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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 THE THIRD QUARTER OF 2017 AS AT 30 SEPTEMBER 2017

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 2017 (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).

As at 30 September 2017, the Group’s business achieved steady and persistent growth, with total unaudited interest-earning assets increased by more than 25% as compared with those at the end of 2016 (net of assets involved in the asset-backed securities programs of RMB10 billion completed during the Period under Review). The total income increased by more than 20% as compared with the corresponding period of 2016, of which the growth rate of service fee income has improved as compared with that in mid-2017. The Group adjusted the levels of asset pricing in a timely manner and effectively optimized the capital raising ability to ensure that the Group’s net interest spread and net interest margin remained relatively stable. In the meantime, the quality of the Group’s assets was further enhanced, the non-performing assets ratio continued to decline and the provision coverage ratio remained at a stable level of over 200%. The Group’s unaudited profit before taxation and profit attributable to ordinary shareholders increased by more than 10% as compared with the corresponding period of 2016.

During the Period under Review, the Group vigorously implemented the strategy of “Globalization of Resources” and “Diversification of Financing”, fully exploited the advantage of cross-region financing, actively expanded the financing channels to enrich financing products, maintained the diversification of financing products and financing regions and continued to maintain its industry-leading cost advantage. However, the average cost ratio of the Group’s interest-bearing liabilities rose slightly as compared with that in mid-2017, due to an increase in both the overall market financing interest rates and the proportion of the Group’s new interest-bearing liabilities to its total interest-bearing liabilities in 2017. Meanwhile, the Group fully capitalized the market opportunities to facilitate the successful issuance of RMB5 billion renewable corporate bonds by its subsidiary 遠東國際租賃有限公司(International Far Eastern Leasing Co., Ltd*) during the Period under Review. As a result, the Group’s total equity increased significantly as compared with that in mid-2017, which has laid a solid foundation for the Group to further expand its business scale and enhance the value of ordinary shareholders. On the other hand, the Group continued to leverage on the domestic market to accelerate the assets turnover. As at 30 September 2017, the Group had achieved an aggregate of over RMB22 billion in assets securitization, further optimizing the Company’s asset structure and enhancing the return on assets.

In respect of industrial investment and operations, the Group continued to promote the construction of the predominant disciplines of its hospitals, strengthen the efforts to introduce top-level talents, improve the facilities and infrastructures, and optimize and upgrade their operation and management level. On the basis of promoting the competitiveness of each of its hospitals, the Group deepened the overall coordination of the hospitals within the Group and continued to advance the development plan of “One network, One system, One hospital”, with a view to gradually building up the core competitiveness of the group of hospital. During the Period under Review, the hospitals of the Group have witnessed favorable momentum of their overall operations, improved effectiveness and rapid growth of both operating revenue and profits. In respect of the education sector, the Group carried forward the layout of the newly-established colleges orderly, which gradually covered the high-end education market of the major first and second tier cities in China. Student enrollment for the Period under Review continued to grow, leading to further increase in its operating revenue.

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 2017 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 in 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
Chief Executive Officer and Executive Director
KONG Fanxing

Hong Kong, 20 October 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, Dr. CHEN Guogang, 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.