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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 TRANSACTION

DISPOSAL OF UNDERLYING ASSETS UNDER THE ABN TRANSACTION

DISPOSAL OF UNDERLYING ASSETS UNDER THE ABN TRANSACTION

The Board is pleased to announce that on 6 December 2021, IFELC, a direct wholly-owned subsidiary of the Company, FETJ, an indirect wholly-owned subsidiary of the Company and AVIC Trust entered into the Trust Contract, pursuant to which, among other things, IFELC and FETJ have conditionally agreed to entrust AVIC Trust with the Underlying Assets and AVIC Trust has conditionally agreed to be the trustee under the Trust Contract and the administration agency of the Trust for the benefit of Beneficiaries for the purpose of the issuance of Assets Backed Notes. As part of the ABN Transaction, on 6 December 2021, IFELC, FETJ, CICC, Bank of Communications, Bank of Tianjin and AVIC Trust entered into the Underwriting Agreement, pursuant to which CICC as the lead underwriter and bookrunner and Bank of Communications and Bank of Tianjin as the joint lead underwriters shall arrange for the issuance and securitization of various classes of Assets Backed Notes in the Aggregate Face Value of RMB2,000,890,000.00 to be registered at the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the ABN Transaction is more than 5% but less than 25%, the ABN Transaction constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 6 December 2021, IFELC, a direct wholly-owned subsidiary of the Company, FETJ, an indirect wholly-owned subsidiary of the Company and AVIC Trust entered into the Trust Contract, pursuant to which, among other things, IFELC and FETJ have conditionally agreed to entrust AVIC Trust with the Underlying Assets and AVIC Trust has conditionally agreed to be the trustee under the Trust Contract and the administration agency of the Trust for the benefit of Beneficiaries for the purpose of the issuance of Assets Backed Notes. As part of the ABN Transaction, on 6 December 2021, IFELC, FETJ, CICC, Bank of Communications, Bank of Tianjin and AVIC Trust entered into the Underwriting Agreement, pursuant to which CICC as the lead underwriter and bookrunner and Bank of Communications and Bank of Tianjin as the joint lead underwriters shall arrange for the issuance and securitization of various classes of Assets Backed Notes in the Aggregate Face Value of RMB2,000,890,000.00 to be registered at the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會).

THE TRUST CONTRACT

Date:

6 December 2021

Parties:

- (1) 遠東國際融資租賃有限公司 (International Far Eastern Leasing Co., Ltd.*), a direct wholly-owned subsidiary of the Company, as the settlor of the Trust;
- (2) 遠東宏信(天津)融資租賃有限公司 (Far Eastern Horizon (Tianjin) Financial Leasing Co., Ltd.*), an indirect wholly-owned subsidiary of the Company, as the settlor of the Trust; and
- (3) 中航信託股份有限公司 (AVIC Trust Co., Ltd.*), as the trustee under the Trust Contract and the administration agency of the Trust.

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

Underlying Assets under the Trust:

The Underlying Assets represent, from Initial Benchmark Date (inclusive), (1) all the rights, interests, benefits and gains (present and future, existing and contingent) of IFELC and FETJ entitled under relevant Finance Leases as set out in the Trust Contract; (2) all receivables due or to be due shortly attributable to the Underlying Assets; (3) all proceeds from the transfer, sale, auction, sell-off or otherwise disposal of the Underlying Assets (for the avoidance of doubt, the shortfall between proceeds arising from the disposal of the leased property by IFELC and FETJ (as asset service agencies) and the sum of outstanding principal of relevant Finance Leases, accrued interest payable and other receivables entitled to IFELC and FETJ (as the settlors) under the Finance Leases shall not be counted as part of the Underlying Assets); (4) the right to request, claim, recover or receive all payables in relation to the Underlying Assets (whether such payments are payable by the lessees under the Finance Leases or not); (5) benefits arising from the Underlying Assets and enforcement of all rights and legal remedies in relation to the Underlying Assets; (6) all receivables in relation to the Underlying Assets received from the Initial Benchmark Date (inclusive) up to the effective date of the Trust (exclusive) (for the avoidance of doubt, excluding leasing service charges); and (7) all security rights and interests attached to relevant Finance Leases (the delivery of the security deposit and related rights shall be conducted in the manner as agreed under the Trust Contract).

As of the Initial Benchmark Date, the carrying value of the Underlying Assets, being the amortised cost of lease receivables less any allowance for impairment, was approximately RMB1,981,434,371.52.

Upon the Trust becoming effective, the Underlying Assets shall become the assets under the Trust and IFELC and FETJ, except for the special circumstances as agreed under the Trust Contract, will cease to have any rights or interests in the Underlying Assets and IFELC and FETJ will cease to bear any risks relating to the Underlying Assets. AVIC Trust, as the trustee under the Trust Contract and administration agency of the Trust, will be responsible for the management, application and disposal of the entrusted Underlying Assets.

Conditions Precedent:

The Trust will become effective upon satisfaction of or waiver of the following conditions, among others:

- (a) IFELC and FETJ, each as a settlor of the Trust, having delivered copies of their respective business license, the necessary decisions by the executive Directors/Board resolutions and/or other necessary corporate documents, approval(s) or authorization(s) approving the signing of transaction documents and the ABN Transaction to AVIC Trust;
- (b) AVIC Trust, as the trustee, having delivered copies of the finance license and business licenses to IFELC and FETJ and having confirmed to IFELC and FETJ that they have received all necessary corporate documents, approval(s) and authorization(s) (if any) approving the signing of transaction documents and the transaction under the Trust Contract;
- (c) IFELC and FETJ, each as an asset service agency, having delivered to AVIC Trust all necessary internal (including but not limited to corporate documents, approval(s) or authorization(s)), governmental agency and third party approval(s) and authorizations documents for approving or authorizing its executing the transaction documents, exercising its rights and performing its obligations;
- (d) the transaction documents have been duly signed and delivered by all relevant parties;
- (e) IFELC and FETJ, each as a settlor of the Trust, having signed and delivered the irrevocable powers of attorney which authorised AVIC Trust, as the trustee, to send the notice of the improved rights on behalf of IFELC and FETJ;
- (f) the issuance of the Assets Backed Notes have been duly registered at the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會);
- (g) Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)*) has issued a corresponding report on the implementation of the agreed procedures in respect of entrusting the trustee with the Underlying Assets;
- (h) Shanghai Office of King & Wood Mallesons* (金杜律師事務所上海分所) has issued legal opinions on, among other things, the legality and validity of the transaction documents relating to the ABN Transaction and the legality of establishing the Trust; and
- (i) the completion of the delivery of the Underlying Assets by IFELC and FETJ to AVIC Trust.

Consideration:

The Assets Backed Notes shall be issued at the Aggregate Face Value RMB2,000,890,000.00 which represents a premium of approximately RMB7,400 to the aggregate outstanding principal amount RMB2,000,882,612.53 in relation to the Underlying Assets as at the Initial Benchmark Date.

IFELC, FETJ and AVIC Trust agreed that, upon the Trust becoming effective, the value-added tax in relation to the Trust shall be borne by the assets under the Trust and, any other tax in relation to the establishment of the Trust, the management, operation and disposal of the assets under the Trust, the liquidation of the Trust shall be borne by IFELC, FETJ and AVIC Trust respectively in accordance with relevant laws, and what shall be borne by the assets under the Trust in accordance with relevant laws shall be borne by the assets under the Trust.

The Consideration was determined after arm's length negotiations between IFELC, FETJ and AVIC Trust after having taken into account the factors of the expected return rate on the Underlying Assets and the expected return rate on the ABN Transaction by the market investors.

AVIC Trust shall transfer the proceeds of the Assets Backed Notes issued under the ABN Transaction, being RMB1,899,000,000.00 in total, which is the Aggregate Face Value deducted by the subscription price for the subordinated class of Assets Backed Notes by IFELC in the amount of RMB58,513,635.00 and by FETJ in the amount of RMB43,376,365.00, to the designated bank accounts of IFELC and FETJ no later than 16:00 (Beijing Time) on the delivery date of the Underlying Assets (the same date as the effective date of the Trust).

Redemption Arrangement:

Pursuant to the Trust Contract, IFELC (as a settlor of the Trust and an asset service agency), FETJ (as a settlor of the Trust and an asset service agency), and AVIC Trust (as the trustee) shall notify the others during the period of the Trust of any discovery of Unqualified Assets (as defined below) and/or Default Assets (as defined below). If the circumstances of the Unqualified Assets discovered are not timely rectified in material respect as required in the Trust Contract, AVIC Trust shall have the right to inform IFELC and/or FETJ to redeem such Unqualified Assets from AVIC Trust in accordance with the terms of the Trust Contract. IFELC (as the settlor) and/or FETJ (as the settlor) may also make redemption request in writing for the Default Assets to AVIC Trust (as the trustee) in accordance with the terms of the Trust Contract, and may redeem the relevant Default Assets subject to the consent of AVIC Trust.

Underlying Assets in any of following circumstances are “**Unqualified Assets**”:

- (a) on the Initial Benchmark Date or the effective date of the Trust, being not in conformity with the warranties made in respect of the Underlying Assets;
- (b) the registration and the transfer of the relevant mortgage and/or pledge over the Underlying Assets having not been completed within the period specified in the Trust Contract due to any reason already existing prior to the Trust becomes effective;
- (c) the right of AVIC Trust under the relevant mortgage and/or pledge over the Underlying Assets before completion of the registration of transfer being not effective against any bona fide third party who asserts its right.

Underlying Assets in any of following circumstances are “**Default Assets**”:

- (a) not being repaid within 90 days from the rent payment date as specified in the Finance Leases; or
- (b) to be re-organised, re-determined in terms of repayment plan or extended (for avoidance of doubt, excluding those with re-determination of repayment plan but without extension of leasing period and reduction of the outstanding balance of principals and those subject to changes of the Finance Leases by assets service agency within the authorisation as specified in the assets service contracts.

In cases that the Default Assets are normally repaid or settled by the lessee or the guarantor thereafter, such part Underlying Assets will no longer be identified as Default Assets.

The price for redemption is the aggregation of the followings as at the 24:00 on the Repurchase Counting Date:

- (a) the remaining outstanding principal amount of the Unqualified Assets or the Default Assets;
- (b) all write-off (bad debt write-off) of principal amount in connection with the creditor’s right under the relevant finance leases during the period from the Initial Benchmark Date to the relevant Repurchase Counting Date; and
- (c) all outstanding interests payable accrued during the period from the Initial Benchmark Date to the relevant Repurchase Counting Date in respect of the amounts described in (a) and (b) above.

THE UNDERWRITING AGREEMENT

Date:

6 December 2021

Parties:

- (1) 遠東國際融資租賃有限公司 (International Far Eastern Leasing Co., Ltd.*), a direct wholly-owned subsidiary of the Company, as the settlor of the Trust;
- (2) 遠東宏信(天津)融資租賃有限公司 (Far Eastern Horizon (Tianjin) Financial Leasing Co., Ltd.*), an indirect wholly-owned subsidiary of the Company, as the settlor of the Trust;
- (3) 中國國際金融股份有限公司 (China International Capital Corporation Limited*), as the lead underwriter and the bookrunner;
- (4) 交通銀行股份有限公司(Bank of Communications Co., Ltd.*), as the joint lead underwriter;
- (5) 天津銀行股份有限公司(Bank of Tianjin Co., Ltd.*), as the joint lead underwriter; and
- (6) 中航信託股份有限公司 (AVIC Trust Co., Ltd.*), as the administration agency of the Trust.

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

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

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

Conditions Precedent:

The Underwriting Agreement shall be conditional upon satisfaction of all of the following conditions before the date of issuance of Assets Backed Notes:

- (a) the issuance of Assets Backed Notes being in compliance with the applicable rules and regulations and relevant self-regulatory normative documents of the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) and having received the necessary approval(s), permission(s) from, or registered/filed with, relevant regulatory authorities and relevant agencies including the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會);
- (b) the Issuer having accurately, completely and timely disclose information relating to the Assets Backed Notes as required by laws and relevant self-regulatory normative documents of the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會);
- (c) the Issuer and the lead underwriter having agreed on the size, maturity and interest rate/price range etc. of the issuance of debt financing instruments and signed the letter of confirmation regarding interest rates/price range in writing;
- (d) the Issuer having not violated any of its substantive obligations and any statements, warranties and commitments in the Underwriting Agreement and the relevant issuance documents, and no significant adverse events, breach of contract, force majeure, etc. regulated in the Underwriting Agreement having occurred;
- (e) AVIC Trust having signed the relevant registration, custody and payment agreements with relevant registration custody agencies;
- (f) the intermediary agencies having issued relevant valid professional opinions and no material adverse change having happened;
- (g) the credit enhancement agreement or related documents (if any) continuing to be valid and no material adverse change having happened to the credit enhancement plan;
- (h) the issuance of the Assets Backed Notes having been duly registered at the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會), all transaction documents having been duly signed by all relevant parties;
- (i) the Issuer having disclosed all events that have occurred and are reasonably expected to occur that may have a material impact on the issuance of the Assets Backed Notes to the underwriters, and no material adverse situation has been found that may prevent the issuance of the Assets Backed Notes from the proper and reasonable due diligence initiated by the lead underwriters to the Issuer; and
- (j) other conditions stipulated in the Underwriting Agreement by the parties (if any).

Other Major Terms

The underwriting of Assets Backed Notes under the Underwriting Agreement will be conducted in the combination of standby commitments and distribution. CICC will adopt the way of distribution, while Bank of Communications and Bank of Tianjin will adopt the way of standby commitments. AVIC Trust shall pay the underwriting commission in full to CICC, Bank of Communications and Bank of Tianjin on the first payment date under the Trust. The underwriting commission will be ultimately borne by the assets under the Trust.

The accounting fees, legal fees, evaluation fees and other intermediation fees relating to trusteeship and cashing in connection with the issuance of the Assets Backed Notes shall be paid to relevant parties pursuant to the services contracts entered into by AVIC Trust or the Issuer with the relevant parties.

FINANCIAL INFORMATION ON THE UNDERLYING ASSETS

The net profits (both before and after taxation) attributable to the Underlying Assets for the two years ended 31 December 2019 and 2020, which were prepared in accordance with Hong Kong Financial Reporting Standards, were as follows:

	Year ended 31 December 2019 (RMB: million)	Year ended 31 December 2020 (RMB: million)
<i>Underlying Assets</i>		
Net profits before taxation	25	54
Net profits after taxation	19	41

FINANCIAL IMPACT AND USE OF PROCEEDS FROM THE ABN TRANSACTION

Immediately upon the completion of the ABN Transaction, IFELC and FETJ will cease to have rights or interests in the Underlying Assets. It is anticipated that as a result of the issuance of the Assets Backed Notes, the Group would realise a net gain of approximately RMB1,130,934.32, which represents the difference between the proceeds from the issuance of the Assets Backed Notes (after the Trust becoming effective) and the unaudited carrying value of the Underlying Assets as at the date of the Trust Contract. The proceeds received from the issuance of the Assets Backed Notes (after the Trust becoming effective) will be applied on future finance leases transactions.

REASONS FOR AND BENEFITS OF THE ABN TRANSACTION

The Company is principally engaged in finance leasing and accelerating asset turnover is beneficial to the increase of the overall profit margin. Based on the audited consolidated financial statements of the Company, as at 30 June 2021, the consolidated total assets of the Company exceeded RMB333 billion.

Upon the completion of the ABN Transaction, the Directors believe that it will accelerate the overall turnover of the Company's assets and increase the overall revenue generated. Moreover, the proposed transfer of the Underlying Assets through this arrangement will realize the forthcoming revenue of the Company in advance and the proceeds received from the issuance of the Assets Backed Notes will provide financial supports to the Company's business development of new projects.

In view of the above, the Directors consider that the terms of the Trust Contract and the Underwriting Agreement are on normal commercial terms and are fair and reasonable and the ABN Transaction contemplated thereunder is in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE COMPANY

The Company 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, cultural & tourism, engineering construction, machinery, chemical & medicine, electronic information, public consuming, transportation & logistics, urban public utility as well as other fundamental sectors.

INFORMATION OF IFELC AND FETJ

IFELC, a direct wholly-owned subsidiary of the Company, is a limited liability company incorporated in the PRC on 13 September 1991. IFELC is mainly engaged in the provision of integrated financial solutions built around finance leases and relevant commercial factoring business.

FETJ, an indirect wholly-owned subsidiary of the Company, is a limited liability company incorporated in the PRC on 10 December 2013. FETJ is mainly engaged in the provision of integrated financial solutions built around finance leases and relevant commercial factoring business in north east, north west and north area of the PRC.

INFORMATION OF CICC

China International Capital Corporation Limited* (中國國際金融股份有限公司), a joint stock company incorporated in the PRC with limited liability converted from China International Capital Corporation Limited* (中國國際金融有限公司), a Chinese-foreign equity joint venture, on 1 June 2015, who is listed on the Stock Exchange (stock code: 03908) and Shanghai Stock Exchange (stock code: 601995). CICC is a joint-venture investment bank and mainly engaged in investment banking, equities, FICC, asset management, private equity and wealth management services.

INFORMATION OF BANK OF COMMUNICATIONS

Bank of Communications Co., Ltd.* (交通銀行股份有限公司), a joint stock company established and registered in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601328) and the Stock Exchange (stock code: 03328), mainly provides financial products and services including corporate banking, personal banking and interbank and financial market businesses.

INFORMATION OF BANK OF TIANJIN

Bank of Tianjin Co., Ltd.* (天津銀行股份有限公司), a joint stock company established and registered in the PRC with limited liability and listed on the Stock Exchange (stock code: 01578), Bank of Tianjin is primarily engaged in banking businesses and related financial services, including corporate banking, retail banking, treasury business and other business.

INFORMATION OF AVIC TRUST

中航信託股份有限公司(AVIC Trust Co., Ltd.*), a joint stock limited liability company incorporated in the PRC and a non-banking financial institution approved by CBIRC. AVIC Trust is regulated by the People's Bank of China* (中國人民銀行) and CBIRC. AVIC Trust is mainly engaged in, inter alia, capital trusts; property trusts; real estate trusts; securities trusts; other property or property rights trusts; engage in investment fund business as investment fund or fund management company sponsors; business enterprise assets reorganization, mergers and acquisitions and project financing, corporate finance, finance consultants and other business approved by CBIRC. As at the date of this announcement, the shares of AVIC Trust are held as to approximately 84.42% by AVIC Investment Holding Ltd.* (中航投資控股有限公司) and approximately 15.58% by Oversea-Chinese Banking Corporation Ltd. (新加坡華僑銀行有限公司*). Oversea-Chinese Banking Corporation Ltd.'s ordinary shares are listed on the Main Board of the Singapore Exchange with the stock symbol OCBC Bk(O39). AVIC Investment Holding Ltd. is ultimately controlled by Aviation Industry Corporation of China, Ltd.* (中國航空工業集團有限公司) through AVIC Industry-Finance Holdings Co., Ltd.* (中航工業產融控股股份有限公司), which is a company listed on the Shanghai Stock Exchange (stock code: 600705). Aviation Industry Corporation of China, Ltd. is a wholly state-owned enterprise of the PRC.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the ABN Transaction is more than 5% but less than 25%, the ABN Transaction constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and is 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:

“ABN Transaction”	the transactions contemplated under the Trust Contract and the Underwriting Agreement in connection with the issuance and securitization of the Assets Backed Notes in the Aggregate Face Value of RMB2,000,890,000.00 to be registered at National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會)
“Aggregate Face Value”	the aggregate face value of the Assets Backed Notes in the amount of RMB2,000,890,000.00
“Assets Backed Notes”	the various classified asset-backed notes to be issued by the Trust in reliance on the Underlying Assets after the declaration of Trust
“AVIC Trust”	AVIC Trust Co., Ltd.* (中航信託股份有限公司), a joint stock limited liability company incorporated in the PRC and a non-banking financial institution approved by CBIRC
“Bank of Communications”	Bank of Communications Co., Ltd.* (交通銀行股份有限公司), a joint stock company established and registered in the PRC with limited liability and listed on the Shanghai Stock Exchange and the Stock Exchange
“Bank of Tianjin”	Bank of Tianjin Co., Ltd.* (天津銀行股份有限公司), a joint stock company established and registered in the PRC with limited liability and listed on the Stock Exchange
“Beneficiary(ies)”	the holder(s) of the Assets Backed Notes, also being the beneficiary(ies) of the Trust
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“CICC”	China International Capital Corporation Limited* (中國國際金融股份有限公司), a joint stock company incorporated in the PRC with limited liability converted from China International Capital Corporation Limited* (中國國際金融有限公司), a Chinese-foreign equity joint venture, on 1 June 2015, who is listed on the Stock Exchange and Shanghai Stock Exchange
“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
“Director(s)”	the directors of the Company
“FETJ”	遠東宏信(天津)融資租賃有限公司 (Far Eastern Horizon (Tianjin) Financial Leasing Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Finance Leases”	the 62 finance leases entered into by IFELC (as lessor) and other lessees, the rights and interests from which so derived constitute the Underlying Assets and the 30 finance leases entered into by FETJ (as lessor) and other lessees, the rights and interests from which so derived constitute the Underlying Assets
“Group”	the Company and its subsidiaries
“IFELC”	遠東國際融資租賃有限公司 (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
“Initial Benchmark Date”	2 August 2021
“Issuer”	the issuing parties of the Assets Backed Notes, including IFELC, FETJ and AVIC Trust
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Repurchase Counting Date”	the last day of the relevant rental collection period during which the redemption is requested in accordance with the terms of the IFELC Assets Disposal Agreement or the FETJ Assets Disposal Agreement, as the case may be
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust declared under the Trust Contract in relation to the Underlying Assets for the purpose of the issuance of Assets Backed Notes

“Trust Contract”	the Trust Contract dated 6 December 2021 entered into among IFELC, FETJ and AVIC Trust in respect of the formation of the Trust and the transfer of the Underlying Assets
“Underlying Assets”	The Underlying Assets represent, from Initial Benchmark Date (inclusive), (1) all the rights, interests, benefits and gains (present and future, existing and contingent) of IFELC and FETJ entitled under relevant Finance Leases as set out in the Trust Contract; (2) all receivables due or to be due shortly attributable to the Underlying Assets; (3) all proceeds from the transfer, sale, auction, sell-off or otherwise disposal of the Underlying Assets (for the avoidance of doubt, the shortfall between proceeds arising from the disposal of the leased property by IFELC and FETJ (as asset service agencies) and the sum of outstanding principal of relevant Finance Leases, accrued interest payable and other receivables entitled to IFELC and FETJ (as the settlors) under the Finance Leases shall not be counted as part of the Underlying Assets); (4) the right to request, claim, recover or receive all payables in relation to the Underlying Assets (whether such payments are payable by the lessees under the Finance Leases or not); (5) benefits arising from the Underlying Assets and enforcement of all rights and legal remedies in relation to the Underlying Assets; (6) all receivables in relation to the Underlying Assets received from the Initial Benchmark Date (inclusive) up to the effective date of the Trust (exclusive) (for the avoidance of doubt, excluding leasing service charges); and (7) all security rights and interests attached to relevant Finance Leases (the delivery of the security deposit and related rights shall be conducted in the manner as agreed under the Trust Contract)
“Underwriting Agreement”	the underwriting agreement and its supplement dated 6 December 2021 entered into among IFELC, FETJ, AVIC Trust, CICC, Bank of Communications and Bank of Tianjin in respect of the underwriting arrangement of the Asset Backed Notes
“%”	per cent

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

Hong Kong, 6 December 2021

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