



Far East Horizon Limited 2024 Annual Results

March 2025



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Note: Unless otherwise specified, all monetary amounts stated herein are denominated in RMB and the data herein is as of 31 Dec 2024



① **Results Overview**

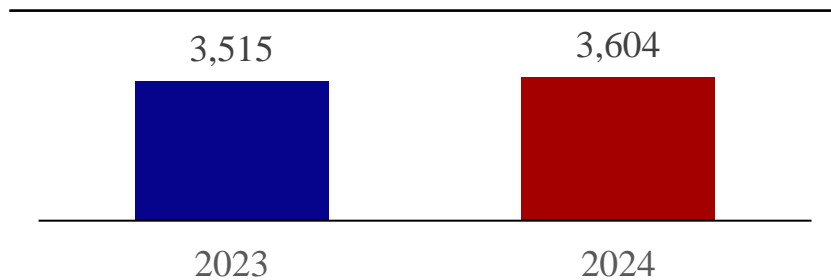
② **Business Analysis**



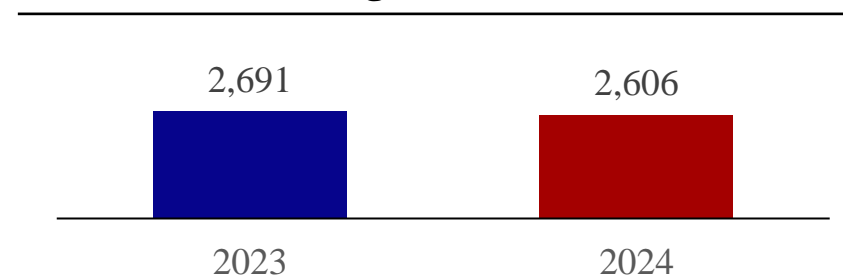
Operated in a prudent manner and maintained steady performance

- In 2024, facing the complex environment, the Company adhered to a prudent strategy, gave full play to its advantages of marketization, internationalization and professionalism, continuously strengthened business foundation, and achieved revenue of RMB37.7 billion and pre-provision operating profit of RMB9.3 billion.
- Among them: (1) For the financial business, the Company strengthened risk control and management, accelerated asset turnover, and the scale of interest-earning assets remained stable. The asset quality continued to be solid, and the interest margin remained stable. (2) For the equipment operation business, Horizon Construction Development (HCD) took the initiative to optimize the domestic asset structure and layout and expanded new product categories and new scenarios. It also actively explored overseas businesses and achieved profitability. Overall revenue of HCD continued to grow. (3) For the hospital operation business, Horizon Healthcare (HH) continuously improved its operational efficiency, and the profitability steadily increased.

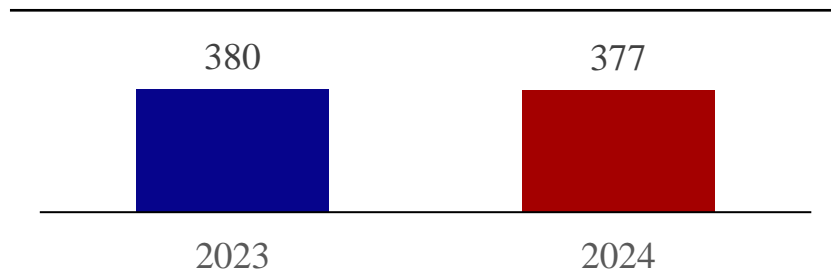
Total assets (RMB'00 million)



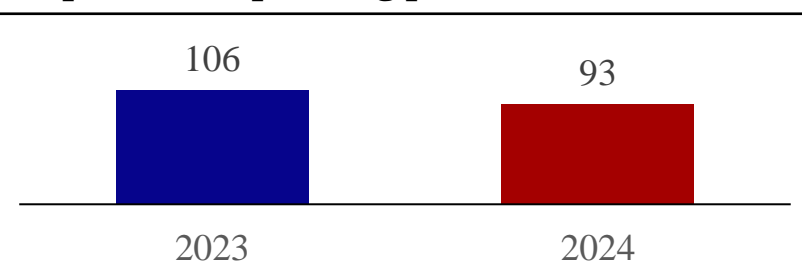
Interest-earning asset (RMB'00 million)



Revenue (RMB'00 million)



Pre-provision operating profit (RMB'00 million)

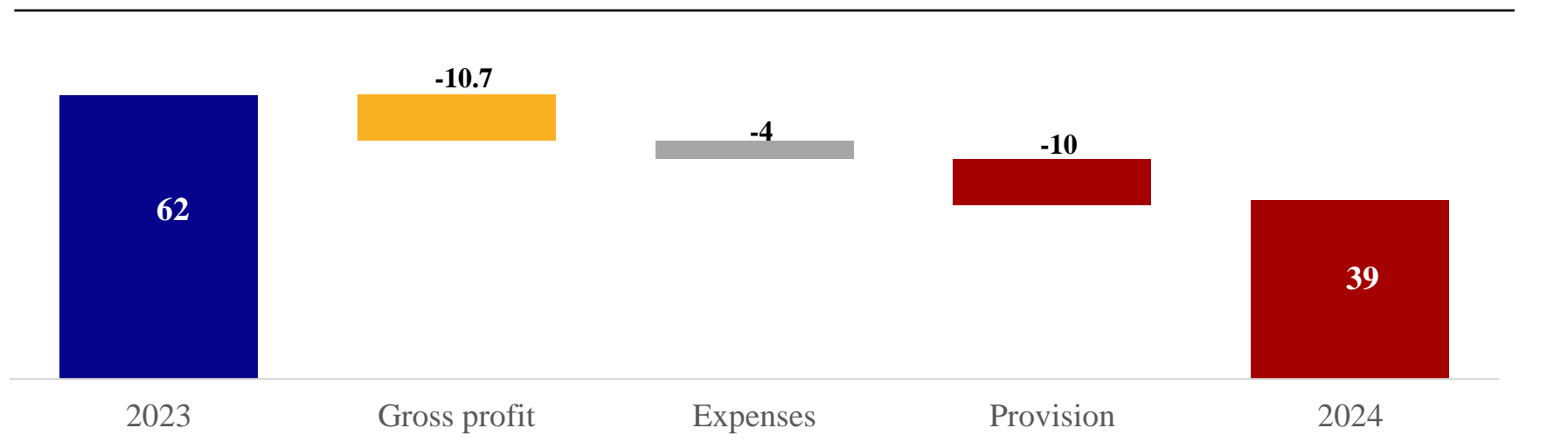


The main business was stable and controllable, and multiple factors have been superimposed to disrupt the financial performance



- **Gross profit:** The net interest income of the financial business decreased by approximately RMB700 million, and the consulting service fees decreased by approximately RMB370 million. Meanwhile, the gross profit of industrial operation remained basically flat. The above are the main factors contributing to the decrease in gross profit.
- **Expenses:** HCD has been continuously expanding overseas markets and investing in digital R&D, resulting in an increase of approximately RMB200 million in sales and administrative expenses. The reclassification of interest expenses in infrastructure investment business led to an increase of approximately RMB200 million in financial costs. The above are the main factors contributing to the decrease in pre-provision profit compared to gross profit.
- **Provision:** Based on a prudent strategy, the Company increased the provision amount for interest-earning assets by RMB200 million yoy, while the collection after write-off decreased by RMB200 million. In addition, the reversal of provisions of approximately RMB500 million after the disposal of fixed assets in 2023 led to a relatively low base. The above factors led to an increase of approximately RMB1 billion in asset provisions in 2024 compared to the same period of the previous year.

Analysis of Profit Changes (RMB'00 million)



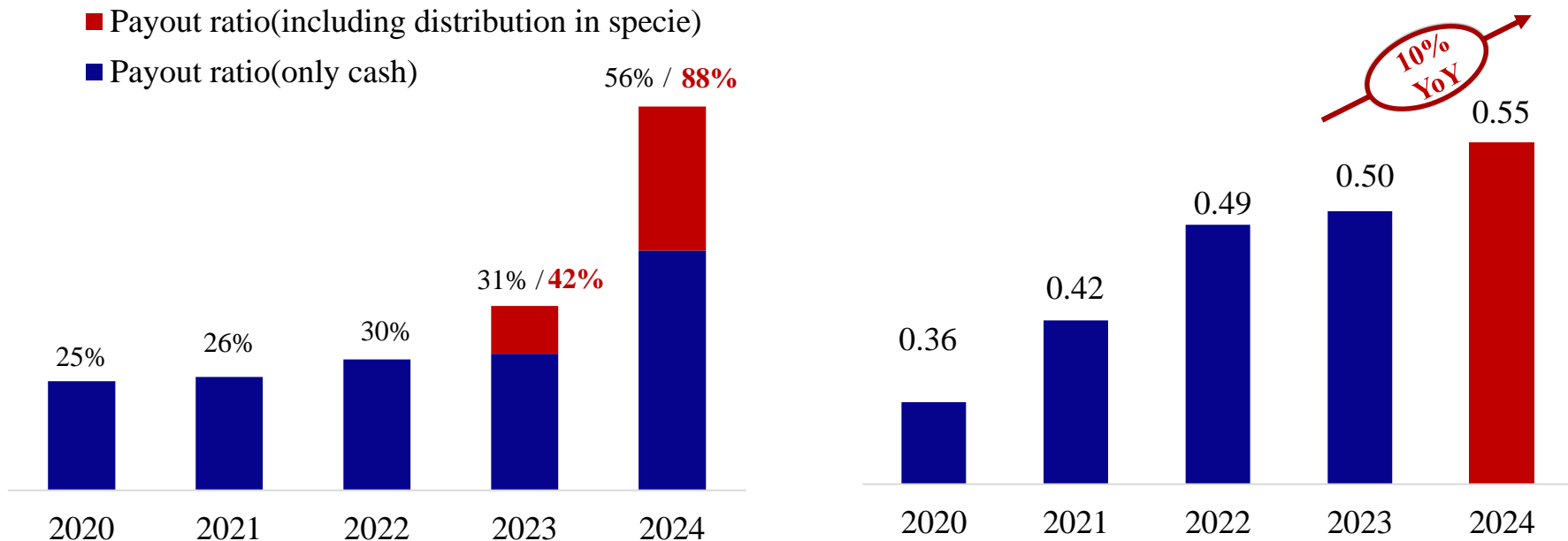


Value shareholder returns and continuously increase dividends

- Considering the impact of fluctuations of the environment, the Company has been continuously enhancing shareholder returns. The Board has approved a final dividend of HK\$0.30 per share. Together with the interim dividend of HK\$0.25 per share, the cumulative cash dividend for the whole year amounts to HK\$0.55 per share, representing an increase of 10% yoy, with the cash dividend payout ratio exceeding 55%.
- The Company distributed special dividends in the form of shares of HCD in 2023 and 2024, which were equivalent to HK\$0.17 per share and HK\$0.33 per share respectively. The corresponding dividend payout ratios for 2023 and 2024 were 42% and 88% respectively.

Payout ratio has been significantly increased

DPS (HKD per share)



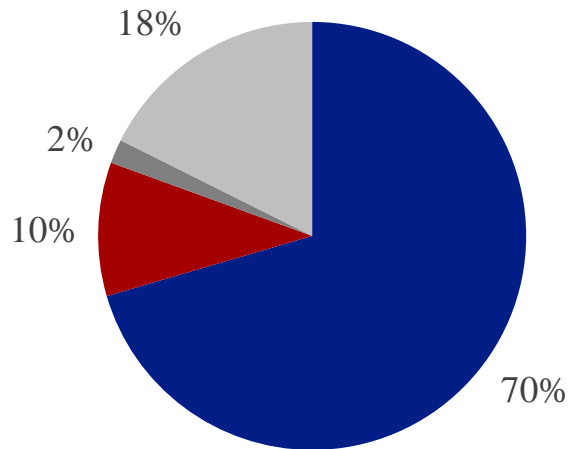
Note: The physical distribution is converted based on the closing price of HCD's shares on the trading day prior to the ex-rights date.



Revenue structure has been optimized, and the industries' contribution has climbed

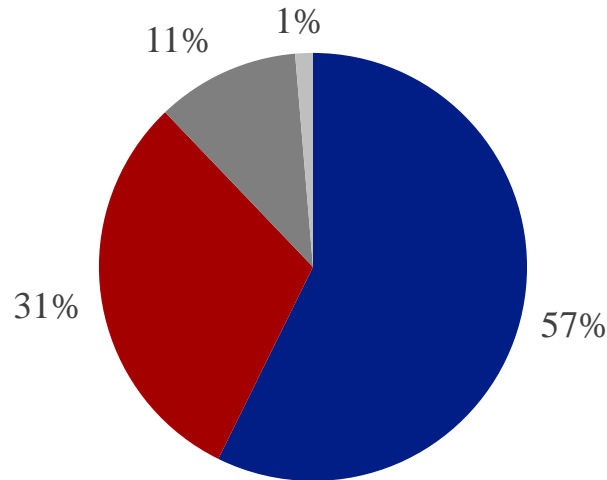
- The dual - wheel drive strategy of "finance + industry" has become increasingly prominent. HCD has continued to grow, and HH has steadily improved its performance. The revenue proportion of the industrial operation business has increased to 43% and its profit contribution has been continuously enhanced.

Asset structure



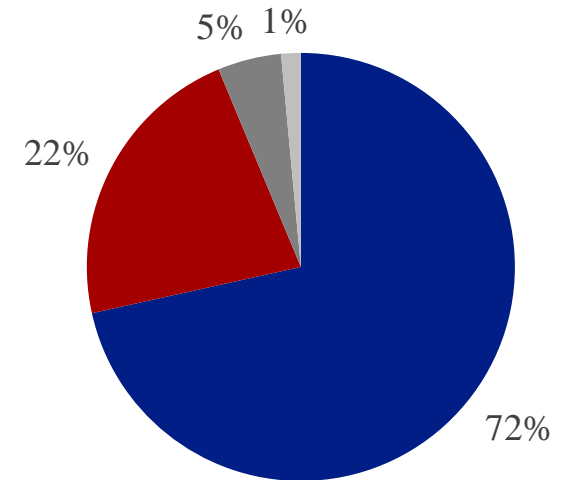
■ Financial ■ HCD ■ HH ■ Others

Revenue structure



■ Financial ■ HCD ■ HH ■ Others

Gross profit structure



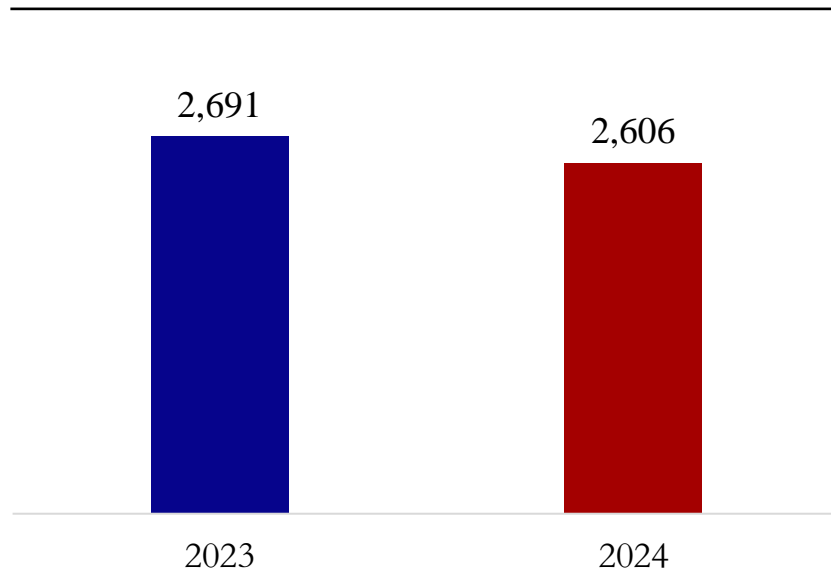
■ Financial ■ HCD ■ HH ■ Others



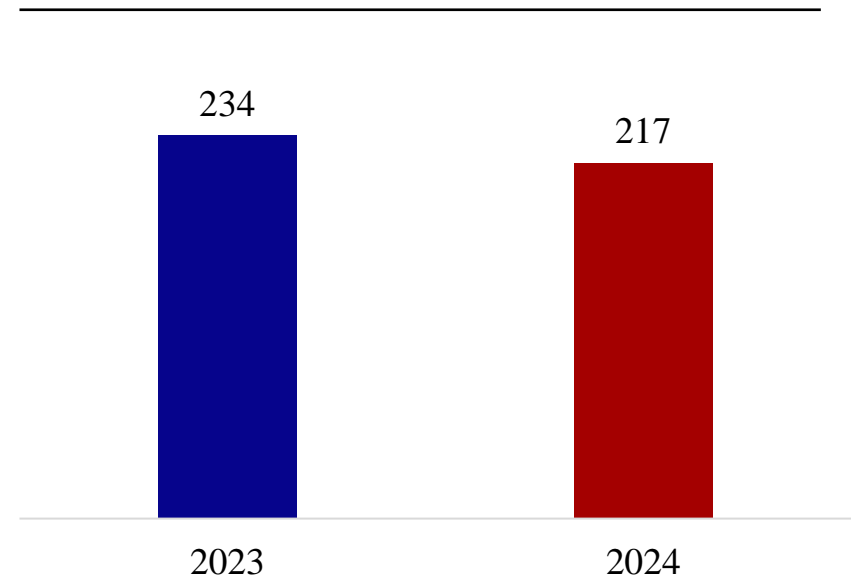
Financial services: Strengthened risk control and accelerated asset turnover

- In terms of financial business, the business volume remained stable and asset duration has been shortened. On the basis of ensuring operational safety, the net interest-earning assets slightly decreased to RMB260.6 billion, and the revenue from financial business reached *RMB21.7 billion.
- The asset investment prioritized safety, and the main measures include: (1) Continuously delving into familiar industries and customers, strengthening the identification of customer risks, and ensuring the safety of asset introduction; (2) Adjusting the rent repayment pace, accelerating the effective turnover of assets, and further shortening asset duration.

**Net interest-earning assets
(RMB'00 million)**



**Revenue of financial services
(RMB'00 million)**

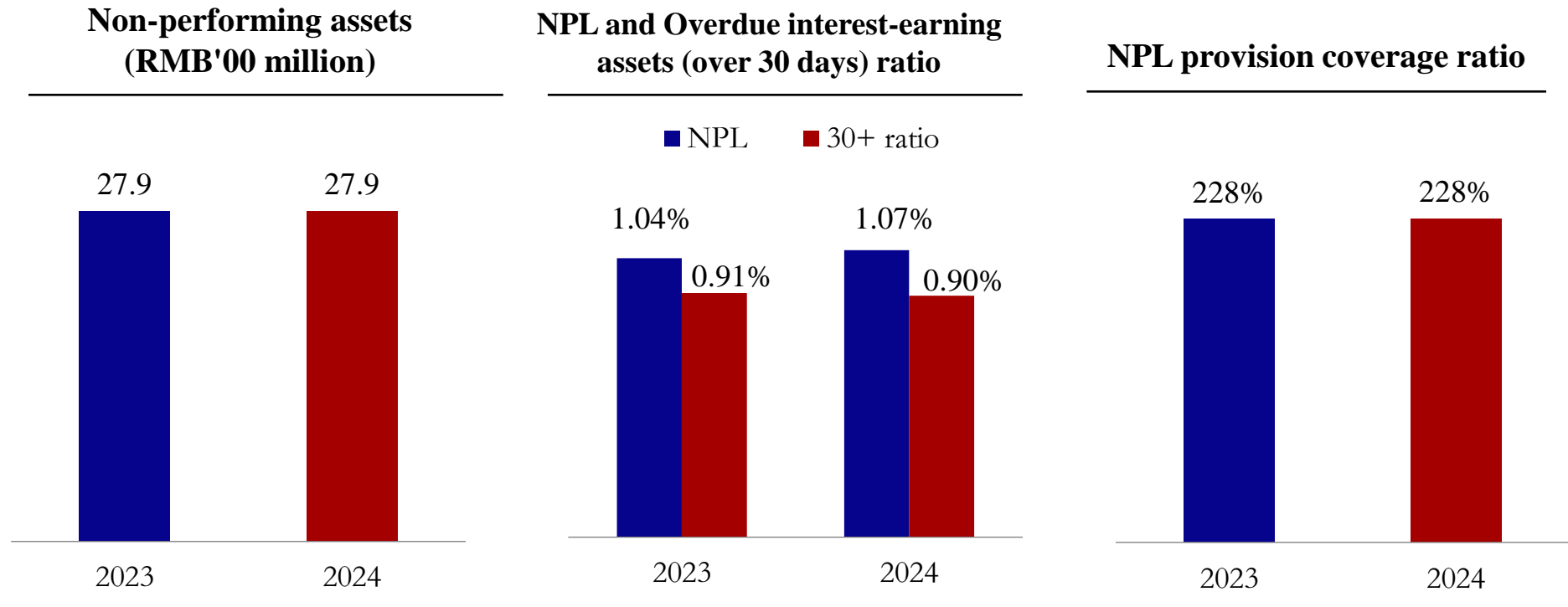


*Note: This is the revenue amount before taxes and surcharges.



Financial services: Maintain stable asset quality and prudent provision policy

- The balance of non-performing assets remained stable. Due to the change in the net amount of interest-earning assets, the non-performing asset ratio was at the level of 1.07%. The proportion of interest-earning assets overdue for more than 30 days ("30+ ratio") further decreased to 0.90%, and the asset quality was continuously solid. The NPL provision coverage ratio remained stable, and the accounting policies remained consistently prudent.
- This is mainly attributed to: (1) Strengthening the review at the asset introduction stage and continuously delving into familiar industries and customers; (2) Optimizing the organizational structure at the asset management end, strengthening the monitoring of asset safety, and increasing the intensity of asset disposal and write-off.

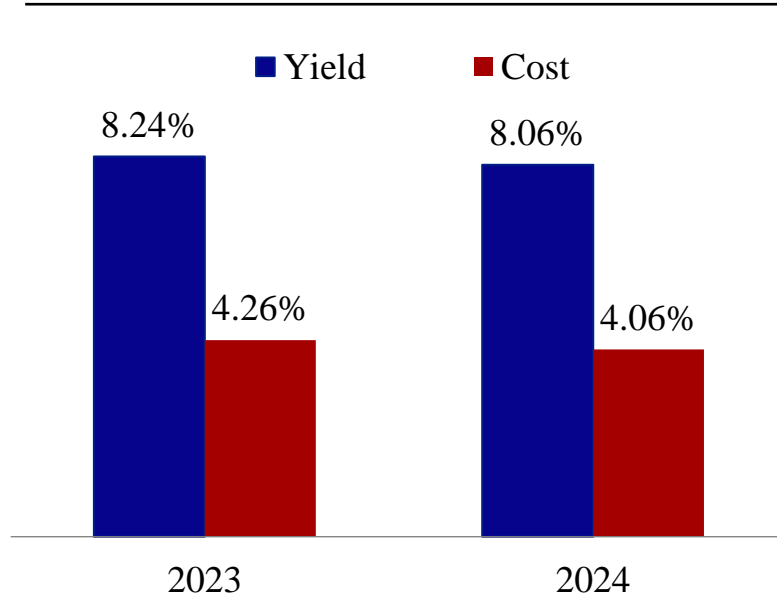


Financial services: The overall return on assets remained stable, and the advantages of diversified financing became evident

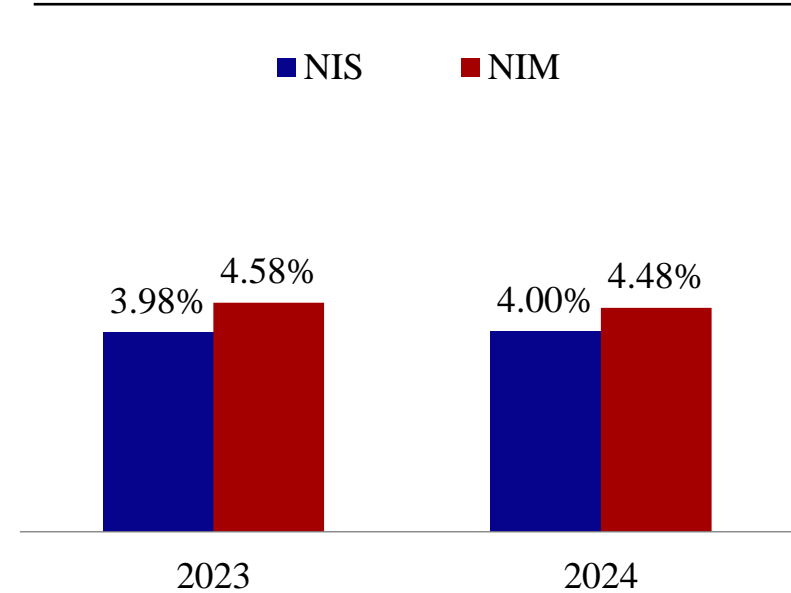


- The Net Interest Spread (NIS) was 4.00%, representing an increase of 0.02 percentage points compared with the same period last year. the Net Interest Margin (NIM) was 4.48%, representing a decrease of 0.10 percentage points compared with the same period last year.
- Among them: (1) On the revenue side: By implementing a customized product and service strategy, the overall revenue has been maintained stable. However, due to the impact of the overall interest rate cut environment, the average rate of return has slightly decreased; (2) On the cost side: Taking advantage of the diversification of financing, the cost of new financing has continued to decline; (3) NIS remained stable, but NIM has slightly narrowed due to the change in the net amount of interest-earning assets

Yield and Cost



NIS and NIM

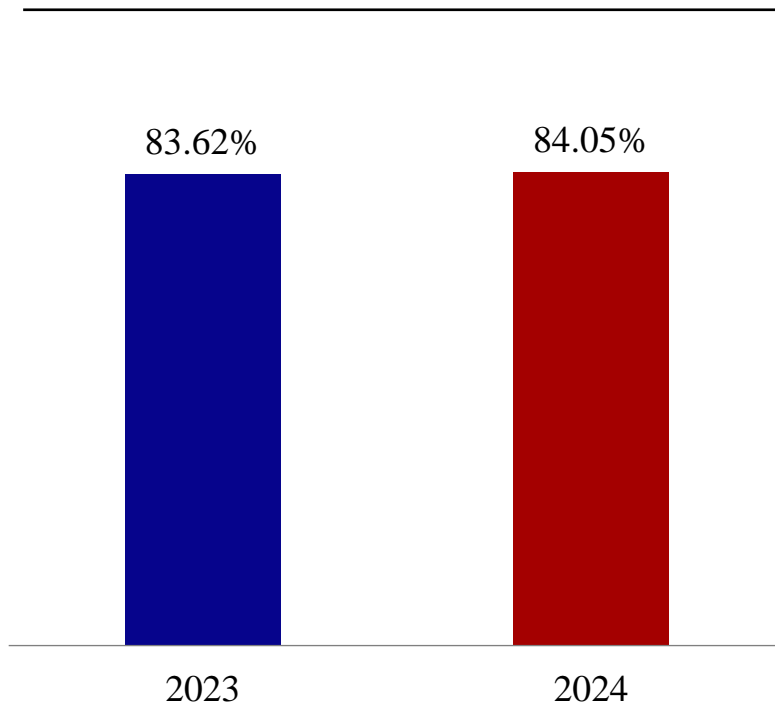




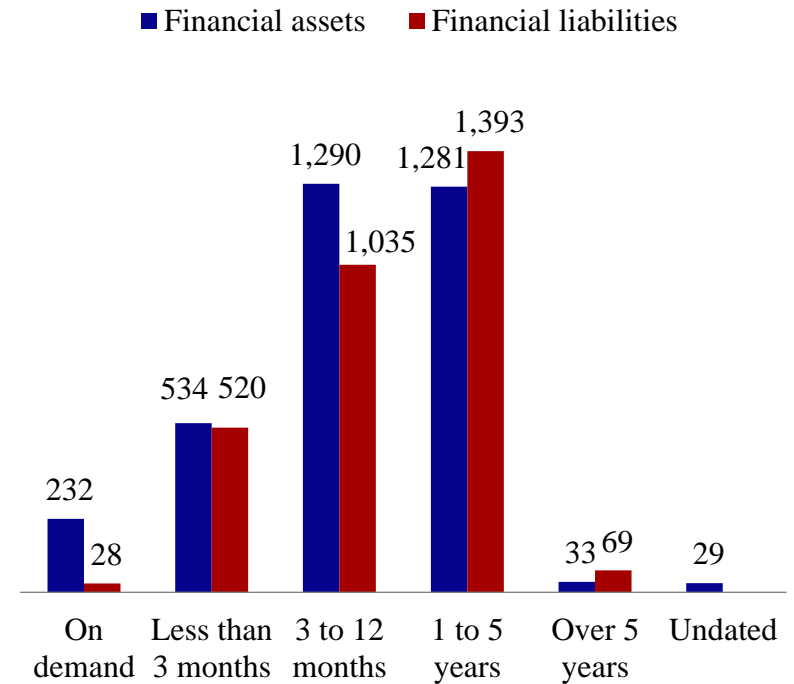
Financial services: Keep stable leverage and match the duration of assets and liabilities

- Due to the impact of the interim dividend distribution, the asset-liability ratio was 84.05%, maintaining a reasonable level.
- The Company adhered to a stable and prudent liquidity management strategy, with strict matching of cash flows to ensure liquidity security.

Gearing ratio



Matching of financial asset and financial liabilities (RMB'00 million)

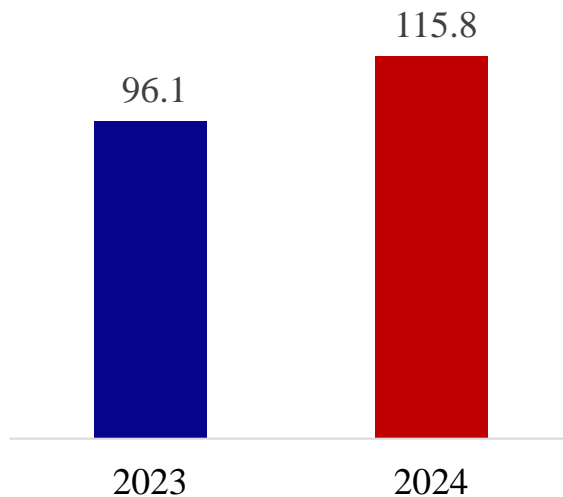


HCD: The domestic business has been integrated and optimized, and the overseas business has achieved profitability

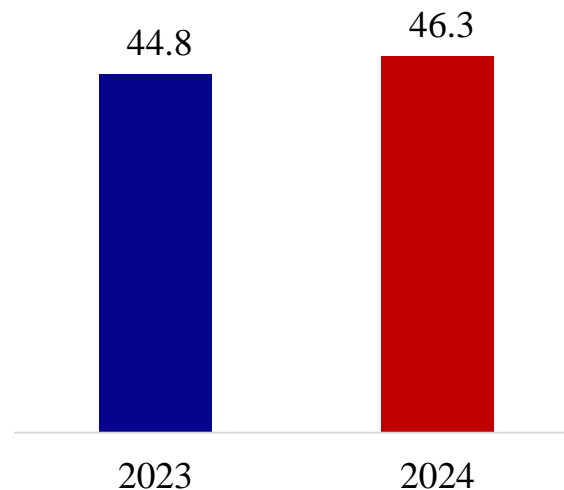


- The industry position has been further consolidated, and the revenues from both domestic and overseas markets have continued to increase. The overall revenue reached RMB11.58 billion and the net profit amounted to RMB0.9 billion.
- Among them: (1) In the domestic market, HCD have continuously optimized the layout of outlets and assets, and expanded into new equipment categories and new customer scenarios; (2) In the overseas market, HCD have accelerated the expansion of business in Southeast Asia, actively explored the potential market in the Middle East. The asset scale has been continuously rising.

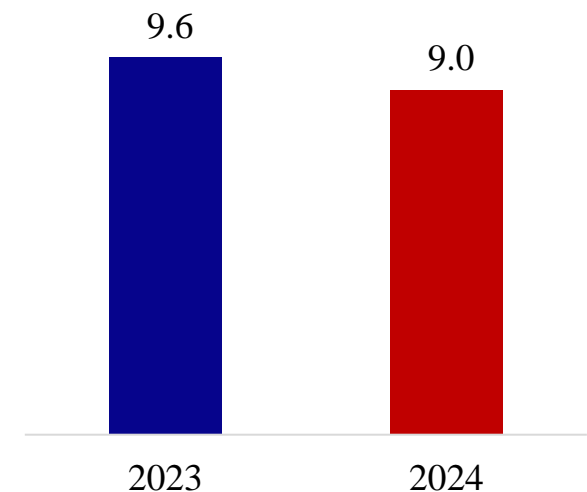
Revenue (RMB'00 million)



EBITDA (RMB'00 million)



Net profit (RMB'00 million)

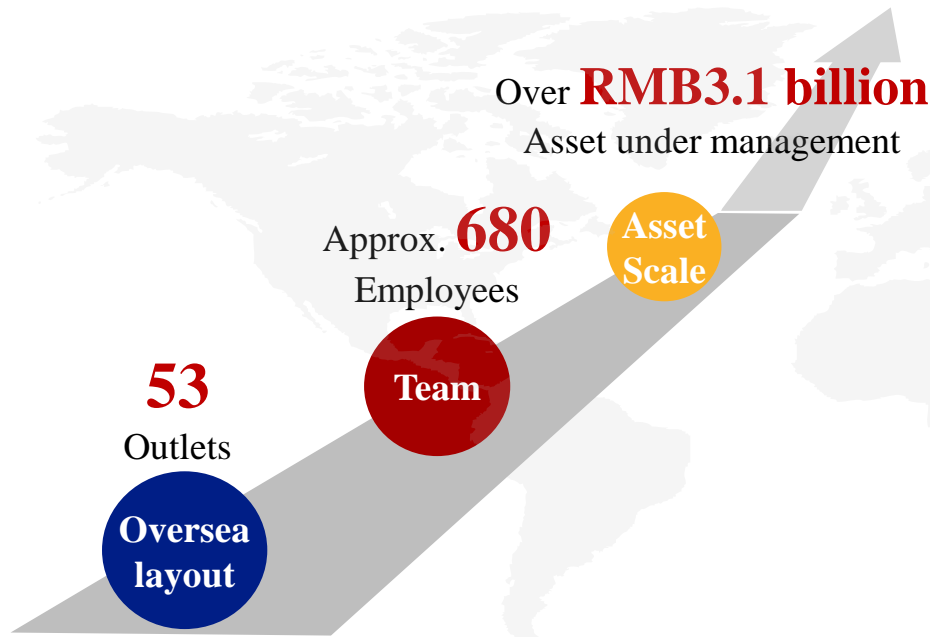


HCD: The overseas layout is expanding rapidly, providing a strong driving force for growth

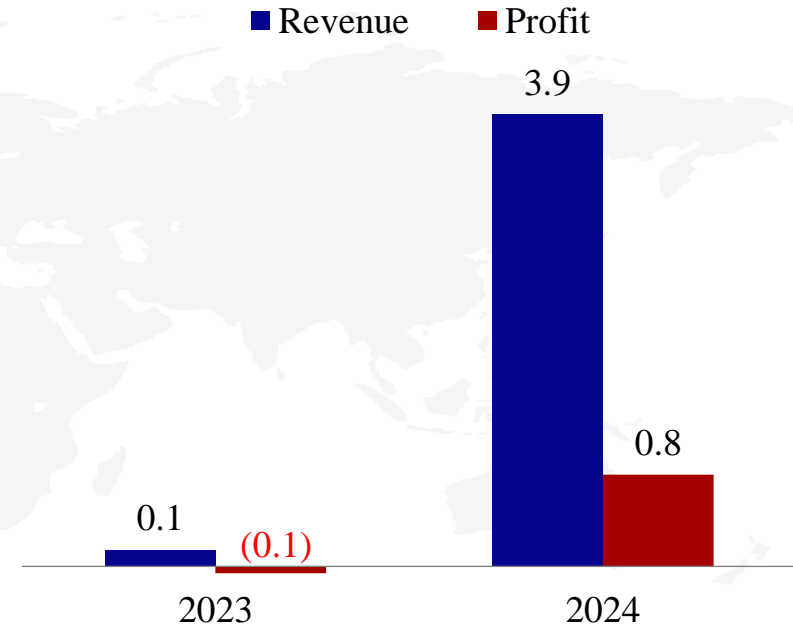


- Since 2024, the overseas assets of HCD have gradually increased, and the operating income has risen rapidly, driving the overseas business to realize the single-month profit since the second half of the year. The annual revenue reached RMB0.39 billion and the profit was RMB0.08 billion for overseas business.
- By the end of 2024, 53 outlets had been set up in the markets of Indonesia, Malaysia, Vietnam, Thailand, Saudi Arabia, the United Arab Emirates and Turkey, with nearly 1,700 cumulative customers, including over 550 local customers.

The layout of overseas business outlets and assets



Overseas business revenue and profit (RMB'00 million)

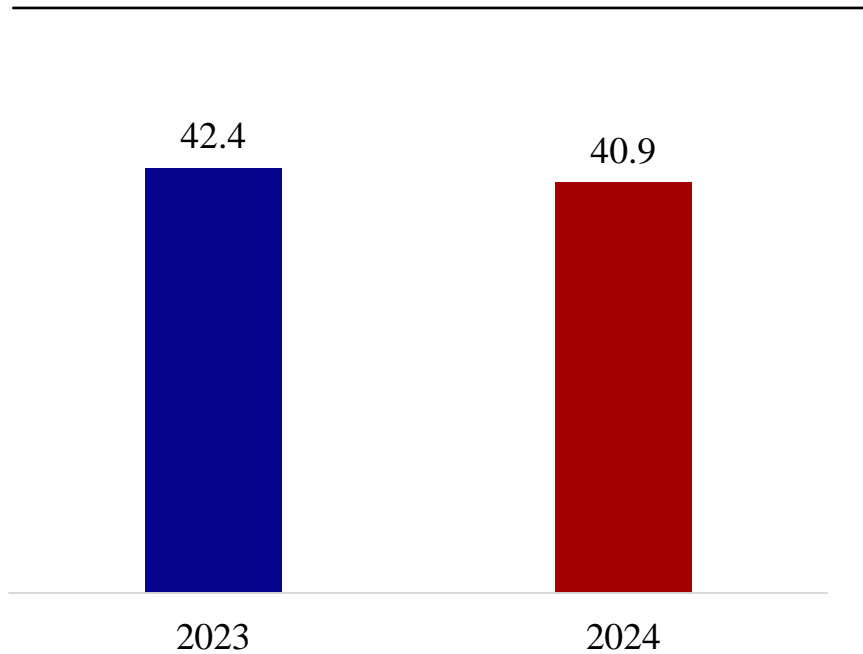




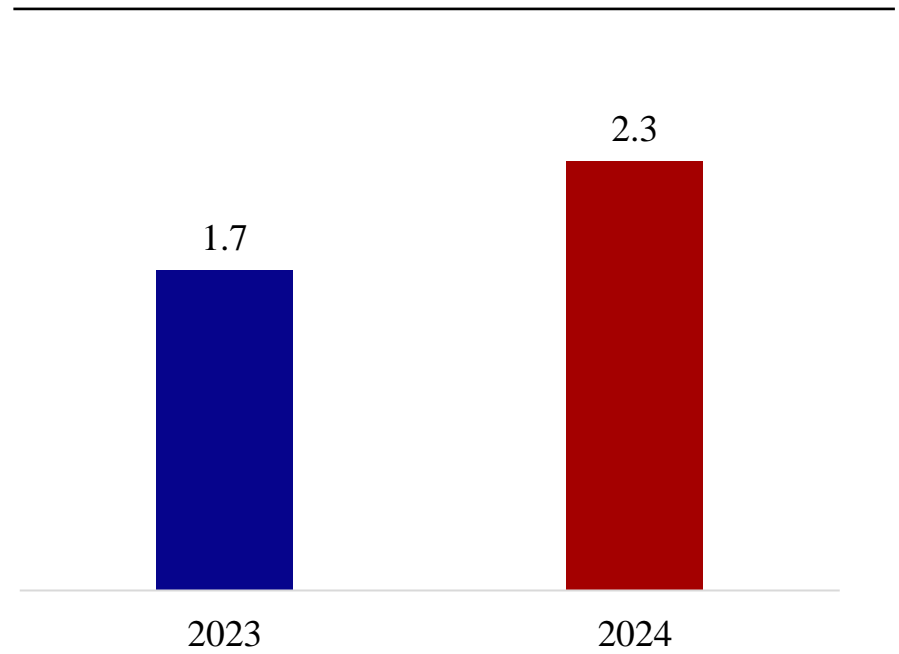
Horizon Healthcare: Continuously improved operating efficiency and profitability

- Gave full play to the advantages of group-based medical operation, HH improved the efficiency of operation and management, continuously optimized the operation cost, and achieved a revenue of RMB4.09 billion and a net profit of RMB0.23 billion.

Revenue (RMB'00 million)



Net profit (RMB'00 million)



*Note: The revenue and net profit for 2023 are data excluding hospitals that have withdrawn

Appendix: Condensed Balance Sheet



RMB'00 million	31 December 2024	31 December 2023	Change
Total assets	3,603.90	3,514.83	2.53%
Interest-earning assets	2,606.41	2,690.85	-3.14%
Total liabilities	3,029.13	2,939.14	3.06%
Interest-bearing liabilities	2,649.18	2,556.36	3.63%
Total equity	574.77	575.70	-0.16%
Equity attributable to ordinary shareholders	489.90	500.99	-2.21%
Net assets per share (RMB/share)	11.34	11.61	-2.33%

Appendix: Condensed Income Statement



RMB'00 million	2024	2023	Change
Total revenue	377.49	379.60	-0.55%
Pre-provision profit	92.76	106.15	-12.62%
Profit before tax	80.21	104.25	-23.06%
Net profit attributable to ordinary shareholders	38.62	61.93	-37.63%
EPS (RMB/share)	0.92	1.47	-37.90%
ROA	1.27%	1.98%	-0.71pct
ROE	7.80%	12.99%	-5.19pct



1

Results Overview

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Business Analysis

1. Unique business model that transcends economic cycles



Highlights

2. Prudent business strategy to achieve safe development

3. Steady operational results continue to create value for all parties

1. Unique business model that transcends economic cycles



The "finance + industry" business model has been validated over economic cycles

- **Financial leasing business:** Leading in the industry with net interest-earning assets of RMB260.6 billion
- **Equipment operation business (HCD):** China's leading equipment operation service provider, ranking among the top in the world, with assets of RMB36.4 billion
- **Hospital operation business (HH):** A large-scale private medical group based in third-, fourth- and fifth-tier cities, with 26 holding hospitals

Business Overview

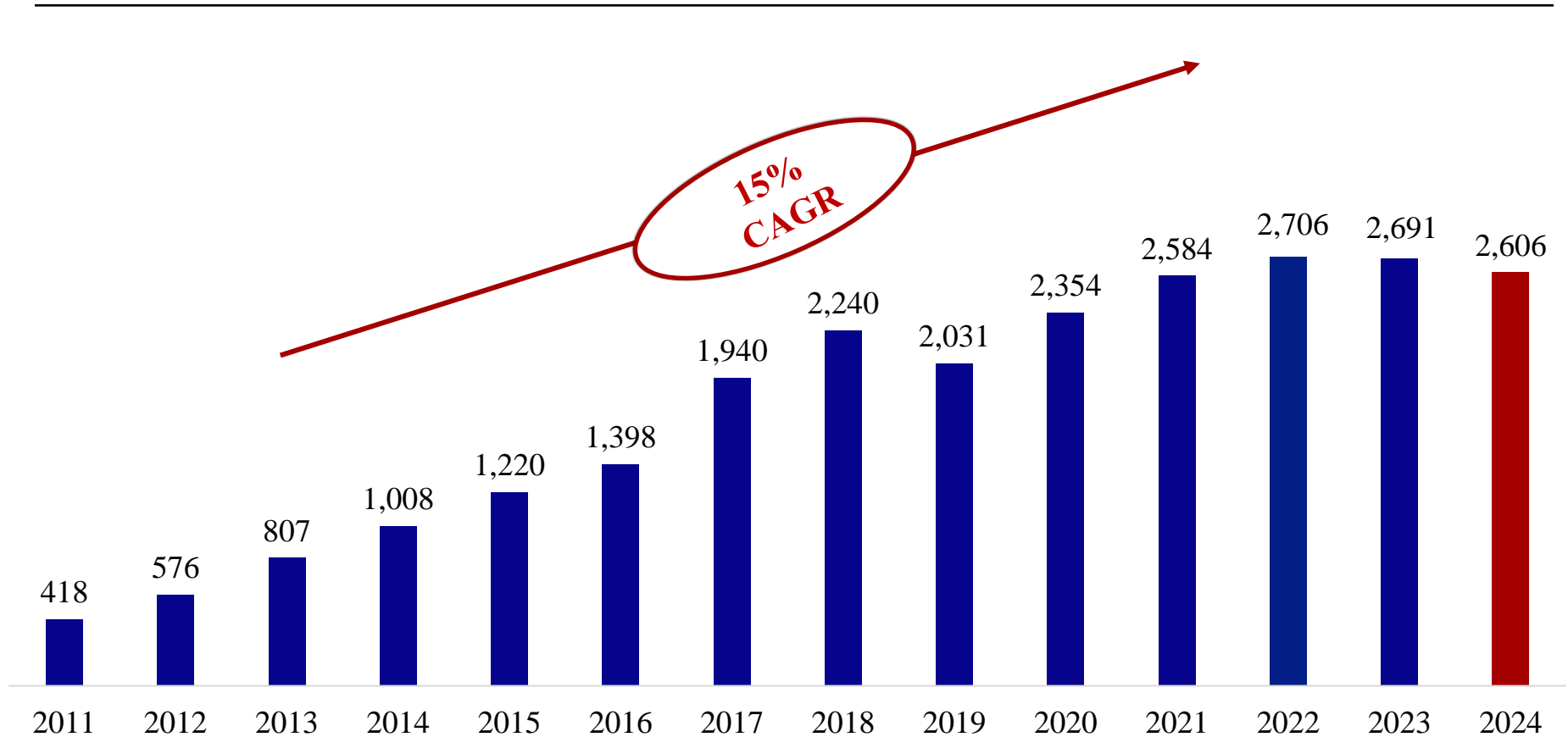
	Financial leasing and customized financial services	Equipment operation (HCD)	Hospital operation (HH)
Industry status	<ul style="list-style-type: none"> • The largest independent financial leasing company in China* 	<ul style="list-style-type: none"> • A leading comprehensive equipment operation service provider in China and among the top in the world 	<ul style="list-style-type: none"> • A social capital-funded medical group in the first tier in China
Business model	<ul style="list-style-type: none"> • Provide comprehensive financial services for corporate clients. • Serve industrial upgrading and urban upgrading 	<ul style="list-style-type: none"> • Provide comprehensive equipment operation services such as operating lease, engineering technology, and platform services 	<ul style="list-style-type: none"> • Expand into third-, fourth- and fifth-tier cities • An effective complement to the public medical system
Operation scale	<ul style="list-style-type: none"> • Cumulative customers: 30,000+ • Cumulative investment: RMB1+ trillion 	<ul style="list-style-type: none"> • Layout: 581 operation outlets • HCD customers: 325,000+ 	<ul style="list-style-type: none"> • Beds: approximately 10,000 • Annual outpatient visits: 4,000,000+

*Note: The above ranking is collected and organized by the Company based on information from listed and other publicly disclosed financial leasing companies

The scale of interest-earning assets has grown steadily across economic cycles and the industry has entered a mature and stable stage



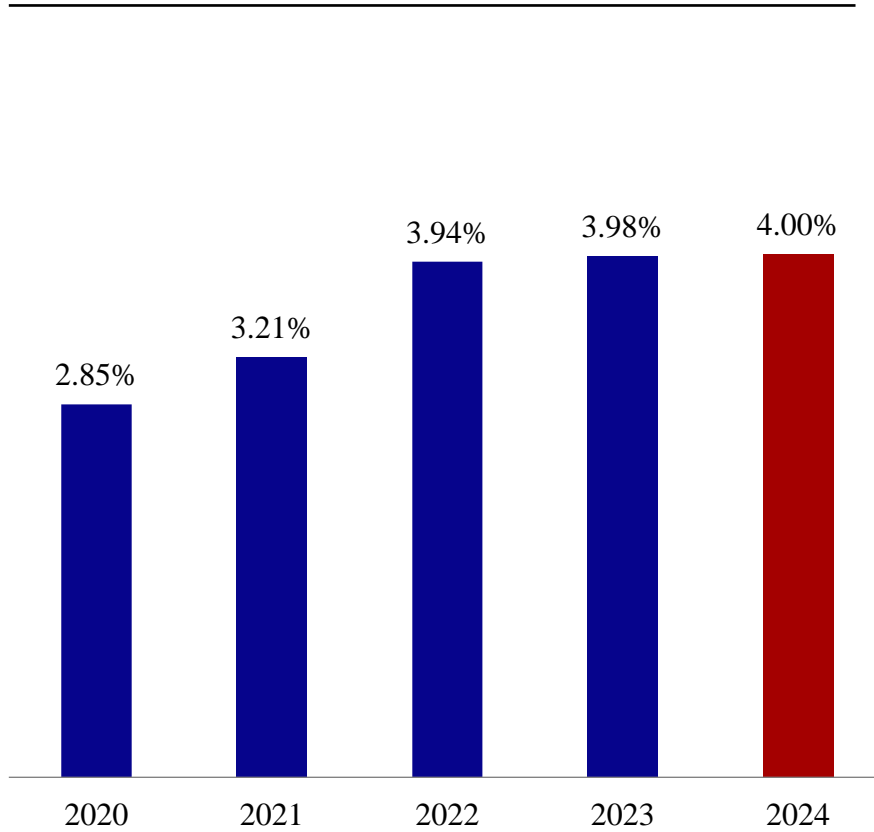
The scale of interest-earning assets remains stable in the long term (RMB'00 million)



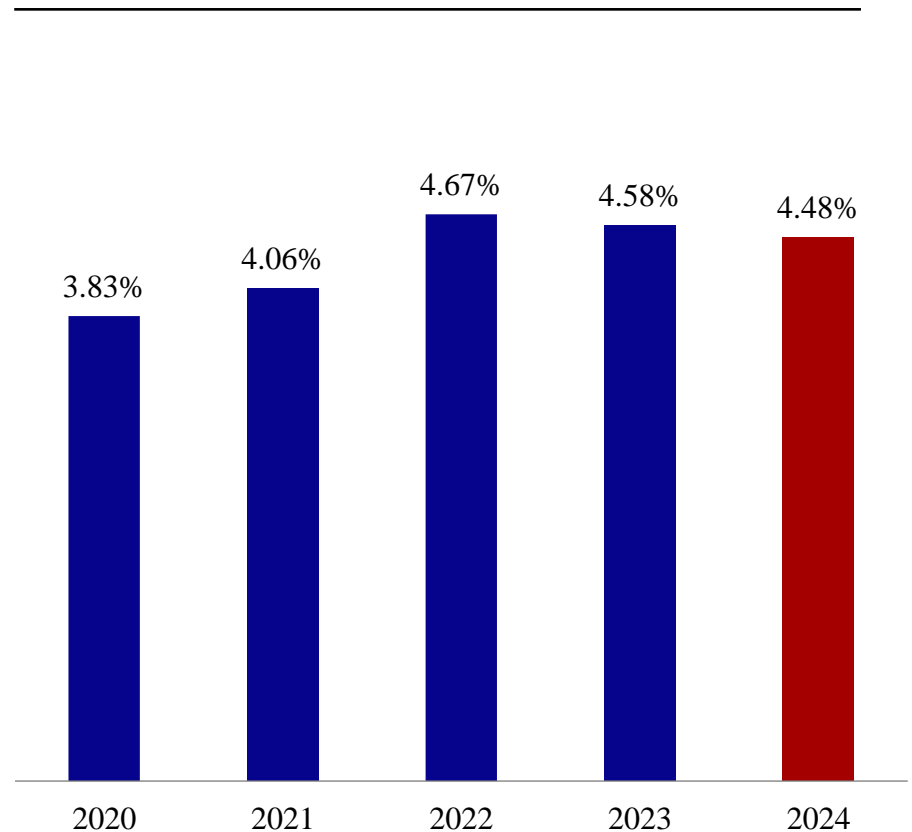
Excellent asset-liability management capabilities, with interest margin levels consistently maintained over the long term



Net interest spread (NIS)



Net interest margin (NIM)

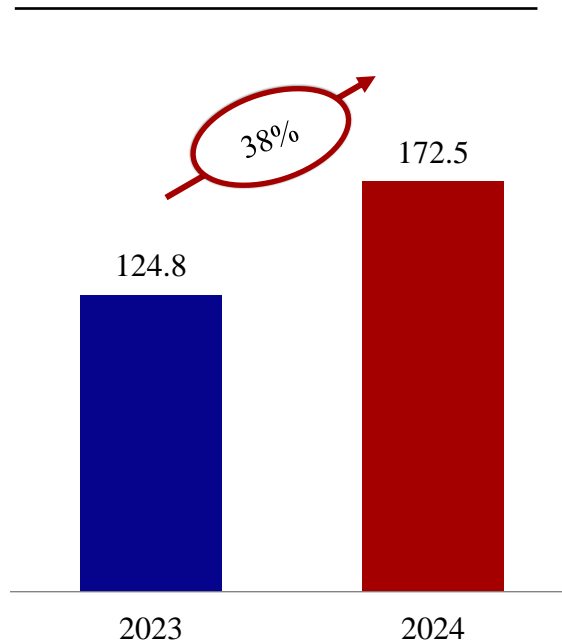




Prudent promotion of inclusive finance and gradual maturity of business model

- The net scale of interest-earning assets in inclusive finance reached RMB17.25 billion, representing an increase of 38% compared with the end of 2023. The judgment of asset quality is more prudent, and 100% of the non-performing assets have been written-off at the end of the period. The interest income reached RMB1.57 billion, representing an increase of 51% yoy.
- By the end of 2024, more than 40 inclusive finance business outlets have been set up in more than 20 provinces across the country, forming a complete customer service network system to provide efficient and convenient capital solutions and related services for small, medium and micro enterprise customers.

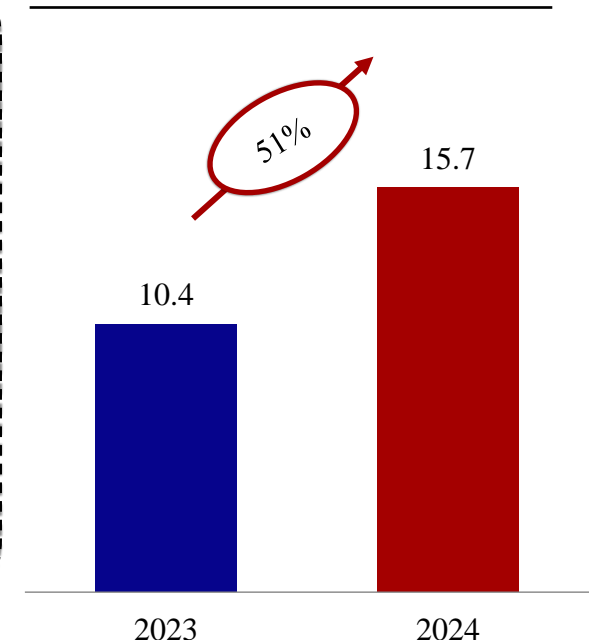
Net interest-earning assets
(RMB'00 million)



Business model

- Accumulated serve to over **20,000** SME customers.
- Continuously deepen the market in economically developed areas along the rivers and coasts.
- Establish a leading operational system, including **online intelligent import, remote due diligence, model decision-making, electronic signing, and bank enterprise direct connection.**

Interest income
(RMB'00 million)

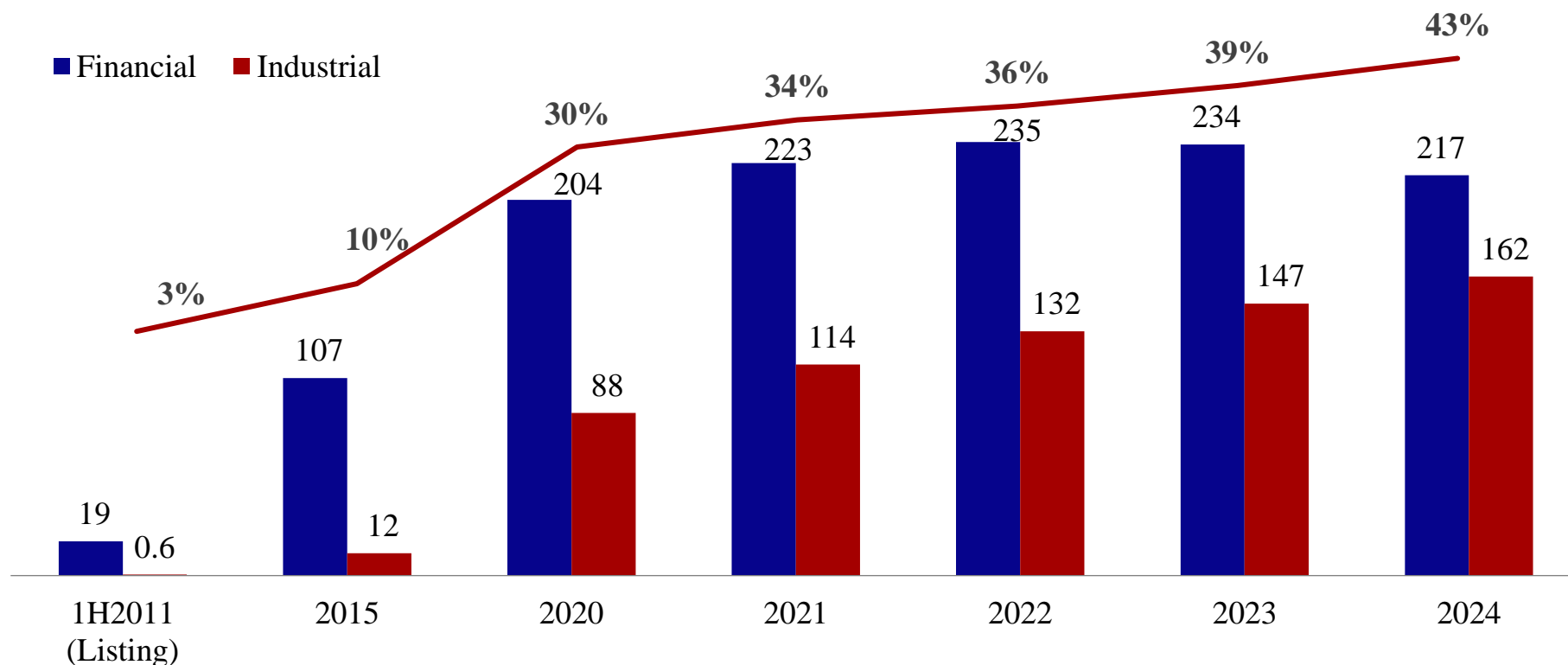


The industrial operation business continued to develop and the overall business stability has been further strengthened



- With the growth of HCD and the improvement of operation of HH, the proportion of revenue from industrial operation business increased from 3% in 2011 to 43%, effectively helped the Company to hedge against cyclical and environmental impacts and to achieve a healthy and stable financial structure

Historical segment revenue* and industry operation business revenue ratio (RMB'00 million)



*Note: The above data is the income amount before taxes and surcharges. In 2011, the industry operation mainly focused on brokerage business and hospital engineering and operation related income

HCD: The leading comprehensive equipment operation service provider in China



- Total assets: **RMB36.4 billion**
- Customers served: **325,000**
- Outlets: **528** domestic + **53** overseas
- Ranked the **14th** in IRN World's Top 100 Rental Companies
- Ranking **No.2** in ACCESS Global Top 50 Ariel Machinery Leasing
- The first domestic **AAA** enterprise credit rating in the industry

Upstream manufactures



Sales & lease demand

External equipment resources



Financial leasing companies

Peers in rental industry



Multi-category one-stop comprehensive operational services provider

216 thousand units Aerial work platform
(No.1 in Asia, No.2 globally)

1,449 thousand tons Neo-excavation system
(Leading in China)

693 thousand tons Neo-formwork system
(Leading in China)

10+ New product lines
(incl. forklift, mining equipment)

Diverse services

Equipment rental

581 branches
36.43 billion of total asset

Engineering service

50+ key patents
60+ R&D talents

Second-hand sale

Domestic & overseas sales channel

Downstream clients¹

- Cumulatively served **325,000** clients, covering **multi-scenario** demands



Factory & logistics



Green energy



Transportation construction



Marine & shipyards



Municipal sanitation



Mining program

- Across China and **7** overseas countries



*Note: The above ranking is based on the "2024 Global Top 50 Aerial Work Platform Rental Companies Ranking" released by KHL Group, an international industry evaluation institution, and the report of Frost & Sullivan.

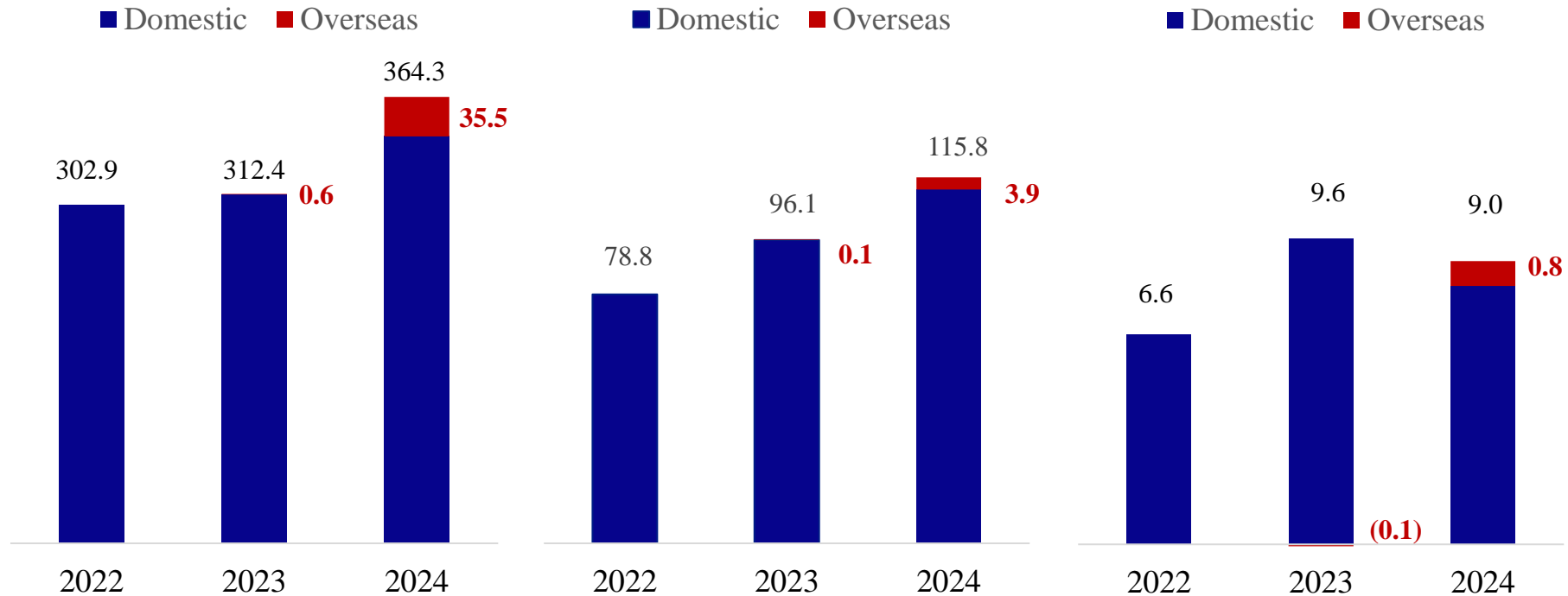
HCD: Continuously integrated and optimized the allocation of resources, and the contribution of overseas business has been growing rapidly



**Asset of HCD
(RMB'00 million)**

**Revenue of HCD
(RMB'00 million)**

**Profit of HCD
(RMB'00 million)**

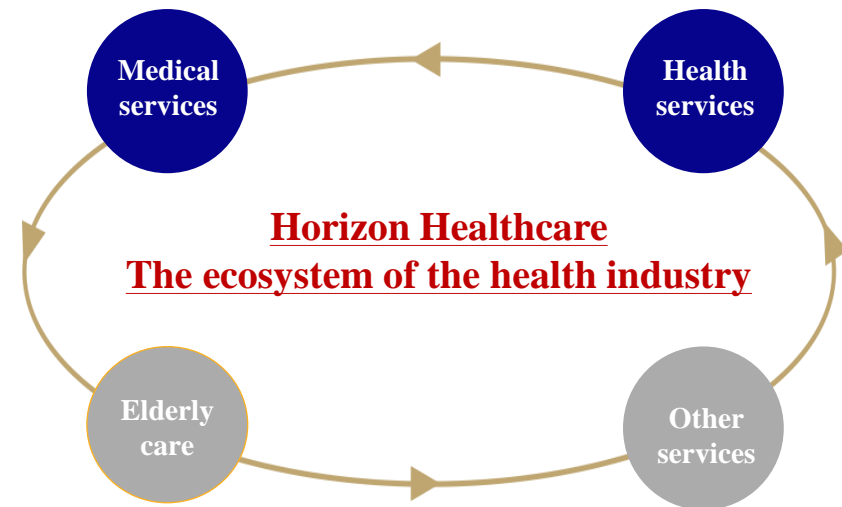




Horizon Healthcare: China's first tier social capital medical service organization

- **26** holding hospitals
- About **10,000** beds available
- Annual outpatient visits exceed **4,000,000**
- Effective supplementation of the public healthcare system
- Layout in third, fourth, and fifth tier cities and counties
- Adhering to the operation mode of “one system, one network, one hospital”

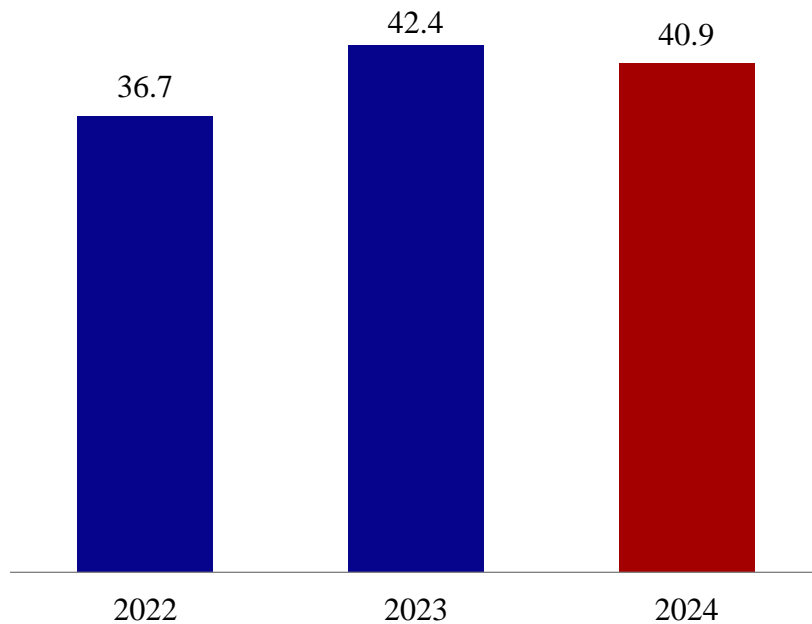
Business overview of Horizon Healthcare



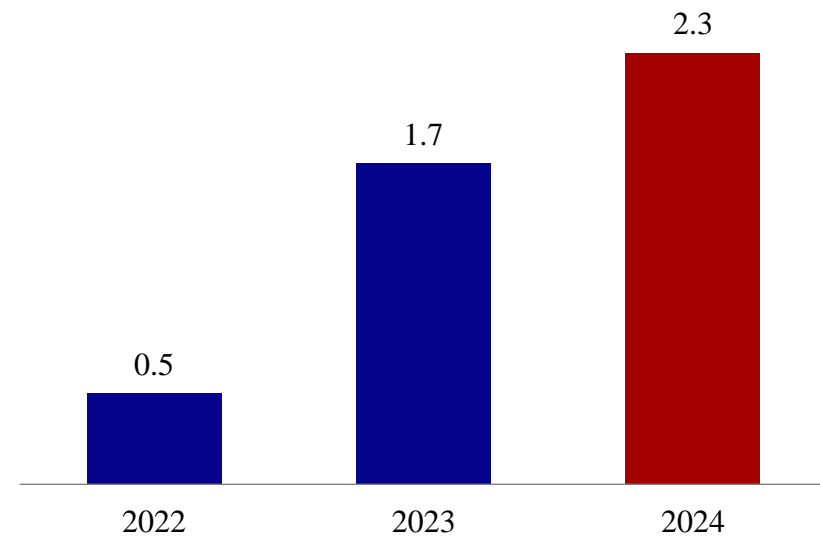
Horizon Healthcare: Steady growth in operating performance and continuous improvement in operational efficiency



**Revenue of HH
(RMB'00 million)**



**Profit of HH
(RMB'00 million)**

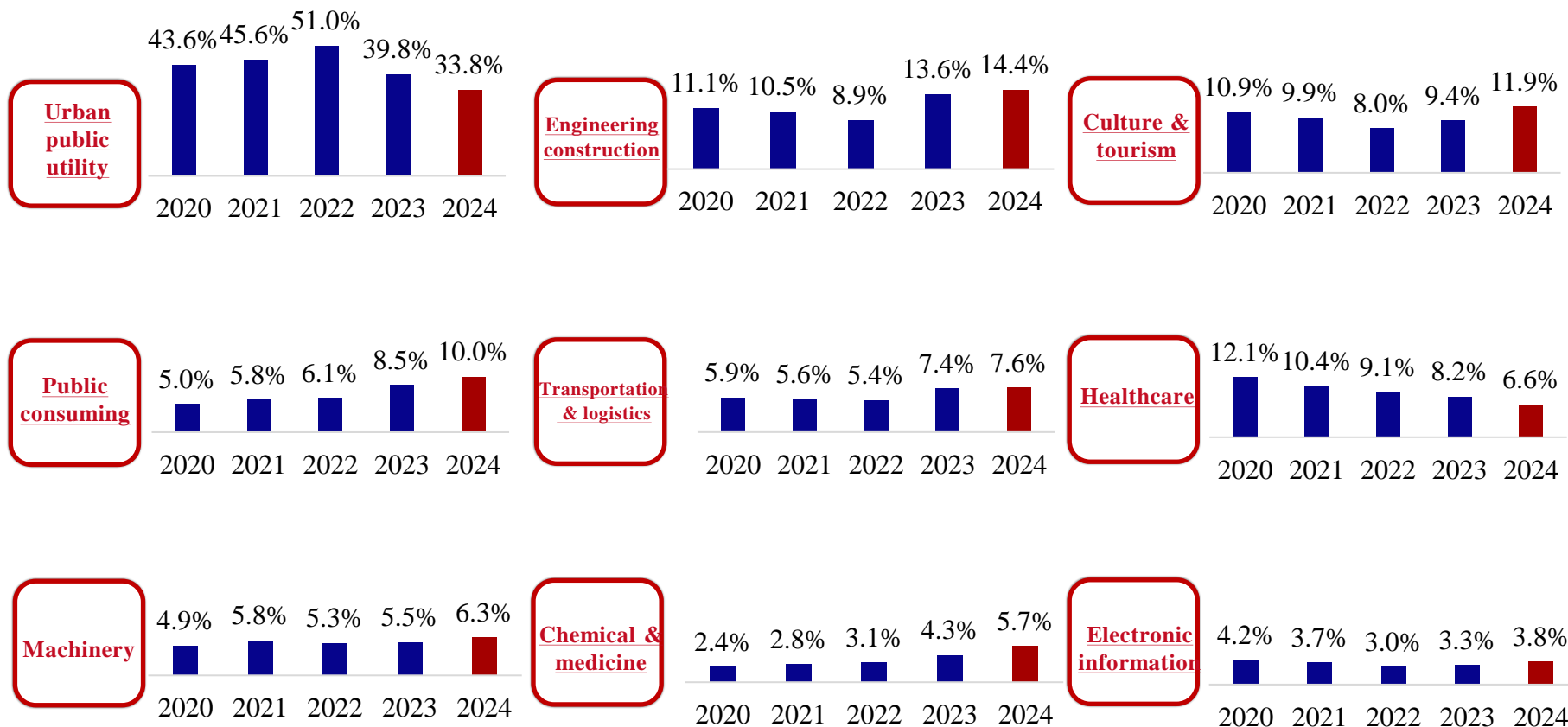


2. Prudent business strategy to achieve safe development

Deeply cultivate and flexibly allocate in nine major industries



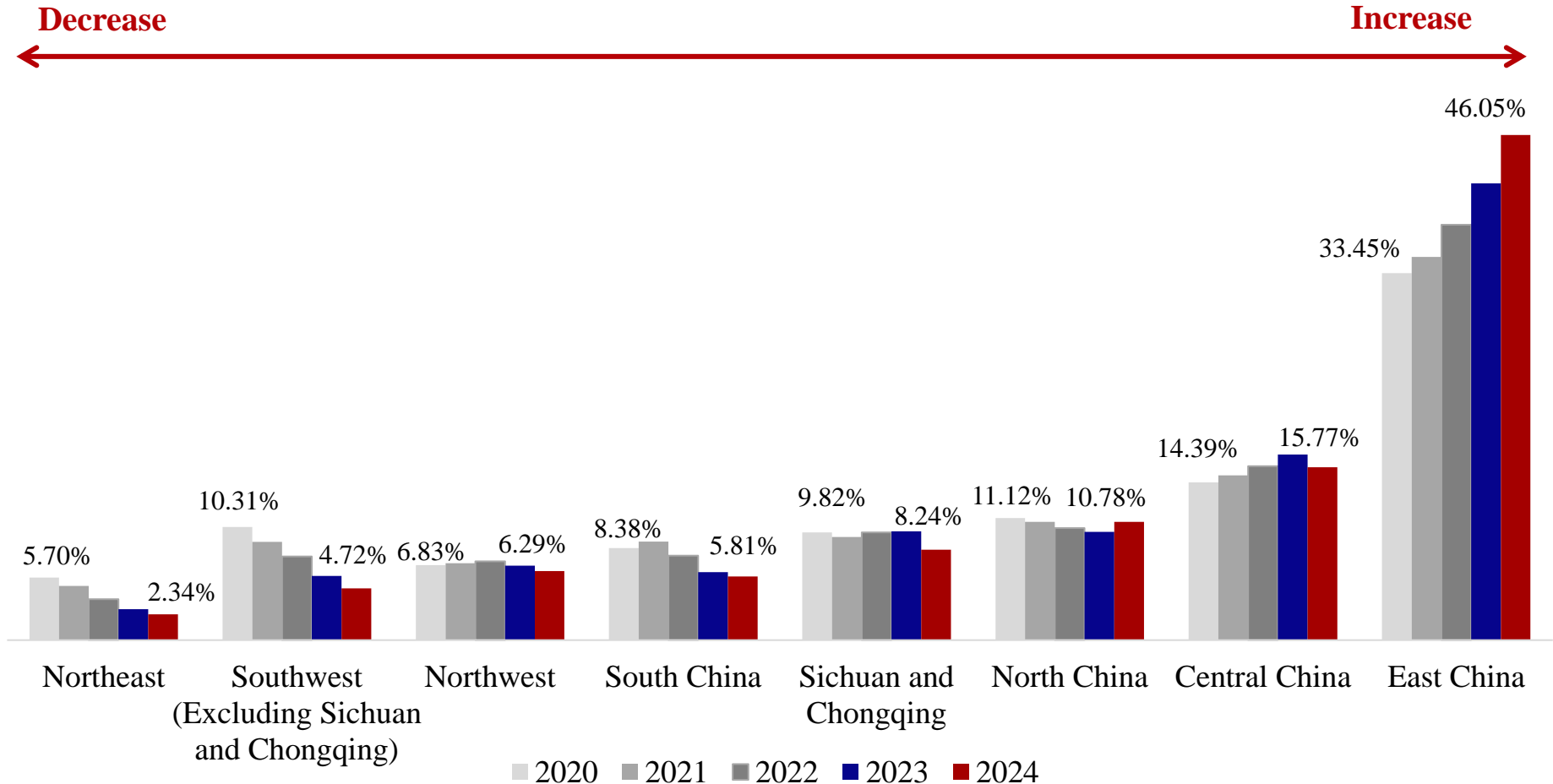
Changes in the proportion of net interest-earning assets in nine major industries in recent years



Nationwide layout with a focus on selecting and prioritizing economically developed regions



Regional distribution of interest-earning asset balances

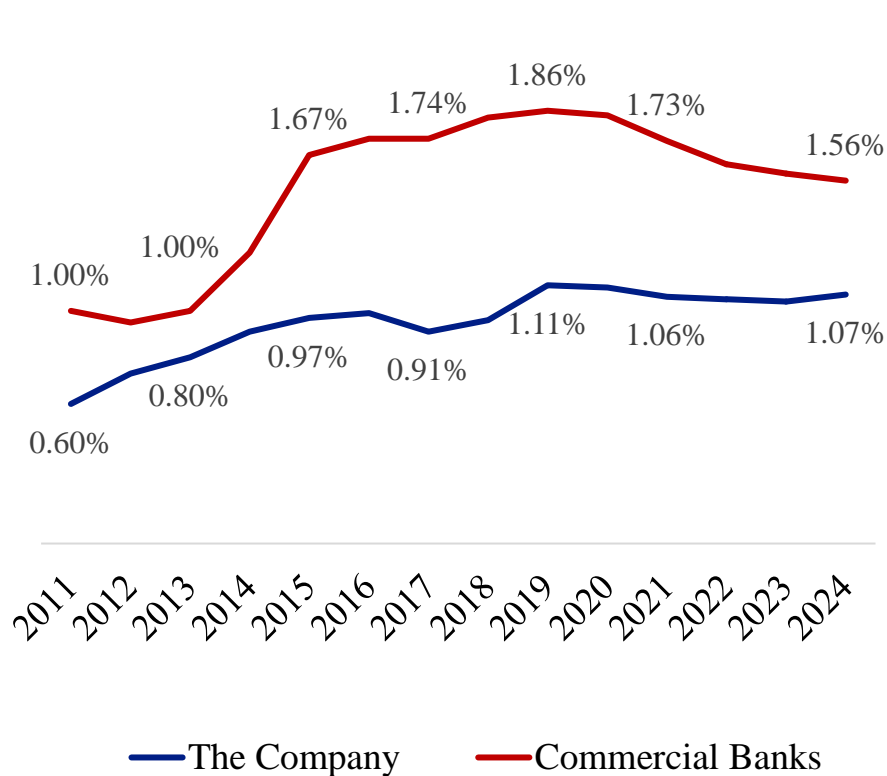


*Note: The data is sourced from internal statistics

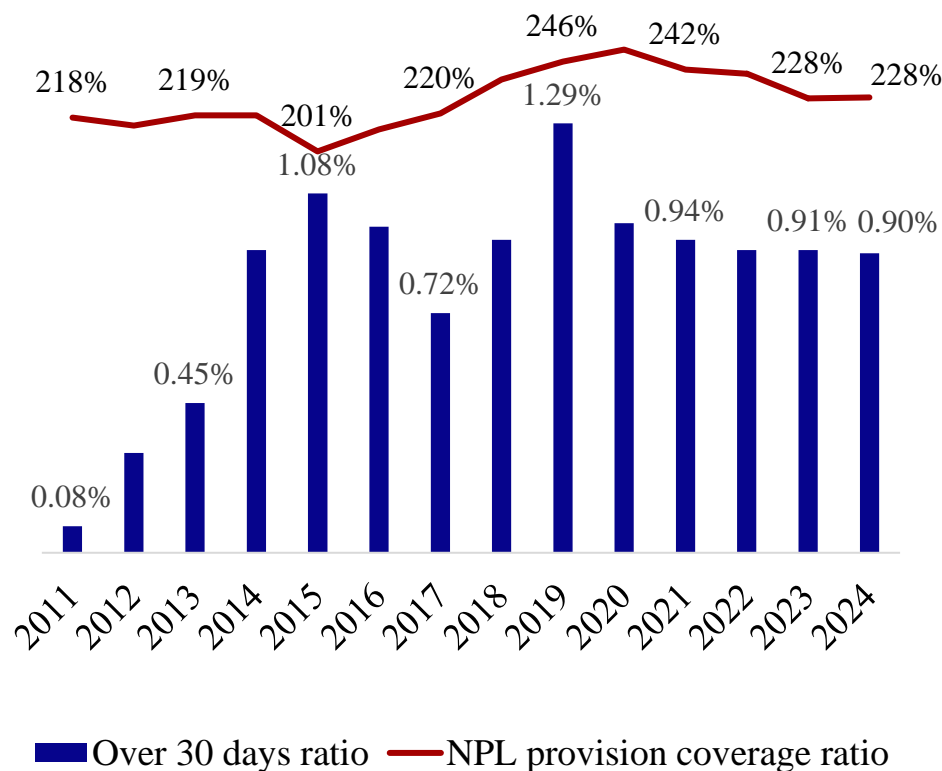
A prudent asset deployment strategy with asset safety proven through cyclical tests



NPL has maintained stable for a long time since listing



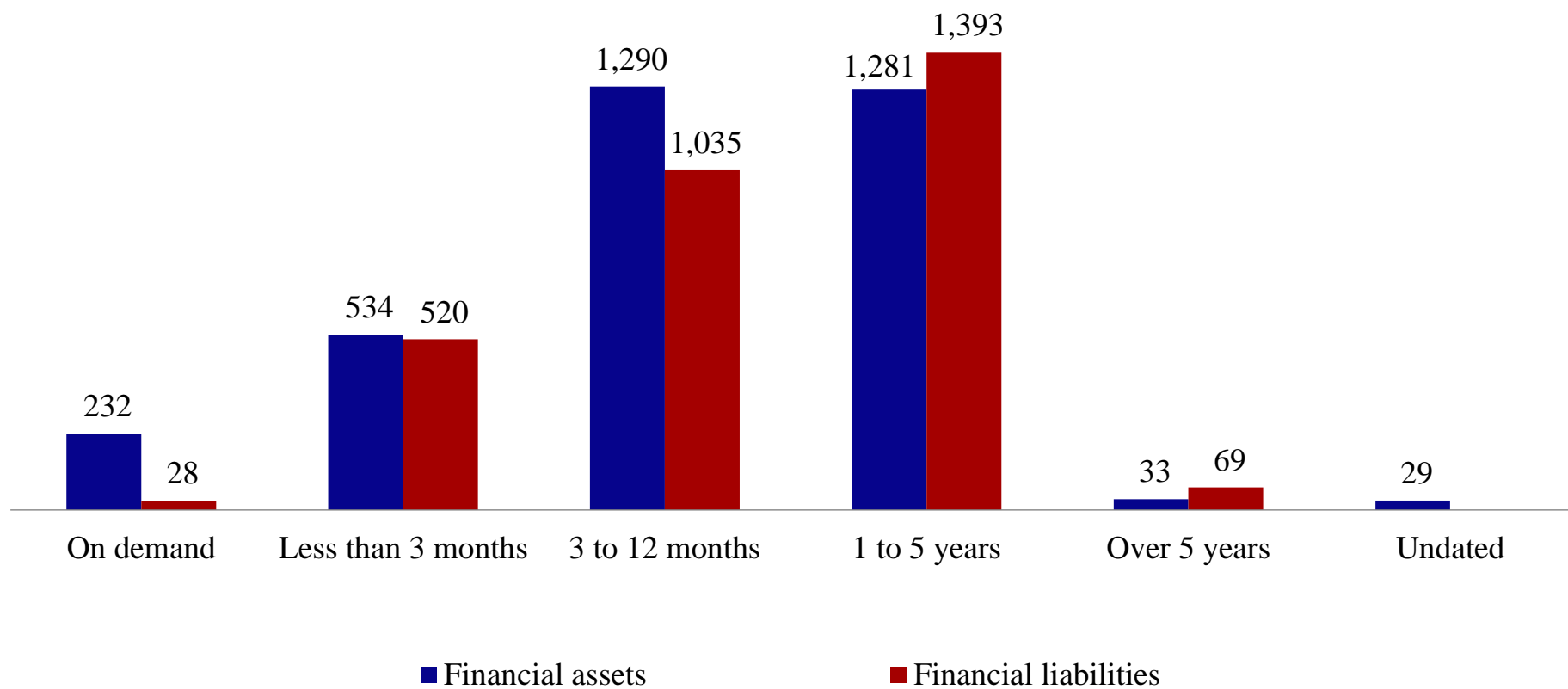
Over 30 days ratio and NPL provision coverage ratio remained stable



*Note: The source of NPL data for commercial banks is the website of the State Administration of Financial Supervision and Administration and data for 2024 is the third quarter data



Matching of financial asset and financial liabilities (RMB'00 million)

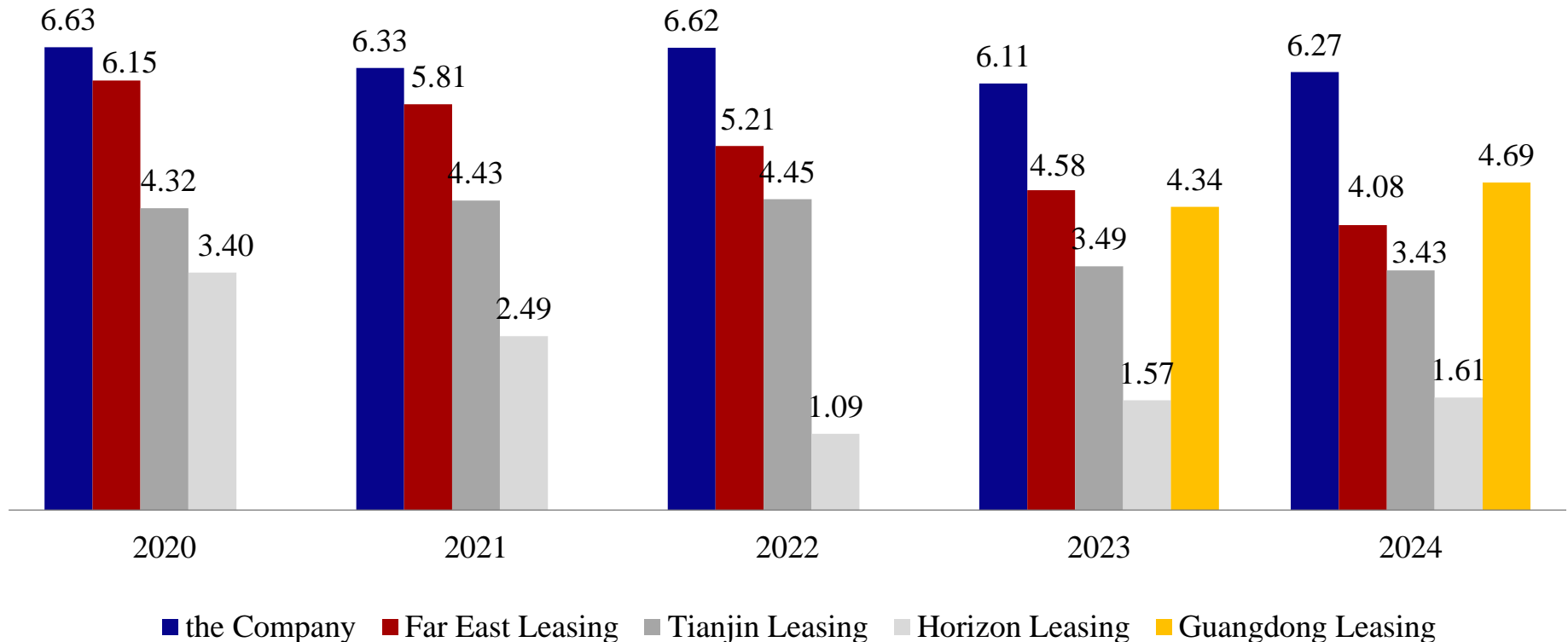


Leverage has been maintained at a reasonable level in long term and risks have been well controlled, balancing risk control and future growth potential



The leverage level of the Company and main financial leasing business entities

Regulatory Control Line (8x)



*Note: The Company's main financial leasing business entities include International Far Eastern Financial Leasing Co., Ltd.(Far East Leasing), Far Eastern Horizon (Tianjin) Financial Leasing Co., Ltd.(Tianjin Leasing) , Far Eastern Horizon Financial Leasing Co., Ltd.(Horizon Leasing) and Far East Horizon Financial Leasing (Guangdong) Co., Ltd. (Guangdong Leasing). The leverage ratio of the company=total assets/net assets, and the leverage ratio of domestic operating entities=risk assets/net assets

BBB- credit rating confirmed by S&P and ESG rating maintained industry-leading



Credit rating maintain stable and S&P confirmed
BBB- long-term issuer rating with a stable outlook

ESG rating are all in the forefront of
the domestic financial industry

Global
Rating

BBB- By S&P

**STANDARD
& POOR'S**

CSA rating score was **54** in 2024, ranks among the top in the global financial and capital market service industry

S&P Global

The ABS of SME equipment leasing has obtained the S&P **AAA** rating, setting a record as the **first** domestic international AAA rating

Domestic
Rating

AAA By CCXI, Brilliance
and United Credit Ratings



MSCI 

Maintained **A** since 2022, ranked in the forefront of financial institutions in China

CDP 

Raised to **B**-grade in 2023, above the industry average

3. Steady operational results continue to create value for all parties

Long-term and stable management achieved excellent performance



The core management team has joined the Company for more than 20 years



KONG Fanxing

Chairman of the board, executive director and CEO, joined in 2001



WANG Mingzhe

Executive director and CFO, joined in 1995



CAO Jian

Executive director and Senior Vice President joined in 2002

Managed the Company to achieve long-term outstanding performance

Stable Results

Since listed in 2011, key metrics keep growing at high CAGR

Asset 17%

Revenue 19%

Leading Position

As for now Position in industry

Net Asset No.1

Revenue No.1

*Note: The above ranking is collected and organized by the Company based on information from listed and other publicly disclosed financial leasing companies



Continuously creating value for shareholders, customers, creditors, government and employees

- Corporate clients served

 cumulatively **30,000+**

- Funds issued to real economy

 cumulatively **1 trillion+**

- Total number of global employees

 nearly **20,000**

Cumulative taxes paid

36 Billion+



➤ Ranking among the Top 100 corporate taxpayers and overseas investment attracting enterprises in Shanghai



➤ Remaining at the forefront among corporate taxpayers in Tianjin



- Best Listed Leasing Company at the China Financial Leasing Soaring Award
- Leading Enterprise in Financial Leasing Industry - Golden Tripod Award
- Best Business Mode Innovation Award in China's Financial Leasing Industry
- Top 10 Enterprises in China's Financial Leasing Industry
- Top 10 Influential Brands in China's Financial Leasing Industry

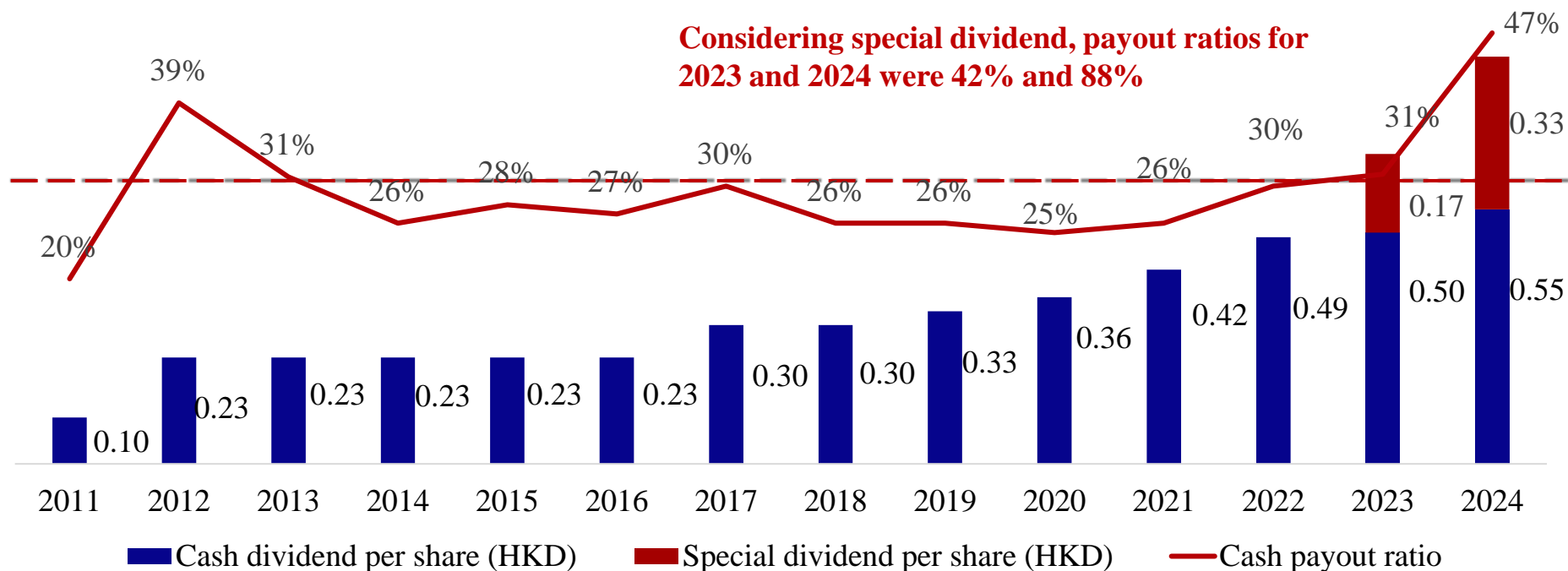
 Forbes
Global
2000

 Fortune
China
500

Continuously improving shareholder returns through multiple initiatives



- Since its listing, the total cash dividend paid has reached **HKD16.54 billion**, exceeding the amount of public equity financing after the Company's IPO and listing.
- **Cash dividend:** The cumulative cash dividend per share for the whole year is **HK\$0.55**, and the cash dividend payout ratio exceeds **55%**. There is a solid foundation for maintaining a stable dividend payout ratio in the future, with room for further improvement.
- **Special dividend:** **2** special dividend distributions have been completed, with a total of **30%** of HCD shares, equivalent to approximately **HKD 0.50 per share***.



*Note: converted based on the closing share price of HCD on the trading day before the ex-right date

Q & A



Far East Horizon



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Horizon Construction Development



Horizon Healthcare

