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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 ACQUISITIONS OF UNDERLYING ASSETS

References are made to the announcements of the Company dated 1 March 2019, 3 September 2019 and 14 October 2019 respectively in relation to the Previous Acquisitions.

THE FIRST ACQUISITION

The Board is pleased to announce that, on 29 November 2019, IFEL and the Seller entered into the First Assets Acquisition Agreement, pursuant to which, among other things, IFEL has conditionally agreed to acquire and the Seller has conditionally agreed to sell the First Underlying Assets. On the same day, IFEL and the Seller also entered into the First Confirmation Letter, pursuant to which, the consideration payable by IFEL to the Seller for the First Acquisition is RMB81,702,457.76.

THE SECOND ACQUISITION

The Board is pleased to announce that, on 29 November 2019, IFEL and the Seller entered into the Second Assets Acquisition Agreement, pursuant to which, among other things, IFEL has conditionally agreed to acquire and the Seller has conditionally agreed to sell the Second Underlying Assets. On the same day, IFEL and the Seller also entered into the Second Confirmation Letter, pursuant to which, the consideration payable by IFEL to the Seller for the Second Acquisition is RMB42,763,101.43.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Acquisitions shall be aggregated with the Previous Acquisitions since all these transactions are entered into by the Group with the Seller 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 Acquisitions and the Previous Acquisitions on an aggregate basis is more than 5% but less than 25%, the Acquisitions 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.

References are made to the announcements of the Company dated 1 March 2019, 3 September 2019 and 14 October 2019 respectively in relation to the Previous Acquisitions.

The Board is pleased to announce that,

- (a) on 29 November 2019, IFEL and the Seller entered into the First Assets Acquisition Agreement, pursuant to which, among other things, IFEL has conditionally agreed to acquire and the Seller has conditionally agreed to sell the First Underlying Assets. On the same day, IFEL and the Seller also entered into the First Confirmation Letter, pursuant to which, the consideration payable by IFEL to the Seller for the First Acquisition is RMB81,702,457.76; and
- (b) on 29 November 2019, IFEL and the Seller entered into the Second Assets Acquisition Agreement, pursuant to which, among other things, IFEL has conditionally agreed to acquire and the Seller has conditionally agreed to sell the Second Underlying Assets. On the same day, IFEL and the Seller also entered into the Second Confirmation Letter, pursuant to which, the consideration payable by IFEL to the Seller for the Second Acquisition is RMB42,763,101.43.

FIRST ASSETS ACQUISITION AGREEMENT

Date:

29 November 2019

Parties:

Seller: 廈門國際信託有限公司(Xiamen International Trust Co., Ltd*) (representing 廈門信託－匯金1771號遠東租賃項目集合資金信託計劃(Xiamen Trust－Huijin No.1771 Far East Leasing Project 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.

First Underlying Assets:

The First Underlying Assets represent the rights and interest (present and future, existing and contingent) of the Seller pursuant to the underlying First Finance Leases as at the Delivery Date (inclusive). The First Underlying Assets include (1) all creditor's rights under the First 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 First Finance Leases as at the Delivery Date (inclusive); (2) all security rights and interests attached to such creditor's rights; (3) ownership of leased items under the First Underlying Assets; (4) the proceeds from the recovery, sale or otherwise disposal of the First Underlying Assets; (5) the right to request, sue, recover or receive all the payments in relation to the First Underlying Assets (no matter whether such payments are payable by the lessees under the First Finance Leases); and (6) interests arising from commitments in relation to the First Underlying Assets and all the rights and legal remedies arising from the First Underlying Assets.

As of the Delivery Date, the value of the First Underlying Assets, being the aggregate of the unpaid principal amount of the First Underlying Assets delivered to IFEL on the Delivery Date, was approximately RMB81 million.

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

Consideration for the First Acquisition:

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

Any taxes and other expenses in relation to the First Acquisition shall be borne by IFEL and the Seller respectively. Other costs and expenses arising from the negotiation, signing and performance of the First 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 for the First Acquisition within 30 days after the Delivery Date.

On 29 November 2019, IFEL and the Seller also entered into the First Confirmation Letter, pursuant to which, the consideration for the First Acquisition payable by IFEL to the Seller is RMB81,702,457.76. The consideration for the First Acquisition was determined after arm's length negotiations between IFEL and the Seller upon the entering into of the First Confirmation Letter.

Conditions Precedent:

Conditions precedent to performance of obligations by IFEL

Performance of its obligations under the First Assets Acquisition Agreement (including but not limited to the payment of the consideration for the First Acquisition) 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 First Assets Acquisition Agreement and all the documents relating to the First Underlying Assets (if any) on or before the Delivery Date and having provided a complete list of the First 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 First Assets Acquisition Agreement, having been obtained by the Seller;
- (c) as at the date of IFEL paying the consideration for the First Acquisition to the Seller, there being no breach of any of the representations and warranties made by the Seller in the First Assets Acquisition Agreement; and
- (d) the status of the First Underlying Assets and the underlying leased property conforming to the relevant requirements under the First Assets Acquisition Agreement as at the Delivery Date.

Conditions precedent to performance of obligations by the Seller

Performance of its obligations under the First 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 First 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 First Assets Acquisition Agreement and other relevant documents having been obtained, including but not limited to the internal authorisation documents required for signing the First Assets Acquisition Agreement by IFEL (if applicable).

SECOND ASSETS ACQUISITION AGREEMENT

Date:

29 November 2019

Parties:

Seller: 廈門國際信託有限公司(Xiamen International Trust Co., Ltd*) (representing 廈門信託－信聚金開1904號遠東租賃集合資金信託計劃(Xiamen Trust－Xinjujinkai No.1904 Far East Leasing 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.

Second Underlying Assets:

The Second Underlying Assets represent the rights and interest (present and future, existing and contingent) of the Seller pursuant to the underlying Second Finance Leases as at the Delivery Date (inclusive). The Second Underlying Assets include (1) all creditor's rights under the Second 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 Second Finance Leases as at the Delivery Date (inclusive); (2) all security rights and interests attached to such creditor's rights; (3) ownership of leased items under the Second Underlying Assets; (4) the proceeds from the recovery, sale or otherwise disposal of the Second Underlying Assets; (5) the right to request, sue, recover or receive all the payments in relation to the Second Underlying Assets (no matter whether such payments are payable by the lessees under the Second Finance Leases); and (6) interests arising from commitments in relation to the Second Underlying Assets and all the rights and legal remedies arising from the Second Underlying Assets.

As of the Delivery Date, the value of the Second Underlying Assets, being the aggregate of the unpaid principal amount of the Second Underlying Assets delivered to IFEL on the Delivery Date, was approximately RMB42 million.

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

Consideration for the Second Acquisition:

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

Any taxes and other expenses in relation to the Second Acquisition shall be borne by IFEL and the Seller respectively. Other costs and expenses arising from the negotiation, signing and performance of the Second 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 for the Second Acquisition within 30 days after the Delivery Date.

On 29 November 2019, IFEL and the Seller also entered into the Second Confirmation Letter, pursuant to which, the consideration for the Second Acquisition payable by IFEL to the Seller is RMB42,763,101.43. The consideration for the Second Acquisition was determined after arm's length negotiations between IFEL and the Seller upon the entering into of the Second Confirmation Letter.

Conditions Precedent:

Conditions precedent to performance of obligations by IFEL

Performance of its obligations under the Second Assets Acquisition Agreement (including but not limited to the payment of the consideration for the Second Acquisition) 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 Second Assets Acquisition Agreement and all the documents relating to the Second Underlying Assets (if any) on or before the Delivery Date and having provided a complete list of the Second 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 Second Assets Acquisition Agreement, having been obtained by the Seller;
- (c) as at the date of IFEL paying the consideration for the Second Acquisition to the Seller, there being no breach of any of the representations and warranties made by the Seller in the Second Assets Acquisition Agreement; and
- (d) the status of the Second Underlying Assets and the underlying leased property conforming to the relevant requirements under the Second Assets Acquisition Agreement as at the Delivery Date.

Conditions precedent to performance of obligations by the Seller

Performance of its obligations under the Second 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 Second 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 Second Assets Acquisition Agreement and other relevant documents having been obtained, including but not limited to the internal authorisation documents required for signing the Second 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 industrial operation service, such as the provision of integrated finance, investment, trade, advisory and engineering in the fields of urban public utilities, medical and healthcare, cultural tourism, engineering construction, machinery manufacturing, chemical and pharmaceutical industries, electronic information, public consumption and transport logistics.

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 relevant commercial factoring business.

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 the 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 the CBIRC.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Company is principally engaged in finance leasing, and the Acquisitions are 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 Acquisitions, 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 Agreements are on normal commercial terms and are fair and reasonable and the Acquisitions are 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 transactions contemplated under the Acquisitions shall be aggregated with the Previous Acquisitions since all these transactions are entered into by the Group with the Seller 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 Acquisitions and the Previous Acquisitions on an aggregate basis is more than 5% but less than 25%, the Acquisitions 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:

“Acquisitions”	collectively, the First Acquisition and the Second Acquisition
“Assets Acquisition Agreements”	collectively, the First Assets Acquisition Agreement and the Second Assets Acquisition Agreement
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)

“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Delivery Date”	0:00 on 1 November 2019, being the date of the transfer of the title of the Underlying Assets
“Director(s)”	the directors of the Company
“First Acquisition”	IFEL’s acquisition of the First Underlying Assets pursuant to the First Assets Acquisition Agreement and the First Confirmation Letter
“First Assets Acquisition Agreement”	the first assets acquisition agreement dated 29 November 2019 entered into between IFEL and the Seller in relation to the First Acquisition
“First Confirmation Letter”	the first confirmation letter dated 29 November 2019 entered into between IFEL and the Seller, pursuant to which, among others, the amount of the consideration for the First Acquisition was determined
“First Finance Leases”	those finance leases, the rights and interests from which so derived constitute the First Underlying Assets
“First Underlying Assets”	the rights and interest (present and future, existing and contingent) of the Seller pursuant to the underlying First Finance Leases as at the Delivery Date (inclusive). The First Underlying Assets include (1) all creditor’s rights under the First 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 First Finance Leases as at the Delivery Date (inclusive); (2) all security rights and interests attached to such creditor’s rights; (3) ownership of leased items under the First Underlying Assets; (4) the proceeds from the recovery, sale or otherwise disposal of the First Underlying Assets; (5) the right to request, sue, recover or receive all the payments in relation to the First Underlying Assets (no matter whether such payments are payable by the lessees under the First Finance Leases); and (6) interests arising from commitments in relation to the First Underlying Assets and all the rights and legal remedies arising from the First 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”	the four previous acquisitions made by IFEL from the Seller within a 12 month period, the details of which were set out in the Company’s announcements dated 1 March 2019, 3 September 2019 and 14 October 2019 respectively
“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－匯金1771號遠東租賃項目集合資金信託計劃(Xiamen Trust－Huijin No.1771 Far East Leasing Project Assembled Fund Trust Scheme*) under the First Assets Acquisition Agreement; and representing 廈門信託－信聚金開1904號遠東租賃集合資金信託計劃(Xiamen Trust－Xinjujinkai No.1904 Far East Leasing Assembled Fund Trust Scheme*) under the Second Assets Acquisition Agreement
“Second Acquisition”	IFEL’s acquisition of the Second Underlying Assets pursuant to the Second Assets Acquisition Agreement and the Second Confirmation Letter
“Second Assets Acquisition Agreement”	the second assets acquisition agreement dated 29 November 2019 entered into between IFEL and the Seller in relation to the Second Acquisition
“Second Confirmation Letter”	the second confirmation letter dated 29 November 2019 entered into between IFEL and the Seller, pursuant to which, among others, the amount of the consideration for the Second Acquisition was determined
“Second Finance Leases”	those finance leases, the rights and interests from which so derived constitute the Second Underlying Assets

“Second Underlying Assets”	the rights and interest (present and future, existing and contingent) of the Seller pursuant to the underlying Second Finance Leases as at the Delivery Date (inclusive). The Second Underlying Assets include (1) all creditor’s rights under the Second 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 Second Finance Leases as at the Delivery Date (inclusive); (2) all security rights and interests attached to such creditor’s rights; (3) ownership of leased items under the Second Underlying Assets; (4) the proceeds from the recovery, sale or otherwise disposal of the Second Underlying Assets; (5) the right to request, sue, recover or receive all the payments in relation to the Second Underlying Assets (no matter whether such payments are payable by the lessees under the Second Finance Leases); and (6) interests arising from commitments in relation to the Second Underlying Assets and all the rights and legal remedies arising from the Second Underlying Assets
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underlying Assets”	collectively, the First Underlying Assets and the Second Underlying Assets
“%”	per cent

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

Hong Kong, 29 November 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. 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.

** for identification purpose only*