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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)

CONTINUING CONNECTED TRANSACTIONS
ENTERING INTO REFERABLE AMOUNT FRAMEWORK AGREEMENT

REFERABLE AMOUNT FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 8 July 2024 in relation to the grant of Restricted Shares.

Immediately following the grant of Restricted Shares, the aggregate interest of connected persons of the Company in the Trust exceeded 30%. As such, the Trustee and its wholly-owned subsidiary, BVI Holding Company, became associates of connected persons of the Company. The Company's payments to BVI Holding Company designated by the Trustee for purchasing Restricted Shares in the open market constitute connected transactions of the Company. Given that the Company may make payments to BVI Holding Company during the financial period ending 31 December 2024 to 2026 for purchasing Shares to satisfy the vesting of the Restricted Shares under the Restricted Share Award Scheme, the Company entered into a Referable Amount Framework Agreement with the Trustee and BVI Holding Company on 8 August 2024, pursuant to which, the Company agreed that the relevant payments shall be made by the Company or via the person designated by the Company (including a subsidiary of the Company) with its own funds to BVI Holding Company for purchasing Shares in the open market during the term of the Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the aggregate interest of connected persons of the Company in the Trust exceeds 30%. As such, the Trustee (in its capacity as the trustee of the Trust) and BVI Holding Company are associates of connected persons of the Company and therefore, they are connected persons of the Company under Rule 14A.12(1)(b) of the Listing Rules. As such, the Referable Amount Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps under the Referable Amount Framework Agreement exceeds 0.1% but is less than 5%, the Referable Amount Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

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The principal terms of the Referable Amount Framework Agreement are set out below:

Date

8 August 2024

Parties

- (1) The Company;
- (2) The Trustee; and
- (3) BVI Holding Company.

Term

8 August 2024 to 31 December 2026

Scope of the transactions

The Company agreed that the relevant payments shall be made by the Company or via the person designated by the Company (including a subsidiary of the Company) with its own funds to BVI Holding Company designated by the Trustee for purchasing Shares in the open market during the term of the Agreement.

Proposed annual caps and basis for determination

The payments made by the Company or via the person designated by the Company (including a subsidiary of the Company) with its own funds to BVI Holding Company for each financial year ending 31 December during the term of the Agreement shall not exceed HK\$90 million.

In estimating the proposed annual caps under the Referable Amount Framework Agreement, the Company has mainly taken into account the following factors: (i) the maximum limit of Restricted Shares under the Restricted Share Award Scheme, which represents 3.5% of the total issued Shares as at the date of approval and adoption of the Restricted Share Award Scheme by the Board; (ii) the share price performance of the Company since its listing; (iii) the estimated value of Restricted Shares under the Restricted Share Award Scheme; (iv) the estimated number and value of the Shares to be purchased under the Restricted Share Award Scheme during each financial year across the term of the Referable Amount Framework Agreement; and (v) the volatility of the share price and necessary transaction costs.

In the event that, in the future, as required by the Restricted Share Award Scheme and actual needs, the Company will make the payments to BVI Holding Company in excess of the above proposed annual caps for purchasing Shares to be granted or expenditures so required, the Company will fulfill its compliance obligations in accordance with all applicable requirements under the Listing Rules in due course.

The Company confirms that, from 8 July 2024 (being the date of the grant of Restricted Shares) to the date of this announcement, the Company has not made any relevant payments to or entered into any transactions with the Trustee or BVI Holding Company.

Operation of the Restricted Share Award Scheme

Subject to the proposed annual caps and the Restricted Share Award Scheme Rules, the Administration Committee may from time to time, in its sole discretion, determine the number of Shares to be purchased under the Restricted Share Award Scheme and procure to make relevant payments with the own funds of the Company or via the person designated by the Company (including a subsidiary of the Company) to BVI Holding Company. The Shares purchased are intended to be used for the purpose of satisfying the vesting of the Restricted Shares to the selected grantees under the Restricted Share Award Scheme.

Notwithstanding the determined proposed annual caps, where any grant of Restricted Shares is proposed to be made to any selected grantee who is a Director, chief executive or substantial shareholder of the Company or their respective associates, such grant must be approved in advance by all the independent non-executive Directors (excluding independent non-executive Directors who are the proposed selected grantees of such grant).

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The purposes of the Restricted Share Award Scheme are to provide participants with an opportunity to acquire equity interest of the Company, encourage and retain participants to contribute for the development of the Company, provide additional incentives to motivate them to strive for performance targets and attract external talents, so as to achieve the goal of increasing the value of the Company and connect the participants' interests directly to those of the shareholders of the Company through the ownership of Shares. The Restricted Shares under the Restricted Share Award Scheme will be Shares purchased in the open market by BVI Holding Company with the own funds of the Company or via the person designated by the Company (including a subsidiary of the Company) and will be held in Trust on behalf of the grantees until such Restricted Shares are vested to the grantees in accordance with the Restricted Share Award Scheme.

Given that the Company may from time to time make relevant payments to BVI Holding Company for purchasing Shares under the Restricted Share Award Scheme, the relevant transactions contemplated thereunder constitute continuing connected transactions and the Company is required to comply with Chapter 14A of the Listing Rules for each relevant payment. The Company considers that setting the proposed annual caps through the aforesaid Referable Amount Framework Agreement facilitates the regulation by the Company on transactions with the Trustee and BVI Holding Company, and alleviates the relevant administrative burden and costs of the Company in making the relevant payments during the term of the Agreement.

Having considered the above factors, the Board (including the independent non-executive Directors) is of the view that although the above continuing connected transactions are not conducted in the ordinary and usual course of business of the Company, they are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the aggregate interest of connected persons of the Company in the Trust exceeds 30%. As such, the Trustee (in its capacity as the trustee of the Trust) and BVI Holding Company are associates of connected persons of the Company and therefore, they are connected persons of the Company under Rule 14A.12(1)(b) of the Listing Rules. As such, the Referable Amount Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps under the Referable Amount Framework Agreement exceeds 0.1% but is less than 5%, the Referable Amount Framework Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

DIRECTOR’S CONFIRMATION

None of the Directors has material interests in the above continuing connected transactions and hence none of the Directors is required to abstain from voting on the resolutions of the Board meeting approving the above continuing connected transactions.

GENERAL INFORMATION

The Company

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 multidimensional services covering the full cycle of projects.

Trustee and BVI Holding Company

The Trustee is a trust or company service provider licence holder registered with the Companies Registry of Hong Kong, and is a member of the Vistra Group, Asia’s leading provider of business, corporate, investor, human resources & payroll, and corporate trust & debt services. The Trustee holds the Restricted Shares for the benefit of the Selected Grantees who are connected persons of the Company under the Restricted Share Award Scheme.

BVI Holding Company is a wholly-owned subsidiary established by the Trustee in the British Virgin Islands in order to administer the Trust.

PUBLIC FLOAT

The Company will take appropriate measures to ensure compliance with the public float requirements as stipulated by the Listing Rules and/or as specified by the Stock Exchange from time to time.

DEFINITIONS

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

“Administration Committee”	the committee formed by the members of the remuneration committee of the Board and two executive Directors, which has been authorized by the Board to operate, manage and implement the Restricted Share Award Scheme
“associate(s)”	has the meaning ascribed thereto under the Listing Rules

“Board”	the board of directors of the Company
“BVI Holding Company”	CDHorizon Employee Incentive (CP) Limited, a wholly-owned subsidiary established in the British Virgin Islands, which is a wholly-owned subsidiary of the Trustee as at the date of this announcement, and is the designated subject of the Trustee to receive payments from the Company
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Referable Amount Framework Agreement” or “Agreement”	the deed of assets contribution dated 8 August 2024 entered into between the Company, the Trustee and BVI Holding Company
“Restricted Share Award Scheme”	the Restricted Share Award Scheme adopted by the Board on 12 March 2024
“Restricted Share Award Scheme Rules”	rules of the Restricted Share Award Scheme
“Restricted Shares”	in respect of a selected grantee, such number of Shares determined by the Board or the Administration Committee (as the case may be) and purchased by the Trustee with cash to be paid by the Company out of the Company’s own funds to the Trustee for the purpose of making the awards under the Restricted Share Award Scheme
“Selected Grantees”	comprising two executive Directors, namely Mr. PAN Yang and Mr. TANG Li, and twelve directors of the subsidiaries of the Company, namely Mr. SHEN Liang (沈亮), Mr. LI Ming (李明), Mr. JIA Huasong (賈華松), Ms. ZHAO Anxia (趙安霞), Mr. He Qingchang (何青長), Mr. WANG Ke (王科), Mr. NIU Like (牛利科), Mr. HUANG Huahua (黃化化), Mr. GAO Wei (高偉), Mr. ZHANG Cheng (張成), Ms. ZHAO Tingfen (趙婷芬) and Mr. BAI Hongjian (白宏健) as at the date of this announcement

“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted by the Trust Deed (as may be restated, supplemented, and revised from time to time) entered into between the Company as settlor and Teeroy Limited as Trustee in connection with the Restricted Shares granted or to be granted to selected grantees who are or will become (as the case may be) connected persons of the Company
“Trustee”	Teeroy Limited, a company incorporated in Hong Kong with limited liability

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

Hong Kong, 8 August 2024

As at the date of this announcement, the executive directors of the Company are Mr. PAN Yang (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. LI Qianjin 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.