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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)

DISCLOSEABLE TRANSACTIONS ACQUISITION OF UNDERLYING ASSETS

Reference is made to the announcement of the Company dated 1 March 2019 in relation to the Previous Acquisitions.

The Board is pleased to announce that, on 3 September 2019, IFEL and the Seller entered into the Assets Acquisition Agreement, pursuant to which, among other things, IFEL has conditionally agreed to acquire and the Seller has conditionally agreed to sell the Underlying Assets. On the same day, IFEL and the Seller also entered into the Confirmation Letter, pursuant to which, the Consideration payable by IFEL to the Seller for the Acquisition is RMB434,488,178.14.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the transaction contemplated under the Acquisition shall be aggregated with the Previous Acquisitions since the Previous Acquisitions were all completed within a 12 month period. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition and the Previous Acquisitions on an aggregate basis is more than 5% but less than 25%, the Acquisition together with the Previous Acquisitions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under the Listing Rules.

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ASSETS ACQUISITION AGREEMENT

Date:

3 September 2019

Parties:

Seller: 廈門國際信託有限公司 (Xiamen International Trust Co., Ltd*) (representing 廈門信託—遠東租賃1號集合資金信託計劃 (Xiamen Trust – Far East Leasing No.1 Assembled Fund Trust Scheme*))

Purchaser: 遠東國際租賃有限公司 (International Far Eastern Leasing Co., Ltd*), a direct wholly-owned subsidiary of the Company

As advised by the Seller, as at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller and its ultimate beneficial owner(s) were Independent Third Parties.

Underlying Assets:

The Underlying Assets represent the rights and interest (present and future, existing and contingent) of the Seller pursuant to the underlying Finance Leases as at the Delivery Date (inclusive). The Underlying Assets include (1) all creditor's rights under the Finance Leases including the outstanding balance of principals, interests, handling charges, penalty, liquidated damage, the income from the disposal of the leased property as the payments to be made by the lessees to the Seller (or its agent) and other payments to be made by the lessees to the Seller (or its agent) under the Finance Leases as at the Delivery Date (inclusive); (2) all security rights and interests attached to such creditor's rights; (3) the proceeds from the recovery, sale or otherwise disposal of the Underlying Assets; (4) the right to request, sue, recover or receive all the payments in relation to the Underlying Assets (no matter whether such payments are payable by the lessees under the Finance Leases); and (5) interests arising from commitments in relation to the Underlying Assets and all the rights and legal remedies arising from the Underlying Assets.

As of the Delivery Date, the value of the Underlying Assets, being the aggregate of the unpaid principal amount of the Underlying Assets delivered to IFEL on the Delivery Date, was approximately RMB428 million.

The Seller shall cease to have any rights or interests in the Underlying Assets and IFEL shall acquire all the rights in relation to the Underlying Assets on the Delivery Date.

Consideration:

Pursuant to the Assets Acquisition Agreement, the consideration for the Acquisition equals to the aggregate of the unpaid principal amount of the Underlying Assets delivered to IFEL on the Delivery Date and all outstanding interests payable accrued during the period from the formation date of the Underlying Assets to the payment date of the Consideration in respect of the unpaid principal amount of the Underlying Assets.

Any taxes and other expenses in relation to the Acquisition shall be borne by IFEL and the Seller respectively. Other costs and expenses arising from the negotiation, signing and performance of the Assets Acquisition Agreement, including but not limited to relevant intermediary agent fees, no matter the transactions contemplated thereunder will be completed or not, shall also be borne by IFEL and the Seller respectively. IFEL shall pay the Seller the Consideration within 30 days after the Delivery Date.

On 3 September 2019, IFEL and the Seller also entered into the Confirmation Letter, pursuant to which, the consideration payable by IFEL to the Seller for the Acquisition is RMB434,488,178.14. The Consideration was determined after arm's length negotiations between IFEL and the Seller upon the entering into of the Confirmation Letter.

Conditions Precedent:***Conditions precedent to performance of obligations by IFEL***

Performance of its obligations under the Assets Acquisition Agreement (including but not limited to the payment of the Consideration) by IFEL is conditional on the satisfaction of or written waiver by IFEL (as the case may be) of the following conditions on or before the Delivery Date (or dates as otherwise set out below):

- (a) the Seller having duly signed and delivered the Assets Acquisition Agreement and all the documents relating to the Underlying Assets (if any) on or before the Delivery Date and having provided a complete list of the Underlying Assets;
- (b) all necessary approvals, consents and authorisations to be obtained on the part of the Seller, which are required for the performance of its obligations under the Assets Acquisition Agreement, having been obtained by the Seller;
- (c) as at the date of IFEL paying the Consideration to the Seller, there being no breach of any of the representations and warranties made by the Seller in the Assets Acquisition Agreement; and
- (d) the status of the Underlying Assets and the underlying leased property conforming to the relevant requirements under the Assets Acquisition Agreement as at the Delivery Date.

Conditions precedent to performance of obligations by the Seller

Performance of its obligations under the Assets Acquisition Agreement by the Seller is conditional on the satisfaction of or written waiver by the Seller (as the case may be) of the following conditions on or before the Delivery Date (or dates as otherwise set out below):

- (a) IFEL having duly signed and delivered the Assets Acquisition Agreement to the Seller;
- (b) IFEL possessing effective lawful qualification to engage in the finance leasing business; and
- (c) all necessary consents, approvals and authorisations to be obtained on the part of IFEL, which are required for the performance of its obligations under the Assets Acquisition Agreement and other relevant documents having been obtained, including but not limited to the internal authorisation documents required for signing the Assets Acquisition Agreement by IFEL (if applicable).

INFORMATION OF THE COMPANY

The Company together with its subsidiaries is one of China's leading innovative financial companies focusing on the Chinese infrastructure industry and leveraging the business model of integrating finance and industry to serve enterprises of greatest vitality with the support of the fast-growing economy in China. It provides integrated finance, investment, trade, advisory and leasing services in healthcare, packaging, transportation, infrastructure construction, industrial machinery, education, textiles, electronic information, as well as other sectors as well as ship brokerage and chartering services.

INFORMATION OF IFEL

IFEL, a direct wholly-owned subsidiary of the Company, is a limited liability company incorporated in the PRC on 13 September 1991. IFEL is mainly engaged in the provision of integrated financial solutions built around finance leases and comprehensive value-added services of financial management, business operation, asset management and management consulting.

INFORMATION OF THE SELLER

The Seller is 廈門國際信託有限公司 (Xiamen International Trust Co., Ltd*), a company incorporated in the PRC on 10 May 2002 with a registered share capital of RMB3,750 million, the establishment of which is approved by CBIRC. It principally engages in, inter alia, capital trusts, property trusts, real estate trusts, securities trusts, other property or property rights trusts, investment fund business as investment fund or fund management company funders, business enterprise assets reorganization, mergers and acquisitions and project financing, corporate finance, finance consulting and other business approved by CBIRC.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is principally engaged in finance leasing, and the Acquisition is the front-end business of asset securitization, namely “Pre-ABS”. The Underlying Assets are mainly the debt receivables of the Company from its recognized customers. The Company has fully assessed the risk level of such assets and the solvency of such customers in an early state of the transaction. Such assets comply with the selection criteria for asset securitization business. IFEL contemplates to, after the Acquisition, securitize the relevant Underlying Assets along with other appropriate underlying assets of the Group, and launch an asset backed securities programme for investors in the market. The Directors believe that the securitization of the Underlying Assets and other underlying assets of the Group by way of the asset backed securities programme will accelerate the overall turnover of the Company’s assets and increase the overall revenue generated, which will provide financial supports to the Company’s business development of new projects. Meanwhile, the securitization of the acquired Underlying Assets can provide financial services to corporate customers, and can provide more investment options for the Company’s partners as well.

The Directors consider that the terms of the Assets Acquisition Agreement are on normal commercial terms and are fair and reasonable and the Acquisition is in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the transaction contemplated under the Acquisition shall be aggregated with the Previous Acquisitions since the Previous Acquisitions were all completed within a 12 month period. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition and the Previous Acquisitions on an aggregate basis is more than 5% but less than 25%, the Acquisition together with the Previous Acquisitions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Acquisition”	IFEL’s acquisition of the Underlying Assets pursuant to the Assets Acquisition Agreement and the Confirmation Letter
“Assets Acquisition Agreement”	the assets acquisition agreement dated 3 September 2019 entered into between IFEL and the Seller in relation to the Acquisition
“Board”	the board of Directors of the Company
“CBIRC”	中國銀行保險監督管理委員會 (China Banking and Insurance Regulatory Commission)
“Company”	Far East Horizon Limited (遠東宏信有限公司), a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange

“Confirmation Letter”	the confirmation letter dated 3 September 2019 entered into between IFEL and the Seller, pursuant to which, among others, the amount of the Consideration was determined
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the sum of RMB434,488,178.14, being the consideration for the Acquisition under the Assets Acquisition Agreement and the Confirmation Letter
“Delivery Date”	0:00 on 21 August 2019, being the date of the transfer of the title of the Underlying Assets
“Director(s)”	the directors of the Company
“Finance Leases”	those finance leases, the rights and interests from which so derived constitute the Underlying Assets
“Group”	the Company and its subsidiaries
“IFEL”	遠東國際租賃有限公司 (International Far Eastern Leasing Co., Ltd*), a limited liability company incorporated in the PRC and a direct wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best knowledge of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Acquisitions”	means the two previous acquisitions made by IFEL from the Seller, the details of which were set out in the Company’s announcement dated 1 March 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	廈門國際信託有限公司 (Xiamen International Trust Co., Ltd*) (representing 廈門信託－遠東租賃1號集合資金信託計劃(Xiamen Trust – Far East Leasing No.1 Assembled Fund Trust Scheme*))
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Underlying Assets”

the rights and interest (present and future, existing and contingent) of Seller pursuant to the underlying Finance Leases as at the Delivery Date (inclusive). The Underlying Assets include (1) all creditor’s rights under the Entrusted Lease Contract and the Finance Leases including the outstanding balance of principals, interests, handling charges, penalty, liquidated damage, the income from the disposal of the leased property as the payments to be made by the lessees to the Seller (or the agent of the Seller) and other payments to be made by the lessees to the Seller (or the agent of the Seller) under the Finance Leases as at the Delivery Date (inclusive); (2) all security rights and interests attached to such creditor’s rights; (3) the proceeds from the recovery, sale or otherwise disposal of the Underlying Assets; (4) the right to request, sue, recover or receive all the payments in relation to the Underlying Assets (no matter whether such payments are payable by the lessees under the Finance Leases); and (5) interests arising from commitments in relation to the Underlying Assets and all the rights and legal remedies arising from the Underlying Assets

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per cent

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

Hong Kong, 3 September 2019

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. KUO Ming-Jian, Mr. LIU Haifeng David 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.

* for identification purpose only