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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 OPERATION SUMMARY FOR FIRST QUARTER OF 2015 AS AT 31 MARCH 2015

This announcement sets out the unaudited operation summary of Far East Horizon Limited (the “Company”) and its subsidiaries (the “Group”) for the first quarter ended 31 March 2015 (the “Period under Review”).

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).

Adversely affected by the weakening external economic environment, the Group recorded a slower growth for its new financial leasing business. As at 31 March 2015, net financial leasing receivables increased by approximately 5% from the end of 2014 while lease interest rate and net interest margin dropped modestly. There was a temporary slowdown in the growth of non-interest income in the first quarter, and the total revenue and profit before tax of the Group as at 31 March 2015 increased by approximately 10% as compared with the corresponding period of 2014. The non-performing asset ratio was slightly higher as compared with the end of 2014 and the provision coverage ratio remained at a healthy level of over 200%.

With respect to business expansion, the Group strives to expand into new industries and sectors, and has established a separate department for urban utilities to develop our financial leasing business, providing a new driving force for our business development. For new financial leasing business, the Group has proactively promoted products with fixed interest rates and annual floating rates to effectively respond to the effect of the interest rate cut cycle on the Company’s profitability. In respect of industrial operation, adhering to our established operational strategies, the Group enhanced its capabilities in industrial service and has achieved sound development in operating lease, hospital investment and operation, hospital advisory service and management and medical engineering. During the Period under Review, the Group made new equity investment in two hospitals, and entered into equity cooperation agreement with one hospital following our successful acquisition of the controlling equity interest in two hospitals in 2014.

In respect of securing resource, the Group focuses on expanding financing channels and developing innovative financing products. In respect of domestic direct financing, the Group has proactively applied to the National Association of Financial Market Institutional Investors (NAFMII) for the limit of issuance of private placement notes (PPN) in the domestic market. Externally, the Group has expanded the issuance size of PPN with fixed interest rates under medium term note program (MTN) in overseas market. As such, the average cost rate of interest-bearing liabilities decreased as compared with 2014. Meanwhile, the Group also accelerated its asset turnover through capitalizing on various financing channels in the domestic capital market. As of 31 March 2015, the Group completed derecognition of assets of approximately RMB1.6 billion and effectively optimized its asset structure.

Looking forward to the whole year of 2015, the Group will proactively promote the development of the business of industrial investment and operation to realize synergy between industrial operations and financial services by expanding customer coverage and developing innovative service products, and strive to achieve the goals set for 2015.

CAUTION STATEMENT

The board of directors (the “Board”) of the Company hereby reminds investors that the above operation summary for the first quarter ended 31 March 2015 is based on the Group’s internal data 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 updated figures 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 April 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.