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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)

UNAUDITED THIRD QUARTER OF 2014 OPERATION SUMMARY AS AT 30 SEPTEMBER 2014

This announcement sets out the unaudited operation summary of Far East Horizon Limited (the “Company”) and its subsidiaries (the “Group”) for the third quarter ended 30 September 2014.

This announcement is made in accordance with the requirements of Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at 30 September 2014, the net finance leasing receivables, total revenue and profit before tax of the Group maintained steady growth, with an increase of approximately 25% as compared with the end of 2013 for our net finance leasing receivables. Our total revenue increased by approximately 30% as compared with the corresponding period of 2013, in which, service fee income achieved healthy and stable growth, maintaining a steady ratio as compared to the first half of 2014, and our profit before tax increased by approximately 20% as compared with the corresponding period of 2013. Although both of our net interest margin (NIM) and net interest spread (NIS) experienced decreases as compared with the corresponding period of 2013, there was an improvement from the first half of 2014. Being affected by the highly competitive industries of transportation, packaging, industrial equipment and textile, the overdue amount (over 30 days) and the non-performing asset amount of the Group increased as compared with the first half of 2014, however, the non-performing asset ratio maintained at a steady level as compared with the first half of 2014.

Facing the challenging external environment in 2014, the Group proactively adjusted the operating strategies, strengthened the assets allocation and quality customer introduction of non fully-competitive industries and effectively protected asset safety, and ensured that business of the Group maintained steady growth. Meanwhile, for industrial operating services, the Group will also proactively promote non-financial businesses, operating leases, hospital consultation management and medical engineering to achieve steady growth. The Group actively explores extension in the medical and healthcare industry. In the third quarter, our Company entered into an equity cooperation agreement with a hospital in relation to further cooperation in equity in the future.

For financing, the Group insists on the “multi-platforms, multi-channels, multi-products and multi-currencies” financing strategy, increasing the scale of overseas and direct financing, reducing the financing costs and extending its financing channels. It is worth to mention that the Group became a member of National Association of Financial Market Institutional Investors (NAFMII) in September 2014, and then successfully issued the medium-term notes in an aggregate principal amount of RMB1.5 billion with a term of five years. This marked the first issue of bonds for finance leasing in the domestic debt capital market by a finance leasing company under the MOFCOM. By doing so, the Group will further expand its financing channels, reduce its financing costs and establish its benchmark image in the domestic debt market. Meanwhile, the Company

will also focus on accelerating its asset turnover and actively carry out its assets outright-sale business. In September, the Group successfully completed two assets outright-sale projects, which amounted to RMB360 million. The Group will continue to actively advance its assets outright-sale project, so as to provide sound support for the improvement of financial statement structure, reduction of finance costs and enhancement of total revenue.

Looking forward to 2014, the Group will continue to ensure the constant, steady and healthy development for its finance leasing business in all segments. The Group will also proactively promote business in its scope of industrial operating services, reduce the financing costs by optimising its financing channels and products and secure asset safety by all means in order to ensure that the Group achieves its development goals in 2014.

CAUTION STATEMENT

The board of directors (the “Board”) of the Company hereby reminds investors that the above operation summary for the third quarter ended 30 September 2014 is based on the Group’s internal figures and management accounts which are not reviewed or audited by auditors. In the meantime, investors are advised to exercise caution in dealing in the shares of the Company.

Words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions in this announcement are forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group and are difficult to predict, that will or may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties include the effects of volatility in domestic and international financial markets and macro-economics, economic conditions in individual markets in which the Group operates, and other factors affecting the level of Group’s business activities and the costs and availability of financing for Group’s activities.

Any forward-looking statements contained in this announcement should not be taken as a representation that such trends or activities will continue in the future. No statement in this announcement is intended to be a profit forecast or to imply that the earnings of the Group as at the date of this announcement or in future will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date of the particular statement. The Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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

Hong Kong, 24 October 2014

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.