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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 FIRST QUARTER OF 2020 AS AT 31 MARCH 2020

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 2020 (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 and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In the Period under Review, due to the outbreak of the COVID-19, the normal operation of some of the Group’s businesses suffered an inevitable short-term impact. All businesses activities have gradually resumed normal operation since March after having taken proactive and proper responsive moves, the profit attributable to ordinary shares in the first quarter, nevertheless, declined by approximately 15% year-on-year. As of 31 March 2020, the Group carried out normal business activities, with overall safety of assets under control and liquidity remaining stable.

During the Period under Review, the various aspects of the Group’s operation and management are as follows:

Traditional business: Benefiting from a reasonable business layout and the state-owned background of majority customers, the total interest-earning assets increased slightly as compared to the end of 2019, the interest spread remained stable, the interest margin decreased slightly, the overall non-performing asset ratio increased marginally as compared to the end of 2019 and the provision coverage ratio remained steady.

New business: To maintain the good momentum of development in 2019, with no material loss arising from the impact of COVID-19.

Hospital operation segment: During the time of the outbreak of the COVID-19, the Group temporarily shut down most of the departments in accordance with regulatory requirements, leaving only the inpatient and some outpatient departments. As a result, operation was negatively affected, with the comparable revenue in the first quarter falling by approximately 30% year-on-year. With the gradual containment of the COVID-19, the Group has gradually resumed normal operation for most of its affiliated hospitals since mid-to-late March.

Equipment operation business: Affected by the COVID-19, combined with the extension of Spring Festival holidays and the delay in resumption of operations, the market demand for equipment operation business has been dampened, with the comparable revenue in the first quarter falling by approximately 40% year-on-year. Starting from mid-to-late March, the demand for specialized construction services as a result of the resumption of production has rebounded remarkably, and the Group's equipment occupancy rate has also returned to normal level. The occupancy rate of each product line has currently reached the average level in 2019.

Liquidity management: In the domestic market, the Group successfully issued the first renewable corporate bonds for COVID-19 prevention and control during the Period under Review, with a total issuance size of RMB2 billion, which effectively supplemented the total equity of the Group; in overseas markets, the Group also successfully issued USD300 million of 5-year senior fixed-rate bonds. As of 31 March 2020, the Group continuously adhered to a prudent and cautious management strategy. The hedging management measures for interest rates and exchange rates remained prudent and effective, and the liquidity position remained stable and sound as always.

Looking forward to the year of 2020, the Group will continue to adhere to the development strategy of "Finance + Industry", focus on the foundation industries associated with national economy and people's livelihood, and hedge against the short-term and medium-term negative impact of the COVID-19 by optimizing various management measures to strive for safe and sound development.

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 2020 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, 20 April 2020

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 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.