

**FAR EAST HORIZON LTD:
THIS COMPANY COULD WELL BE
A BIG WINNER IN YEARS TO COME**

For a change, a company, controlled (and, obviously, closely monitored) by the Government of the People's Republic of China (PRC), in spite of being incorporated in the Hongkong Special Administrative Region (HKSAR) of the PRC, looks very much as though, over the years, it could well be a big winner.

The company is Far East Horizon Ltd () (Code: 3360, Main Board, The Stock Exchange of Hongkong Ltd).

Far East Horizon Ltd published its Global Offering Prospectus on March 18, 2011, when it Offered 816 million, one-cent Shares at an Offer Price, ranging from \$HK5.20 Per Share to \$HK6.80 Per Share.

Of the total number of shares on Offer, 81.60 million Shares were Offered to investors of the HKSAR and 734.40 million Shares were Offered to International Investors.

The Offer Price, regardless of what might have been the final determination by Management, be it at the minimum price or at the maximum price, appears to be relatively expensive, the Prospective Price-Earnings Multiple, ranging between 17.50 times and 22.90 times.

As history is quite likely, ultimately, to prove, at the Offer Price of \$HK6.29 Per Share, it might turn out, in years to come, that buying into this Company, at the determined Offer Price of yesterday, was a good idea.

This Company describes its business as being a leading financial services company, providing customised financing solutions.

In effect, therefore, it is a finance company or an HKSAR money lender of sorts or a combination of both whereby corporate entities that qualify may lease capital equipment from Far East Horizon Ltd for a period of time and, at the end of the lease period, the lessor offers to its customer the opportunity either to purchase the equipment, outright, on the payment of a fee, or return the equipment to the Company.

There is little that is unique about this type of operation and its modus operandi is well established and accepted in the Western World where it was first exported to other parts of the world.

Far East Horizon Ltd is hoping to raise, Page 298 of the Global Offering Prospectus states, about \$HK4,669,800,000 (assuming an Offer Price of \$HK6.00 Per Share), this amount of money to be utilised as follows:

1. \$HK1,400,900,000, representing about 30 percent of the Net Proceeds of this **Initial Public Offering (IPO)** for Working Capital purposes with regard to finance leasing in the shipping industry ; and,
2. \$HK3,268,900,000, representing about 70 percent of the Net Proceeds of the IPO, for Working Capital purposes with regard to all other finance leasing businesses in which it is engaged.

At the Offer Price of \$HK6.29 Per Share, the Company bagged \$HK4,887,000,000, about \$HK217.20 million more than original estimates.

As at January 31, 2011, this Company was indebted to the extent of about \$US2,785,000,000 (about \$HK21.72 billion), but not a penny of the Net Proceeds of this IPO will be used to retire any of this debt or reduce any monies, owed to related parties ... [CLICK TO ORDER FULL ARTICLE](#)

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