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(Incorporated in Hong Kong with limited liability) (Stock Code: 3360)

CNY700,000,000 5.45 per cent. Notes due 2016 (Stock code: 85937) U.S.\$400,000,000 4.625 per cent. Notes due 2017 (Stock code: 5705) S\$400,000,000 4.25 per cent. Notes due 2017 (Stock code: 5736) US\$200,000,000 Senior Perpetual Capital Securities (Stock Code: 5764) A\$200,000,000 6.125 per cent. Notes due 2019 (Stock code: 5791) S\$200,000,000 4.25 per cent. Notes due 2019 (Stock code: 5806)

UNAUDITED OPERATION SUMMARY FOR THIRD QUARTER OF 2016 AS AT 30 SEPTEMBER 2016

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 2016 (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 2016, the Group recorded stable growth for its operations, with total assets increased by approximately 5% as compared to that of 30 June 2016 (net of asset-backed securities programs ("ABS Programs") of RMB3.1 billion completed during the Period under Review), while profit attributable to shareholders increased by over 10% as compared with the corresponding period of 2015. Despite the slight decrease in the average yield of assets, net interest spread and net interest margin basically remained stable as compared to that of the first half of 2016 as a result of the further decrease in the average interest rate of liabilities. Meanwhile, the non-performing asset ratio of the Group basically remained at about 1%, and the provision coverage ratio remained at a healthy level of over 200%.

In respect of industrial investment and operations, the Group further expanded the scale of investments in hospitals. As at 30 September 2016, the Group entered into agreements to invest in 15 hospitals in total with a total number of about 5,000 approved beds. In respect of operations in the education sector, the Group had entered into or invested in 14 high-end kindergartens and three international high schools so far. On one hand, the Group will continue to enhance its investment in the operations. On the other hand, the Group will also take initiatives to enhance the efficiency of the invested operations.

In respect of securing resources, the Group put greater efforts in domestic direct financing. During the Period under Review, the Group successfully issued domestic private placement notes ("PPNs"), corporate bonds and privately placed bonds with further reduced coupon rates. At the same time, the Group continued to facilitate implementation of ABS Programs. During the Period under Review, the accumulated issue amount of ABS Programs amounted to RMB3.1 billion.

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 2016 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 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, 1 November 2016

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, Mr. John LAW and Dr. CHEN Guogang, and the independent non-executive directors of the Company are Mr. CAI Cunqiang, Mr. HAN Xiaojing, Mr. LIU Jialin and Mr. YIP Wai Ming.