less than their Assured Entitlements or may apply only for excess Reserved Shares under the Preferential Offering.

A valid application for a number of the Reserved Shares which is less than or equal to a Qualifying Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions of the Preferential Offering.

Where a Qualifying Shareholder applies for a number of the Reserved Shares which is greater than the Qualifying Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full (subject to the terms and conditions as mentioned above), but the excess portion of such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by other Qualifying Shareholders as their Assured Entitlements under the Preferential Offering. Details of how such excess portion will be satisfied will be further described in the prospectus to be published by Horizon Construction Development in relation to the Global Offering (the "**Prospectus**").

The Qualifying Shareholders who hold less than 119 Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares will still be entitled to participate in the Preferential Offering by applying for excess Reserved Shares only. Such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by other Qualifying Shareholders as their Assured Entitlements under the Preferential Offering.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for the Reserved Shares under the Preferential Offering, will be set out in the Prospectus and the accompanying blue application form.

ADDITIONAL INFORMATION FOR PRC STOCK CONNECT INVESTORS

As the Shares are eligible securities for southbound trading under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company would like to provide additional information to the investors trading and potential investors who may trade in the Shares through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect (the "**PRC Stock Connect Investors**"). Pursuant to Article 23 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland China-Hong Kong Stock Markets Connect Program (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), China Securities Depository and Clearing Corporation Limited does not provide services relating to the subscription of newly issued shares. Accordingly, the PRC Stock Connect Investors cannot participate in the Preferential Offering and will not be able to take up their respective Assured Entitlement to the Reserved Shares under the Preferential Offering through the trading mechanism of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

As the size and structure of the Global Offering have not yet been finalised, the basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in the basis of the Assured Entitlement of the Qualifying Shareholders to the Reserved Shares in the Preferential Offering, a further announcement will be made by the Company.

Any persons who are in doubt about their position or any action to be taken are recommended to consult their professional advisers.

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) will be contained in the Prospectus. The Company will make further announcement(s) for the Proposed Spin-off as and when appropriate.

As the Proposed Spin-off is conditional upon, among other things, the approval of the Listing Committee, the final decision of the Board and the board of directors of Horizon Construction Development, market conditions and other considerations, the Proposed Spin-off may or may not materialise. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not 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, 28 April 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 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.