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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 PREVIOUS ASSETS DISPOSAL AGREEMENTS

On 27 September 2016, IFEL and Hwabao Trust, a subsidiary of Baowu Group, entered into the First Assets Disposal Agreement. On 10 May 2017, IFEL, FETJ, and Hwabao Trust entered into the Second Assets Disposal Agreement.

THE IFEL DISPOSAL

The Board is pleased to announce that, on 8 August 2017, IFEL, a direct wholly-owned subsidiary of the Company, and the Purchaser, a subsidiary of Baowu Group, 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 RMB254,731,682.88.

THE FETJ DISPOSAL

The Board is pleased to announce that, on 8 August 2017, 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 RMB724,100,017.12.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the First Disposal and the Second Disposal, each on a standalone basis or collectively on an aggregate basis, is less than 5%, the First Disposal and the Second Disposal did not constitute discloseable transactions of the Company pursuant to Chapter 14 of the Listing Rules as at the date of the respective agreements and were not subject to the notification and announcement requirement under the Listing Rules.

However, as IEFL, FETJ and the Purchaser have entered into the IFEL Assets Disposal Agreement and FETJ Assets Disposal Agreement, respectively, within a 12-month period after the completion of the First Assets Disposal Agreement and the Second Assets Disposal Agreement, and Hwabao Securities and Hwabao Trust are both subsidiaries of Baowu Group, the transactions contemplated under each of the First Assets Disposal Agreement, the Second Assets Disposal Agreement, the IFEL Assets Disposal Agreement and the FETJ Assets Disposal Agreement will be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the First Disposal, the Second Disposal, the IFEL Assets Disposal and the FETJ Assets Disposal, on an aggregate basis, is more than 5% but less than 25%, the First Disposal, the Second Disposal, the IFEL Assets Disposal and the FETJ Assets Disposal, constitute discloseable transactions of the Company pursuant to Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under the Listing Rules.

INTRODUCTION

On 27 September 2016, IFEL and Hwabao Trust, a subsidiary of Baowu Group, entered into the First Assets Disposal Agreement. On 10 May 2017, IFEL, FETJ, and Hwabao Trust entered into the Second Assets Disposal Agreement.

The Board is pleased to announce that, on 8 August 2017, IFEL, a direct wholly-owned subsidiary of the Company, and the Purchaser, a subsidiary of Baowu Group, 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 RMB254,731,682.88; and on 8 August 2017, 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 RMB724,100,017.12.

IFEL ASSETS DISPOSAL AGREEMENT

Date:

8 August 2017

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: 華寶證券有限責任公司 (Hwabao Securities 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 interests (present and future, existing and contingent) of IFEL pursuant to the underlying IFEL Entrusted Loans as at the Record Date. The IFEL Underlying Assets include, (1) the creditor's rights under the underlying IFEL Entrusted Loans, including the outstanding balance of principal, interests, handling charges, penalty, liquidated damage, guaranty and other payments to be made by borrowers to IFEL under the underlying IFEL Entrusted Loans as at the Record Date; (2) all of the security rights and interests in relation to the guarantee of all the abovementioned creditor's rights; (3) the proceeds from recovery, sale or otherwise disposal of the IFEL Underlying Assets; (4) the rights to request, sue, recover or receive all the payments (no matter whether such payments are payable by the borrowers under the underlying IFEL Entrusted Loans) in relation to the IFEL Underlying Assets; and (5) interests arising from commitments in relation to the IFEL and all the rights and legal remedies arising from the IFEL Underlying Assets.

As of the Record Date, the carrying value of the IFEL Underlying Assets, being the amortised cost of entrusted loan receivables less any allowance for impairment, was approximately RMB253.5 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 RMB254,731,682.88.

Any taxes and other expenses in relation to the IFEL Disposal shall be borne by IFEL and the Purchaser respectively. Other costs and expenses, including but not limited to the agency fees, arising from the negotiation, signing of the IFEL Assets Disposal Agreement and performance of the obligations under the IFEL Assets Disposal Agreement, no matter the ABS programme will be completed or not, shall also be borne by IFEL and the Purchaser respectively. The Purchaser shall instruct the Custodian Bank to pay the IFEL Consideration within one business day after 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 approximately equals to the outstanding aggregate amount of principals in relation to the IFEL Underlying Assets, after taking into consideration the associated credit risks relating to the IFEL Entrusted Loans and the IFEL Underlying Assets.

Conditions Precedent:

Conditions precedent to performance of obligation 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 the 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 execution and performance of 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 obligation by the Purchaser

Performance of its obligations under the IFEL Assets Disposal Agreement (including but not limited to the payment of IFEL Consideration based on the IFEL Assets Disposal Agreement) by the Purchaser is conditional on the satisfaction of or written waiver by the Purchaser 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 the relevant documents of the ABS Programme to the Purchaser, and IFEL having delivered to the assets servicing agency appointed by 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 execution and performance of 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 by the Purchaser having been completed; and
- (g) the status of the IFEL Underlying Assets conforming to the requirements under the IFEL Assets Disposal Agreement.

Redemption Arrangement:

Pursuant to the IFEL Assets Disposal Agreement, the Purchaser or the assets servicing agency of the ABS Program shall send written notice to IFEL during the period of the ABS Program of any discovery of Unqualified Assets (as defined below). IFEL shall redeem such Unqualified Assets from the Purchaser in accordance with the terms of the IFEL Assets Disposal Agreement.

On the Record Date, the date of delivery of the IFEL Underlying Assets or such other date specified under the representations and warranties made in respect of the IFEL Underlying Assets, the IFEL Underlying Assets, being not in conformity with such representations and warranties made in respect thereof, are “**IFEL Unqualified Assets**”.

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

- (a) the remaining outstanding principal amount of the IFEL Unqualified Assets;
- (b) all write-off of principal amount(if any) in connection with the relevant IFEL Underlying Assets from the relevant Redemption Counting Date; and
- (c) all outstanding interests payable accrued during the period from the date of discovery of the IFEL Unqualified Assets to the relevant Redemption Counting Date in respect of the amounts described in (a) and (b) above.

FETJ ASSETS DISPOSAL AGREEMENT

Date:

8 August 2017

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: 華寶證券有限責任公司 (Hwabao Securities 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 interests (present and future, existing and contingent) of FETJ pursuant to the underlying FETJ Entrusted Loans as at the Record Date. The FETJ Underlying Assets include, (1) the creditor's rights under the underlying FETJ Entrusted Loans, including the outstanding balance of principal, interests, handling charges, penalty, liquidated damage, guaranty and other payments to be made by borrowers to FETJ under the underlying FETJ Entrusted Loans as at the Record Date; (2) all of the security rights and interests in relation to the guarantee of all the above mentioned creditor's rights; (3) the proceeds from recovery, sale or otherwise disposal of the FETJ Underlying Assets; (4) the rights to request, sue, recover or receive all the payments (no matter whether such payments are payable by the borrowers under the underlying FETJ Entrusted Loans) 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.

As of the Record Date, the carrying value of the FETJ Underlying Assets, being the amortised cost of entrusted loan receivables less any allowance for impairment, was approximately RMB724.5 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 RMB724,100,017.12.

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, including but not limited to the agency fees, arising from the negotiation, signing of the FETJ Assets Disposal Agreement and performance of the obligations under the FETJ Assets Disposal Agreement, no matter the ABS programme will be completed or not, shall also be borne by FETJ and the Purchaser respectively. The Purchaser shall instruct the Custodian Bank to pay the FETJ Consideration within one business day after 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 approximately 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 Entrusted Loans and the FETJ Underlying Assets.

Conditions Precedent:

Conditions precedent to performance of obligation by FETJ

Performance of its obligations under the FETJ Assets Disposal Agreement by 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 the 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 execution and performance of 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 obligation by the Purchaser

Performance of its obligations under the FETJ Assets Disposal Agreement (including but not limited to the payment of FETJ Consideration based on the FETJ Assets Disposal Agreement) 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 the relevant documents of the ABS Programme to the Purchaser, and FETJ having delivered to the assets servicing agency appointed by 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 which are required for the execution and performance of the FETJ Assets Disposal Agreement to be received or obtained on the part of FETJ, 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 by the Purchaser having been completed; and
- (g) the status of the FETJ Underlying Assets conforming to the requirements under the FETJ Assets Disposal Agreement.

Redemption Arrangement:

Pursuant to the FETJ Assets Disposal Agreement, the Purchaser or the assets servicing agency of the ABS Program shall send written notice to FETJ during the period of the ABS Program of any discovery of Unqualified Assets (as defined below). FETJ shall redeem such Unqualified Assets from the Purchaser in accordance with the terms of the FETJ Assets Disposal Agreement.

On the Record Date, the date of delivery of the FETJ Underlying Assets or such other date specified under the representations and warranties made in respect of the FETJ Underlying Assets, the FETJ Underlying Assets, being not in conformity with such representations and warranties made in respect thereof, are “**FETJ Unqualified Assets**”.

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

- (a) the remaining outstanding principal amount of the FETJ Unqualified Assets;
- (b) all write-off of principal amount (if any) in connection with the relevant FETJ Underlying Assets from the relevant Redemption Counting Date; and
- (c) all outstanding interests payable accrued during the period from the date of discovery of the FETJ Unqualified Assets to the relevant Redemption Counting Date in respect of the amounts described in (a) and (b) above.

FINANCIAL INFORMATION ON THE UNDERLYING ASSETS

The net profits (both before and after taxation) attributable to the IFEL Underlying Assets and FETJ Underlying Assets for the two years ended 31 December 2015 and 2016, which were prepared in accordance with Hong Kong Financial Reporting Standards, were as follows:

	Year ended 31 December 2015 (RMB: million)	Year ended 31 December 2016 (RMB: million)
<i>IFEL Underlying Assets</i>		
Net profits before taxation	1	7
Net Profits after taxation	1	5
<i>FETJ Underlying Assets</i>		
Net profits before taxation	0	-1
Net Profits after taxation	0	-1

FINANCIAL IMPACT AND USE OF PROCEEDS FROM THE IFEL DISPOSAL AND FETJ DISPOSAL

Immediately upon the payment of the IFEL Consideration and the FETJ Consideration, both IFEL and FETJ will cease to have rights or interests in the IFEL Underlying Assets and the FETJ Underlying Assets. It is anticipated that upon completion of the IFEL Disposal and FETJ Disposal, the Group would realise a net gain of approximately RMB200 thousand, which represents the difference between the net proceeds from the IFEL Disposal and FETJ Disposal and the unaudited carrying value of the IFEL Underlying Assets and FETJ Underlying Assets as at the date of the Agreements. The net proceeds received from the IFEL Disposal and FETJ Disposal will be applied on future finance lease transactions.

THE PREVIOUS ASSETS DISPOSAL AGREEMENTS

On 27 September 2016, IFEL and Hwabao Trust, a subsidiary of Baowu Group, entered into the First Assets Disposal Agreement. On 10 May 2017, IFEL and FETJ, and Hwabao Trust entered into the Second Assets Disposal Agreement. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the First Disposal and the Second Disposal, each on a standalone basis or collectively on an aggregate basis, is less than 5%, each of the First Disposal and the Second Disposal did not constitute discloseable transactions of the Company pursuant to Chapter 14 of the Listing Rules as at the date of the respective agreements and were not subject to the notification and announcement requirement under the Listing Rules. The principal terms of the First Assets Disposal Agreement and the Second Assets Disposal Agreement are set out as follows:

(1) The First Assets Disposal Agreement

Date:

27 September 2016

Parties:

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

Transferee: 華寶信託有限責任公司 (Hwabao Trust Co., Ltd. *)

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

The First Underlying Assets disposed of:

The First Underlying Assets represents all creditors' rights and all security rights and interests attached thereto of IFEL pursuant to the relevant finance lease contracts as at the transfer date, being the date when Hwabao Trust pays the transfer price and obtains the First Underlying Assets pursuant to the First Assets Disposal Agreement, which include but are not limited to, (1) right to all income under the relevant leases such as rentals, designated purchase price, liquidated damages (if any) and other lessee's payment; (2) right to recourse when the lessee defaults; and (3) right to require the relevant guarantor to assume the liability of guarantee and recourse thereunder.

As of the date of the First Assets Disposal Agreement, the carrying value of the First Underlying Assets, being the amortised cost of lease receivables less any allowance for impairment, was approximately RMB123 million.

First Consideration:

The consideration paid by Hwabao Trust to IFEL for the First Disposal was RMB124,395,000. The consideration for the First Disposal approximately equals to the outstanding aggregate amount of principals in relation to the First Underlying Assets of RMB124,394,118, after taking into consideration the associated credit risks relating to the First Underlying Assets.

Financial information on the First Underlying Assets:

The net profits (both before and after taxation) attributable to the First 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:

	Year ended 31 December 2014	Year ended 31 December 2015
	<i>(RMB: million)</i>	<i>(RMB: million)</i>
<i>First Underlying Assets</i>		
Net profits before taxation	0	0
Net Profits after taxation	0	0

Financial impact from the First Disposal:

Upon completion of the First Disposal, the Group realized a net gain of approximately RMB1 million, which represented the difference between the net proceeds from this First Disposal and the unaudited carrying value of the First Underlying Assets as at the date of the First Assets Disposal Agreement.

(2) The Second Assets Disposal Agreement

Date:

10 May 2017

Parties:

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

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

Transferee: 華寶信託有限責任公司 (Hwabao Trust Co., Ltd. *)

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

The Second Underlying Assets disposed of:

The Second Underlying Assets represents all creditors' rights and all security rights and interests attached thereto of IFEL and FETJ pursuant to the relevant finance lease contracts as at the transfer date, being the date when Hwabao Trust pays the transfer price and obtains the Second Underlying Assets pursuant to the Second Assets Disposal Agreement, which include but are not limited to, (1) right to all income under the relevant leases such as rentals, designated purchase price, liquidated damages (if any) and other lessee's payment; (2) right to recourse when the lessee defaults; and (3) right to require the relevant guarantor to assume the liability of guarantee and recourse thereunder.

As of the date of the Second Assets Disposal Agreement, the carrying value of the Second Underlying Assets, being the amortised cost of lease receivables less any allowance for impairment, was approximately RMB278 million.

Second Consideration:

The consideration paid by Hwabao Trust to IFEL and FETJ for the Second Disposal was RMB279,210,000. The consideration for the Second Disposal represented a premium of approximately RMB4000 to the outstanding aggregate amount of principals in relation to the Second Underlying Assets of RMB279,205,918.92, after taking into consideration the associated credit risks relating to the Second Underlying Assets.

Financial information on the Second Underlying Assets:

The net profits (both before and after taxation) attributable to the Second Underlying Assets for the two years ended 31 December 2015 and 2016, which were prepared in accordance with Hong Kong Financial Reporting Standards, were as follows:

	Year ended 31 December 2015 (RMB: million)	Year ended 31 December 2016 (RMB: million)
<i>Second Underlying Assets</i>		
Net profits before taxation	0	-1
Net Profits after taxation	0	-1

Financial impact from the Second Disposal:

Upon completion of the Second Disposal, the Group realized a net gain of approximately RMB1 million, which represented the difference between the net proceeds from the Second Disposal and the unaudited carrying value of the Second Underlying Assets as at the date of the Second Assets Disposal Agreement.

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 31 December 2016, the consolidated total assets of the Company exceeded RMB166.5 billion.

After the First Disposal, the Second Disposal, the IFEL Disposal and the FETJ Disposal, the Purchaser will subsequently securitize the related assets and launch an ABS Programme for investors in the market. The Directors believe that the securitization of the related assets by way of ABS Programme after the completion of the First Disposal, the Second Disposal, the IFEL Disposal and the FETJ Disposal will accelerate the overall turnover of the Company's assets and increase the overall revenue generated. Moreover, these disposals will realize the forthcoming revenue of the Company in advance and the proceeds received from these disposals 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 these disposals are 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 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 Hwabao Securities Co., Ltd.* (華寶證券有限責任公司), a subsidiary of Baowu Group, a company incorporated in the PRC on 4 March 2002. The Purchaser is mainly engaged in securities investment consulting, securities self-management, securities asset management, margin trading, securities investment fund consignment, consignment of financial products, securities underwriting, securities trading and securities investment activities related to financial advisory business.

INFORMATION OF HWABAO TRUST

Hwabao Trust, a subsidiary of Baowu Group, incorporated in the PRC on 10 September 1998, is a non-banking financial institution approved and regulated by China Banking Regulatory Commission. It is principally engaged 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 sponsors, business enterprise assets reorganization, mergers and acquisitions and project financing, corporate finance, finance consultants and other business approved by China Banking Regulatory Commission.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the First Disposal and the Second Disposal, each on a standalone basis or collectively on an aggregate basis, is less than 5%, the First Disposal and the Second Disposal did not constitute discloseable transactions of the Company pursuant to Chapter 14 of the Listing Rules as at the date of the respective agreements and were not subject to the notification and announcement requirement under the Listing Rules.

However, as IEFL, FETJ and the Purchaser have entered into the IFEL Assets Disposal Agreement and FETJ Assets Disposal Agreement, respectively, within a 12-month period after the completion of the First Assets Disposal Agreement and the Second Assets Disposal Agreement, and Hwabao Securities and Hwabao Trust are subsidiaries of Baowu Group, the transactions contemplated under each of the First Assets Disposal Agreement, the Second Assets Disposal Agreement, the IFEL Assets Disposal Agreement and the FETJ Assets Disposal Agreement will be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the First Disposal, the Second Disposal, the IFEL Assets Disposal and the FETJ Assets Disposal, on an aggregate basis, is more than 5% but less than 25%, the First Disposal, the Second Disposal, the IFEL Assets Disposal and the FETJ Assets Disposal, constitute discloseable transactions of the Company pursuant to 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:

“ABS Program”	the asset-backed securities purchase program to be launched by Hwabao Securities and Hwabao Trust in relation to the Underlying Assets after the Disposal
“Agreements”	collectively, the IFEL Assets Disposal Agreement, the FETJ Assets Disposal Agreement, the First Assets Disposal Agreement and the Second Assets Disposal Agreement
“Baowu Group”	中國寶武鋼鐵集團有限公司 (China Baowu Steel Group Corporation*)
“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 Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Custodian Bank”	浙商銀行股份有限公司上海分行 (China Zheshang Bank Co., Ltd. Shanghai Branch*)
“Director(s)”	the directors of the Company
“Disposal”	collectively, the IFEL Disposal, the FETJ Disposal, the First Disposal and the Second 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 8 August 2017, entered into by FETJ and the Purchaser in relation to the FETJ Disposal of the FETJ Underlying Assets
“FETJ Consideration”	the sum of RMB724,100,017.12, being the aggregate 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 Entrusted Loans”	the 17 entrusted loans entered into by FETJ (as lender) and other borrowers, the rights and interests from which so derived constitute the FETJ Underlying Assets
“FETJ Underlying Assets”	the FETJ Underlying Assets represent the rights and interests (present and future, existing and contingent) of FETJ pursuant to the underlying FETJ Entrusted Loans as at the Record Date, which includes, (1) the creditor’s rights under the underlying FETJ Entrusted Loans, including the outstanding balance of principal, interests, handling charges, penalty, liquidated damage, guaranty and other payments to be made by borrowers to FETJ under the underlying FETJ Entrusted Loans as at the Record Date; (2) all of the security rights and interests in relation to the guarantee of all the above mentioned creditor’s rights; (3) the proceeds from recovery, sale or otherwise disposal of the FETJ Underlying Assets; (4) the rights to request, sue, recover or receive all the payments (no matter whether such payments are payable by the borrowers under the underlying FETJ Entrusted Loans) 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

“First Consideration”	the sum of RMB124,395,000, being the aggregate consideration for the First Disposal of the First Underlying Assets under the First Assets Disposal Agreement
“First Disposal”	the disposal of the First Underlying Assets pursuant to the First Assets Disposal Agreement
“First Assets Disposal Agreement”	the assets disposal agreement dated 27 September 2016 entered into by IFEL and Hwabao Trust in relation to the First Disposal of the First Underlying Assets
“First Underlying Assets”	the First Underlying Assets represents all creditors’ rights and all security rights and interests attached thereto of IFEL pursuant to the relevant finance lease contracts as at the transfer date, being the date when Hwabao Trust pays the transfer price and obtains the First Underlying Assets pursuant to the First Assets Disposal Agreement, which includes but are not limited to, (1) right to all income under the relevant leases such as rentals, designated purchase price, liquidated damages (if any) and other lessee’s payment; (2) right to recourse when the lessee defaults; and (3) right to require the relevant guarantor to assume the liability of guarantee and recourse thereunder.
“Group”	the Company and its subsidiaries
“Hwabao Securities”	華寶證券有限責任公司 (Hwabao Securities Co., Ltd.*)
“Hwabao Trust”	華寶信託有限責任公司 (Hwabao Trust Co., Ltd.*)
“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 8 August 2017 entered into by IFEL and the Purchaser in relation to the IFEL Disposal of the IFEL Underlying Assets
“IFEL Consideration”	the sum of RMB254,731,682.88, being the aggregate 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 Entrusted Loans”	the 7 entrusted loans entered into by IFEL (as lender) and other borrowers, the rights and interests from which so derived constitute the IFEL Underlying Assets

“IFEL Underlying Assets”	the IFEL Underlying Assets represent the rights and interests (present and future, existing and contingent) of IFEL pursuant to the underlying IFEL Entrusted Loans as at the Record Date, which includes, (1) the creditor’s rights under the underlying IFEL Entrusted Loans, including the outstanding balance of principal, interests, handling charges, penalty, liquidated damage, guaranty and other payments to be made by borrowers to IFEL under the underlying IFEL Entrusted Loans as at the Record Date; (2) all of the security rights and interests in relation to the guarantee of all the abovementioned creditor’s rights; (3) the proceeds from recovery, sale or otherwise disposal of the IFEL Underlying Assets; (4) the rights to request, sue, recover or receive all the payments (no matter whether such payments are payable by the borrowers under the underlying IFEL Entrusted Loans) in relation to the IFEL Underlying Assets; and (5) interests arising from commitments in relation to the IFEL and all the rights and legal remedies arising from the IFEL Underlying Assets
“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”	華寶證券有限責任公司 (Hwabao Securities Co., Ltd.*)
“Record Date”	18 February 2017
“Redemption Counting Date”	the last day of the relevant rental collection period during which the redemption is requested in accordance with the terms of the IFEL Assets Disposal Agreement and the FETJ Assets Disposal Agreement, as the case may be
“Second Consideration”	the sum of RMB279,210,000, being the aggregate consideration for the Second Disposal of the Second Underlying Assets under the Second Assets Disposal Agreement
“Second Disposal”	the disposal of the Second Underlying Assets pursuant to the Second Assets Disposal Agreement
“Second Assets Disposal Agreement”	the assets disposal agreement dated 10 May 2017 entered into by IFEL, FETJ and Hwabao Trust in relation to the Second Disposal of the Second Underlying Assets

“Second Underlying Assets”	the Second Underlying Assets represents all creditors’ rights and all security rights and interests attached thereto of IFEL and FETJ pursuant to the relevant finance lease contracts as at the transfer date, being the date when Hwabao Trust pays the transfer price and obtains the Second Underlying Assets pursuant to the Second Assets Disposal Agreement, which includes but are not limited to, (1) right to all income under the relevant leases such as rentals, designated purchase price, liquidated damages (if any) and other lessee’s payment; (2) right to recourse when the lessee defaults; and (3) right to require the relevant guarantor to assume the liability of guarantee and recourse thereunder.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underlying Assets”	collectively, the IFEL Underlying Assets, the FETJ Underlying Assets, the First Underlying Assets and the Second Underlying Assets

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

Hong Kong, 8 August 2017

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, Dr. CHEN Guogang 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*