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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 DISPOSAL OF UNDERLYING ASSETS**

### **THE IFEL DISPOSAL**

The Board is pleased to announce that, on 26 October 2016, IFEL, a direct wholly-owned subsidiary of the Company, and the Purchaser entered into the IFEL Assets Disposal Agreement, pursuant to which, among other things, IFEL has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the IFEL Underlying Assets at the IFEL Consideration of RMB2,588,215,918.38.

### **THE FETJ DISPOSAL**

The Board is pleased to announce that, on 26 October 2016, FETJ, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the FETJ Assets Disposal Agreement, pursuant to which, among other things, FETJ has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the FETJ Underlying Assets at the FETJ Consideration of RMB927,891,081.62.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal, being the IFEL Disposal and the FETJ Disposal, on an aggregate basis, is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

The Board is pleased to announce that,

- (a) on 26 October 2016, IFEL, a direct wholly-owned subsidiary of the Company, and the Purchaser entered into the IFEL Assets Disposal Agreement, pursuant to which, among other things, IFEL has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the IFEL Underlying Assets at the IFEL Consideration of RMB2,588,215,918.38; and
- (b) on 26 October 2016, FETJ, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the FETJ Assets Disposal Agreement, pursuant to which, among other things, FETJ has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the FETJ Underlying Assets at the FETJ Consideration of RMB927,891,081.62.

## **IFEL ASSETS DISPOSAL AGREEMENT**

### **Date:**

26 October 2016

### **Parties:**

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

Purchaser: 上海國泰君安證券資產管理有限公司(Shanghai Guotai Junan Security Assets Management Co. Ltd.\*)

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

### **IFEL Underlying Assets to be disposed of:**

The IFEL Underlying Assets represent the rights and interest of IFEL pursuant to the underlying IFEL Finance Leases as at the Record Date. The IFEL Underlying Assets include, (1) the rights and benefits that have been derived, will be derived or may be derived from the IFEL Underlying Assets; (2) all of the account receivables due or not yet due accrued from the IFEL Underlying Assets; (3) the proceeds from recovery, sale or otherwise disposal of the IFEL Underlying Assets; (4) the right to request, sue, recover or receive all the payments in relation to the IFEL Underlying Assets; and (5) interests arising from commitments in relation to the IFEL Underlying Assets and all the rights and legal remedies arising from the IFEL Underlying Assets, including all the creditor's rights entitled pursuant to the underlying IFEL Finance Leases and all security rights and interests attached to such creditor's rights.

As of the Record Date, the carrying value of the IFEL Underlying Assets, being the amortised cost of lease receivables less any allowance for impairment, was approximately RMB2,568 million.

Upon the payment of the IFEL Consideration, IFEL will cease to have any rights or interests in the IFEL Underlying Assets. The Purchaser will acquire all the rights in relation to the IFEL Underlying Assets upon establishment of the ABS Programme.

### **IFEL Consideration:**

The IFEL Consideration payable by the Purchaser to IFEL for the IFEL Disposal of the IFEL Underlying Assets shall be RMB2,588,215,918.38.

Any taxes and other expenses in relation to the IFEL Disposal shall be borne by IFEL and the Purchaser respectively. Other costs and expenses arising from the negotiation, signing and performance of the IFEL Assets Disposal Agreement, including but not limited to relevant intermediary agent fees, shall also be borne by IFEL and the Purchaser respectively. The Purchaser shall instruct the Custodian Bank to pay the IFEL Consideration on the same date of the establishment of the ABS Programme. Money transfer fees charged by the Custodian Bank shall be paid in advance by the Purchaser then reimbursed by the ABS Programme.

The IFEL Consideration was determined after arm's length negotiations between IFEL and the Purchaser after having taken into account the factors of the expected return rate on the IFEL Underlying Assets and the expected return rate on the ABS Programme by the market investors. The IFEL Consideration for the IFEL Disposal represents a premium of approximately RMB3 million to the outstanding aggregate amount of principals in relation to the IFEL Underlying Assets of approximately RMB2,585,215,156.72, after taking into consideration the associated credit risks relating to the IFEL Finance Leases and the IFEL Underlying Assets.

### **Conditions Precedent:**

#### ***Conditions precedent to performance of obligations by IFEL***

Performance of its obligations under the IFEL Assets Disposal Agreement 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 establishment of the ABS Programme:

- (a) the Purchaser having duly signed and delivered the IFEL Assets Disposal Agreement and other relevant documents of the ABS Programme to IFEL;
- (b) all necessary consents, approvals and authorisations to be obtained on the part of the Purchaser, which are required for the performance of its obligations under the IFEL Assets Disposal Agreement and the ABS Programme having been obtained, including but not limited to the internal authorisation documents required for signing the IFEL Assets Disposal Agreement by the Purchaser (if applicable); and
- (c) IFEL having received copies of the latest securities service qualification documents, business license and the articles of association of the Purchaser.

#### ***Conditions precedent to performance of obligations by the Purchaser***

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

- (a) IFEL having duly signed and delivered the IFEL Assets Disposal Agreement and other relevant documents of the ABS Programme to the Purchaser, and IFEL having delivered to the Purchaser all the documents relating to the IFEL Underlying Assets on or before the establishment of the ABS Programme and having provided the Purchaser with a complete list of the IFEL Underlying Assets;
- (b) the Purchaser having received copies of the latest business license and the articles of association of IFEL;
- (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 IFEL Assets Disposal Agreement, having been obtained, including but not limited to the internal authorisation documents such as a copy of the relevant Board resolutions required for the signing and performance of the IFEL Assets Disposal Agreement by IFEL;

- (d) the ABS Programme having been duly established;
- (e) as at the date of the Purchaser paying the IFEL Consideration to IFEL, there being no breach of any of the warranties and statements made by IFEL in the IFEL Assets Disposal Agreement and other documents relating to the ABS Programme;
- (f) the due diligence conducted on the IFEL Underlying Assets and the underlying leased property by the Purchaser having been completed; and
- (g) and the status of the IFEL Underlying Assets and the underlying leased property conforming to the relevant requirements under the IFEL Assets Disposal Agreement.

## **FETJ ASSETS DISPOSAL AGREEMENT**

### **Date:**

26 October 2016

### **Parties:**

Vendor: 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

Purchaser: 上海國泰君安證券資產管理有限公司(Shanghai Guotai Junan Security Assets Management Co. Ltd.\*)

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

### **FETJ Underlying Assets to be disposed of:**

The FETJ Underlying Assets represent the rights and interest of FETJ pursuant to the underlying FETJ Finance Leases as at the Record Date. The FETJ Underlying Assets include, (1) the rights and benefits that have been derived, will be derived or may be derived from the FETJ Underlying Assets; (2) all of the account receivables due or not yet due accrued from the FETJ Underlying Assets; (3) the proceeds from recovery, sale or otherwise disposal of the FETJ Underlying Assets; (4) the right to request, sue, recover or receive all the payments in relation to the FETJ Underlying Assets; and (5) interests arising from commitments in relation to the FETJ Underlying Assets and all the rights and legal remedies arising from the FETJ Underlying Assets, including all the creditor's rights entitled pursuant to the underlying FETJ Finance Leases and all security rights and interests attached to such creditor's rights.

As of the Record Date, the carrying value of the FETJ Underlying Assets, being the amortised cost of lease receivables less any allowance for impairment, was approximately RMB920 million.

Upon the payment of the FETJ Consideration, FETJ will cease to have any rights or interests in the FETJ Underlying Assets. The Purchaser will acquire all the rights in relation to the FETJ Underlying Assets upon establishment of the ABS Programme.

## **FETJ Consideration:**

The FETJ Consideration payable by the Purchaser to FETJ for the FETJ Disposal of the FETJ Underlying Assets shall be RMB927,891,081.62.

FETJ and the Purchaser agreed that any taxes and expenses in relation to the FETJ Disposal shall be borne by FETJ and the Purchaser respectively. Other costs and expenses arising from the negotiation, signing and performance of the FETJ Assets Disposal Agreement, including but not limited to relevant intermediary agent fees, shall also be borne by FETJ and the Purchaser respectively. The Purchaser shall instruct the Custodian Bank to pay the FETJ Consideration on the same date of the establishment of the ABS Programme. Money transfer fees charged by the Custodian Bank shall be paid in advance by the Purchaser then reimbursed by the ABS Programme.

The FETJ Consideration was determined after arm's length negotiations between FETJ and the Purchaser after having taken into account the factors of the expected return rate on the FETJ Underlying Assets and the expected return rate on the ABS Programme by the market investors. The FETJ Consideration for the FETJ Disposal strictly equals to the outstanding aggregate amount of principals in relation to the FETJ Underlying Assets, after taking into consideration the associated credit risks relating to the FETJ Finance Leases and the FETJ Underlying Assets.

## **Conditions Precedent:**

### ***Conditions precedent to performance of obligations by FETJ***

Performance of its obligations under the FETJ Assets Disposal Agreement by the FETJ is conditional on the satisfaction of or written waiver by FETJ (as the case may be) of the following conditions on or before the establishment of the ABS Programme:

- (a) the Purchaser having duly signed and delivered the FETJ Assets Disposal Agreement and other relevant documents of the ABS Programme to FETJ;
- (b) all necessary consents, approvals and authorisations to be obtained on the part of the Purchaser, which are required for the performance of its obligations under the FETJ Assets Disposal Agreement and the ABS Programme having been obtained, including but not limited to the internal authorisation documents required for signing the FETJ Assets Disposal Agreement by the Purchaser (if applicable); and
- (c) FETJ having received copies of the latest securities service qualification documents, business license and the articles of association of the Purchaser.

### *Conditions precedent to performance of obligations by the Purchaser*

Performance of its obligations under the FETJ Assets Disposal Agreement (including but not limited to the payment of FETJ Consideration on the date of the establishment of the ABS Programme) by the Purchaser is conditional on the satisfaction of or written waiver by the Purchaser (as the case may be) of the following conditions on or before the establishment of the ABS Programme (or dates as otherwise set out below):

- (a) FETJ having duly signed and delivered the FETJ Assets Disposal Agreement and other relevant documents of the ABS Programme to the Purchaser, and FETJ having delivered to the Purchaser all the documents relating to the FETJ Underlying Assets on or before the establishment of the ABS Programme and having provided the Purchaser with a complete list of the FETJ Underlying Assets;
- (b) the Purchaser having received copies of the latest business license and the articles of association of FETJ;
- (c) all necessary consents, approvals and authorisations to be obtained on the part of FETJ, which are required for the performance of its obligations under the FETJ Assets Disposal Agreement, having been obtained, including but not limited to the internal authorisation documents such as a copy of the relevant Board resolutions required for the signing and performance of the FETJ Assets Disposal Agreement by FETJ;
- (d) the ABS Programme having been duly established;
- (e) as at the date of the Purchaser paying the FETJ Consideration to FETJ, there being no breach of any of the warranties and statements made by FETJ in the FETJ Assets Disposal Agreement and other documents relating to the ABS Programme;
- (f) the due diligence conducted on the FETJ Underlying Assets and the underlying leased property by the Purchaser having been completed; and
- (g) and the status of the FETJ Underlying Assets and the underlying leased property conforming to the relevant requirements under the FETJ Assets Disposal Agreement.

## 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 2014 and 2015, which were prepared in accordance with Hong Kong Financial Reporting Standards, were as follows:

	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2015</b>
	<i>(RMB: million)</i>	<i>(RMB: million)</i>
<i>IFEL Underlying Assets</i>		
Net profits before taxation	1	2
Net profits after taxation	1	2
<i>FETJ Underlying Assets</i>		
Net profits before taxation	-1	7
Net profits after taxation	-1	5

## FINANCIAL IMPACT AND USE OF PROCEEDS FROM THE DISPOSAL

Immediately upon the payment of the Consideration, both IFEL and FETJ will cease to have rights or interests in the Underlying Assets. It is anticipated that upon completion of the Disposal, the Group would realise a net gain of approximately RMB7.7 million, which represents the difference between the net proceeds from this Disposal and the unaudited carrying value of the Underlying Assets as at the date of the Agreements. The net proceeds received from the Disposal will be applied on future finance lease transactions.

## 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 AND FETJ

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.

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 finance leasing business of education, health care, construction, packing, industrial equipment, transportation, electronics segments in north east, north and north west of the PRC.

## **INFORMATION OF THE PURCHASER**

The Purchaser is Shanghai Guotai Junan Security Assets Management Co. Ltd.\*, a company incorporated in the PRC on 18 October 2010. The Purchaser is a wholly-owned subsidiary of Guotai Junan Securities Co. Ltd. which is a company listed on the Shanghai Stock Exchange (stock code: 601211). The Purchaser mainly provides financial services, including a full range of asset management services as permitted by the China Securities Regulatory Commission.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

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 2016, the consolidated total assets of the Company exceeded RMB150.3 billion.

After the Disposal, the Purchaser will subsequently securitize the Underlying Assets and launch an ABS Programme for investors in the market. The Directors believe that the securitization of the Underlying Assets by way of ABS Programme after the completion of the Disposal will accelerate the overall turnover of the Company's assets and increase the overall revenue generated. Moreover, the Disposal will realize the forthcoming revenue of the Company in advance and the proceeds received from the Disposal 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 Agreements are on normal commercial terms and are fair and reasonable and the Disposal is in the interests of the Company and the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal, being the IFEL Disposal and the FETJ Disposal, on an aggregate basis, is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under 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:

“ABS Program”	the asset-backed securities purchase program to be launched by the Purchaser in relation to the Underlying Assets after the Disposal
“Agreements”	collectively, the IFEL Assets Disposal Agreement and the FETJ Assets Disposal Agreement



“Board”	the board of Directors of the Company
“China Securities Regulatory Commission”	中國證券業監督管理委員會(China Securities 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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	collectively, the IFEL Consideration and the FETJ Consideration
“Custodian Bank”	交通銀行股份有限公司上海市分行(Shanghai Branch of Bank of Communications Co., Ltd*)
“Director(s)”	the directors of the Company
“Disposal”	collectively, the IFEL Disposal and the FETJ Disposal
“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
“FETJ Assets Disposal Agreement”	the assets disposal agreement dated 26 October 2016, entered into by FETJ and the Purchaser in relation to the FETJ Disposal of the FETJ Underlying Assets
“FETJ Consideration”	the sum of RMB927,891,081.62, being the consideration for the FETJ Disposal of the FETJ Underlying Assets under the FETJ Assets Disposal Agreement
“FETJ Disposal”	the disposal of the FETJ Underlying Assets pursuant to the FETJ Assets Disposal Agreement
“FETJ Finance Leases”	the 24 finance leases entered into by FETJ (as lessor) and other lessees, the rights and interests from which so derived constitute the FETJ Underlying Assets

“FETJ Underlying Assets”	the rights and interests (present and future, existing and contingent) of FETJ pursuant to the underlying FETJ Finance Leases as at the Record Date. The FETJ Underlying Assets include, (1) the rights and benefits that have been derived, will be derived or may be derived from the FETJ Underlying Assets; (2) all of the account receivables due or not yet due accrued from the FETJ Underlying Assets; (3) the proceeds from recovery, sale or otherwise disposal of the FETJ Underlying Assets; (4) the right to request, sue, recover or receive all the payments in relation to the FETJ Underlying Assets; and (5) interests arising from commitments in relation to the FETJ Underlying Assets and all the rights and legal remedies arising from the FETJ Underlying Assets, including all the creditor’s rights entitled pursuant to the underlying FETJ Finance Leases and all security rights and interests attached to such creditor’s rights.
“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
“IFEL Assets Disposal Agreement”	the assets disposal agreement dated 26 October 2016 entered into by IFEL and the Purchaser in relation to the IFEL Disposal of the IFEL Underlying Assets
“IFEL Consideration”	the sum of RMB2,588,215,918.38, being the consideration for the IFEL Disposal of the IFEL Underlying Assets under the IFEL Assets Disposal Agreement
“IFEL Disposal”	the disposal of the IFEL Underlying Assets pursuant to the IFEL Assets Disposal Agreement
“IFEL Finance Leases”	the 62 finance leases entered into by IFEL (as lessor) and other lessees, the rights and interests from which so derived constitute the IFEL Underlying Assets
“IFEL Underlying Assets”	the rights and interests (present and future, existing and contingent) of IFEL pursuant to the underlying IFEL Finance Leases as at the Record Date. The IFEL Underlying Assets include, (1) the rights and benefits that have been derived, will be derived or may be derived from the IFEL Underlying Assets; (2) all of the account receivables due or not yet due accrued from the IFEL Underlying Assets; (3) the proceeds from recovery, sale or otherwise disposal of the IFEL Underlying Assets; (4) the right to request, sue, recover or receive all the payments in relation to the IFEL Underlying Assets; and (5) interests arising from commitments in relation to the IFEL Underlying Assets and all the rights and legal remedies arising from the IFEL Underlying Assets, including all the creditor’s rights entitled pursuant to the underlying IFEL Finance Leases and all security rights and interests attached to such creditor’s rights.

“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
“Purchaser”	國泰君安證券資產管理有限公司(Shanghai Guotai Junan Security Assets Management Co. Ltd.*), a company incorporated in the PRC
“Record Date”	1 September 2016
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underlying Assets”	collectively, the IFEL Underlying Assets and the FETJ Underlying Assets
%	per cent

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

Hong Kong, 26 October 2016

*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. John LAW, Mr. KUO Ming-Jian and Dr. CHEN Guogang, 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