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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)**

## **CONNECTED TRANSACTIONS**

### **FINANCE LEASE WITH CSR SIFANG AND SINOCEM TENDERING**

On 10 June 2015, Far East (Tianjin) entered into (i) the Lease Contract with CSR Sifang and (ii) the Supplementary Agreement with CSR Sifang and Sinochem Tendering. Pursuant to the Lease Contract and the Supplementary Agreement, Far East (Tianjin) will lease the Equipment to CSR Sifang for a term of 36 months, while Sinochem Tendering shall repurchase the Equipment upon the completion of the performance by CSR Sifang of all its duties under the Lease Contract. The arrangement among Far East (Tianjin), CSR Sifang and Sinochem Tendering under the Lease Contract and the Supplementary Agreement is a finance lease arrangement.

Sinochem Group is a substantial shareholder of the Company and therefore a connected person of the Company. Sinochem Tendering is an indirect subsidiary of Sinochem Group and therefore an associate of Sinochem Group and hence a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the finance lease arrangement contemplated under the Lease Contract and the Supplementary Agreement will constitute connected transactions of the Company.

As the highest applicable percentage ratio in respect of the finance lease arrangement contemplated under the Lease Contract and the Supplementary Agreement exceeds 0.1% but is less than 5%, the entering into of the Lease Contract and the Supplementary Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

## **INTRODUCTION**

On 10 June 2015, Far East (Tianjin) entered into (i) the Lease Contract with CSR Sifang and (ii) the Supplementary Agreement with CSR Sifang and Sinochem Tendering. Pursuant to the Lease Contract and the Supplementary Agreement, Far East (Tianjin) will lease the Equipment to CSR Sifang for a term of 36 months, while Sinochem Tendering shall repurchase the Equipment upon the completion of the performance by CSR Sifang of all its duties under the Lease Contract. The arrangement among Far East (Tianjin), CSR Sifang and Sinochem Tendering under the Lease Contract and the Supplementary Agreement is a finance lease arrangement.

## **THE LEASE CONTRACT**

The Lease Contract was entered into between Far East (Tianjin) as lessor and CSR Sifang as lessee on 10 June 2015. Pursuant to the Lease Contract, Far East (Tianjin) will lease the Equipment to CSR Sifang for a term of 36 months, with a monthly rental of RMB1,503,250, totalling RMB54,117,000 for the entire term of lease. The payment of rental will be made by CSR Sifang to Far East (Tianjin) on a monthly basis. CSR Sifang will also pay Far East (Tianjin) a one-time fee in amount of RMB5,515,000 at the end of the next month upon issuing the relevant invoice by Far East (Tianjin) after the Lease Contract is signed. The leasing cost, which is the purchase price (tax inclusive) of the Equipment, is RMB58,689,100.

## **THE SUPPLEMENTARY AGREEMENT**

The Supplementary Agreement was entered into among Far East (Tianjin) as lessor, CSR Sifang as lessee and Sinochem Tendering as repurchase party on 10 June 2015. Pursuant to the Supplementary Agreement, upon the completion of the performance by CSR Sifang of all its duties under the Lease Contract, including but not limited to payment of total amount of rental and all other taxes, interest and damages incurred (if any), Sinochem Tendering shall repurchase the Equipment in an amount of RMB11,737,820 and Far East (Tianjin) will transfer the title of the Equipment to Sinochem Tendering after the payment of the repurchase price by Sinochem Tendering.

The repurchase price was determined based on the residual value of the leasing asset as at the repurchase date. It is anticipated that upon the completion of the repurchase, the Group would realise a net gain of approximately RMB12,680,720 before tax, which represents the difference between the original purchase price and the sum of repurchase price and contractual lease income.

CSR Sifang shall provide security deposit of RMB17,606,730 to Far East (Tianjin) pursuant to the Lease Contract and the Supplementary Agreement within thirty (30) working days after the signing of the Lease Contract and the Supplementary Agreement. The security deposit will be used to secure the payment obligation of CSR Sifang and Sinochem Tendering under the Lease Contract and the Supplementary Agreement respectively.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE CONTRACT AND THE SUPPLEMENTARY AGREEMENT**

Sinochem Tendering was designated by CSR Sifang as the repurchase party under the Supplementary Agreement given their existing and long term business relationship. The repurchase arrangement in respect of the finance lease benefits Far East (Tianjin) as the lessor and the relevant terms of the repurchase arrangement, including the repurchase price, are entered into by Far East (Tianjin), CSR Sifang and Sinochem Tendering after arm's length negotiations and are fair and reasonable.

The Directors (including the independent non-executive Directors) consider that the finance lease arrangement contemplated under the Lease Contract and the Supplementary Agreement is entered into after arm's length negotiations and based on normal commercial terms in the ordinary and usual course of business of the Group, is fair and reasonable and is in the interests of the Company and its shareholders as a whole.

## **INFORMATION REGARDING THE GROUP, FAR EAST (TIANJIN), CSR SIFANG AND SINOCHEM TENDERING**

The Group 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.

Far East (Tianjin) is an indirect wholly-owned subsidiary of the Company and a limited liability company incorporated in the PRC on 10 December 2013. It mainly engages in finance leasing business in north east, north and north west of the PRC.

CSR Sifang is a joint stock limited liability company incorporated in the PRC and is the PRC's industrialization base of manufacturing high-speed trains, the leading enterprise to design and manufacture the top-grade passenger cars, the state-accredited manufacturers of the domestic subway and light rail cars and the important export manufacturing base of the national rail transportation equipment.

Sinochem Tendering is a limited liability company incorporated in the PRC, and is mainly engaged in provision of agency services for international tending and procurement of mechanical and electrical products, and tendering and bidding for construction projects, cargo and services.

## **IMPLICATIONS UNDER THE LISTING RULES**

Sinochem Group is a substantial shareholder of the Company and therefore a connected person of the Company. Sinochem Tendering is an indirect subsidiary of Sinochem Group and therefore an associate of Sinochem Group and hence a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the finance lease arrangement contemplated under the Lease Contract and the Supplementary Agreement will constitute connected transactions of the Company.

As the highest applicable percentage ratio in respect of the finance lease arrangement contemplated under the Lease Contract and the Supplementary Agreement exceeds 0.1% but is less than 5%, the entering into of the Lease Contract and the Supplementary Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

## **DEFINITIONS**

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

“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“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 Stock Exchange (stock code: 3360)
“CSR Sifang”	南車青島四方機車車輛股份有限公司(CSR Qingdao Sifang Locomotive & Rolling Stock Co., Ltd.*)

“Directors”	the directors of the Company
“Equipment”	the leased equipment under the Lease Contract and the Supplementary Agreement
“Far East (Tianjin)”	遠東宏信(天津)融資租賃有限公司(Far East Horizon (Tianjin) Financial Leasing Co., Ltd.*)
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lease Contract”	the lease contract dated 10 June 2015 entered into between Far East (Tianjin) and CSR Sifang in relation to the lease of the Equipment
“PRC”	the People’s Republic of China, and, for the purpose of this announcement, excluding Taiwan or Hong Kong and Macau Special Administrative Regions
“Sinochem Group”	中國中化集團公司(Sinochem Group*) (formerly known as China National Chemicals Import & Export Corporation), a stated-owned enterprise established in the PRC, a substantial shareholder of the Company and is a connected person of the Company
“Sinochem Tendering”	中化國際招標有限責任公司(Sinochem International Tendering Co., Ltd.*)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplementary Agreement”	the supplementary agreement to the Lease Contract dated 10 June 2015 entered into among Far East (Tianjin), CSR Sifang and Sinochem Tendering in relation to the lease and repurchase of the Equipment

By order of the Board  
**Far East Horizon Limited**  
**KONG Fanxing**

*Chief Executive Officer and Executive Director*

Hong Kong, 10 June 2015

*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. LIU Deshu (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 purposes only