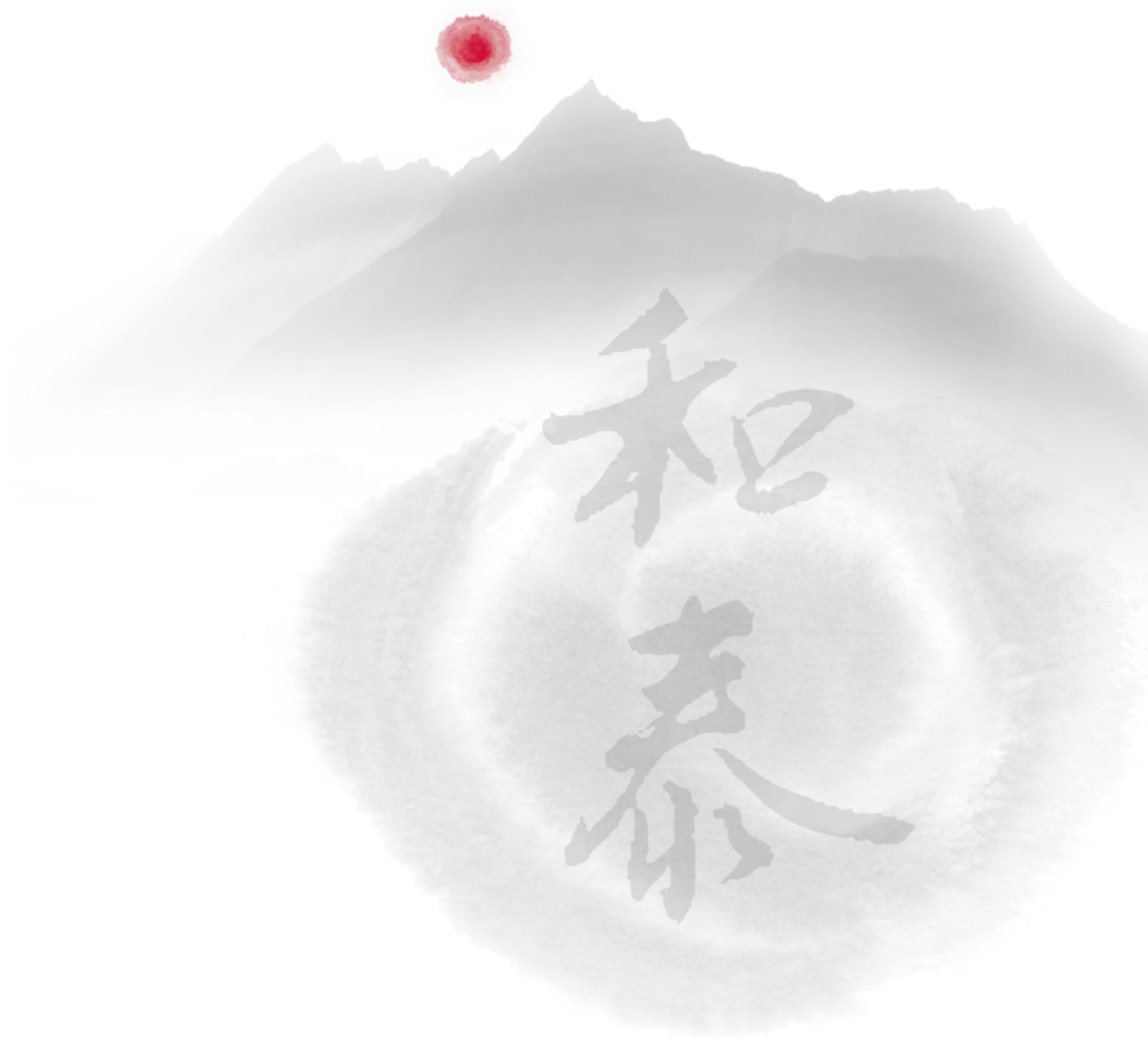




远东宏信
FAR EAST HORIZON



2015

Far East Horizon
Corporate Social Responsibility Report

About This Report

This is the third corporate social responsibility report released by Far East Horizon Limited (referred to as “Far East Horizon” or “the Corporation”). It states the philosophy and practice of social responsibility of Far East Horizon and its subsidiaries. The report also shows the developments made by the Corporation with respect to the economy, environment and society.

Reporting scope

Scope of the organization: This report takes Far East Horizon Limited as the principal component, including some subsidiaries of Far East Horizon.

Time Range: From January 1, 2015 to December 31, 2015

Release Cycle: This report is an annual report.

Reference basis

This report uses the "Environmental, Social and Governance Reporting Guide" by the Hong Kong Exchanges and Clearing Limited (HKEx) and the “Sustainability Reporting Guidelines (G4)” by the Global Reporting Initiative (GRI), as a reference basis.

Data specification

The financial data in this report has been quoted from the “2015 Far East Horizon Limited Annual Report”. Other data and cases come from recordings of the company’s actual operation. Unless otherwise stated, the type of currency and amount of money involved in this report are measured in RMB.

Report release

This report is released to the public. The online version can be downloaded on the Far East Horizon’s website (<http://www.fehorizon.com>).

You are welcome to give us your comments and suggestions by sending an email to csr@fehhorizon.com.

2015 Responsibility Overview

Far East Horizon: Finance · Industry

Value Creation:

Assets reached 140 billion yuan in 2015, showing an increase of 26% from the previous year;

Total profit reached 3.6 billion yuan, showing an increase of 11.47% from the previous year;

Operational revenue was 11.8 billion yuan, with a total tax of 2.3 billion yuan.

Customer Service:

Our business covers 31 provinces and cities in China;

We serve approximately 12,000 real economy customers;

To date, the cumulative amount of money allocated towards industrial customers has been over 300 billion yuan.

Respect for Employees:

The total number of employees is 6,084, with a training time of 33.9 hours per person;¹

We have organized and supported employees' activities more than 400 times;

We are providing financial aid to employees who are in trouble, and are visiting their families to show our condolences. The total amount spent on this is 1.243 million yuan.

Contributions to Society:

The Beijing Horizon Charity Foundation and Shanghai Horizon Charity Foundation have donated more than 3.61 million yuan;

The total time of volunteer activities reached 4,064 hours.

More than 4,500 persons were aided.

Note¹: The data of the financial sector.

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1. Speech from the President

In 2015, in the context of Chinese economy development slowdown and struggle with the de-capacity and de-leveraging by the real industry during deep restructuring, Far East Horizon managed to withstand various challenges to obtain hard-won achievements in the new normal of the Chinese economy. Meanwhile, as a corporate citizen of the Chinese society, the Corporation actively fulfilled its social responsibility, and promoted the sound, sustainable and harmonious development of the industry economy and society by sharing value with investors, customers, partners, employees, governments and society as a whole.

2015 marked a year of significant development in the upgrading of the “Finance+Industry” strategy of Far East Horizon. In the finance sector, the Corporation has consistently served the industry customers with premium financial resources, enabling a two-digit growth, proper asset risk control, a steady increase of total assets as well as improved overall strength. In the industry operation sector, we focused on serving the basic industries concerning the national economy and people’s livelihood with quality resources, and achieved remarkable progress in the fields of healthcare, education and public utilities, etc.

In the healthcare sector, we adhered to the value idea of “serving the Chinese healthcare & concerning the national health”, striving to offer the social public access to quality healthcare services. In 2015, the Corporation gradually formed an interactive system of synergistic progress of capital, consulting, engineering, investment and hospital operation, successfully completing investment holding or partial holding of 8 hospitals and served over 2,200 healthcare institutions. In the education sector, we adhered to the principle of “people oriented fusion of Chinese and western education and training elites”, improved the teaching conditions and promoted the continuous improvement of education causes by providing advanced teaching facilities and equipment. By the end of 2015, the Corporation has served over 400 universities and 200 senior high schools. In the public utilities sector, we kept exploration, invested in green industry, developed green business, promoted green economy development, input extensive resources into new energy buses and passenger transport and replaced over 1,000 new energy buses in several cities.

Moreover, Far East Horizon made contributions to society in multiple manners. In 2015, the Corporation founded The Shanghai Horizon Charity Foundation, which formed a more extensive charity service system together with The Beijing Horizon Charity Foundation founded in 2014; Thereby marking a leap forward for Far East Horizon in fulfilling social responsibility. Meanwhile, we built a development platform for our employees to grow together with the Corporation, focused on guaranteeing employee rights and benefits, and created a harmonious working environment for employees via diversified online and offline training and fair & open career development channels.

In the future, Far East Horizon will continuously face a more challenging development environment. Far East Horizon will adhere to fulfilling our social responsibilities in the four major aspects of industry, investors, employees and people’s livelihoods and sticking to the business strategy of dual drivers of “Finance+Industry”. Far East Horizon will constantly promote the development of industries concerning the national economy and people’s livelihoods and deepen the communication and cooperation with the stakeholders in order to realize the creation and sharing of sustainable values.



Kong Fanxing

2. General Introduction of the Corporation

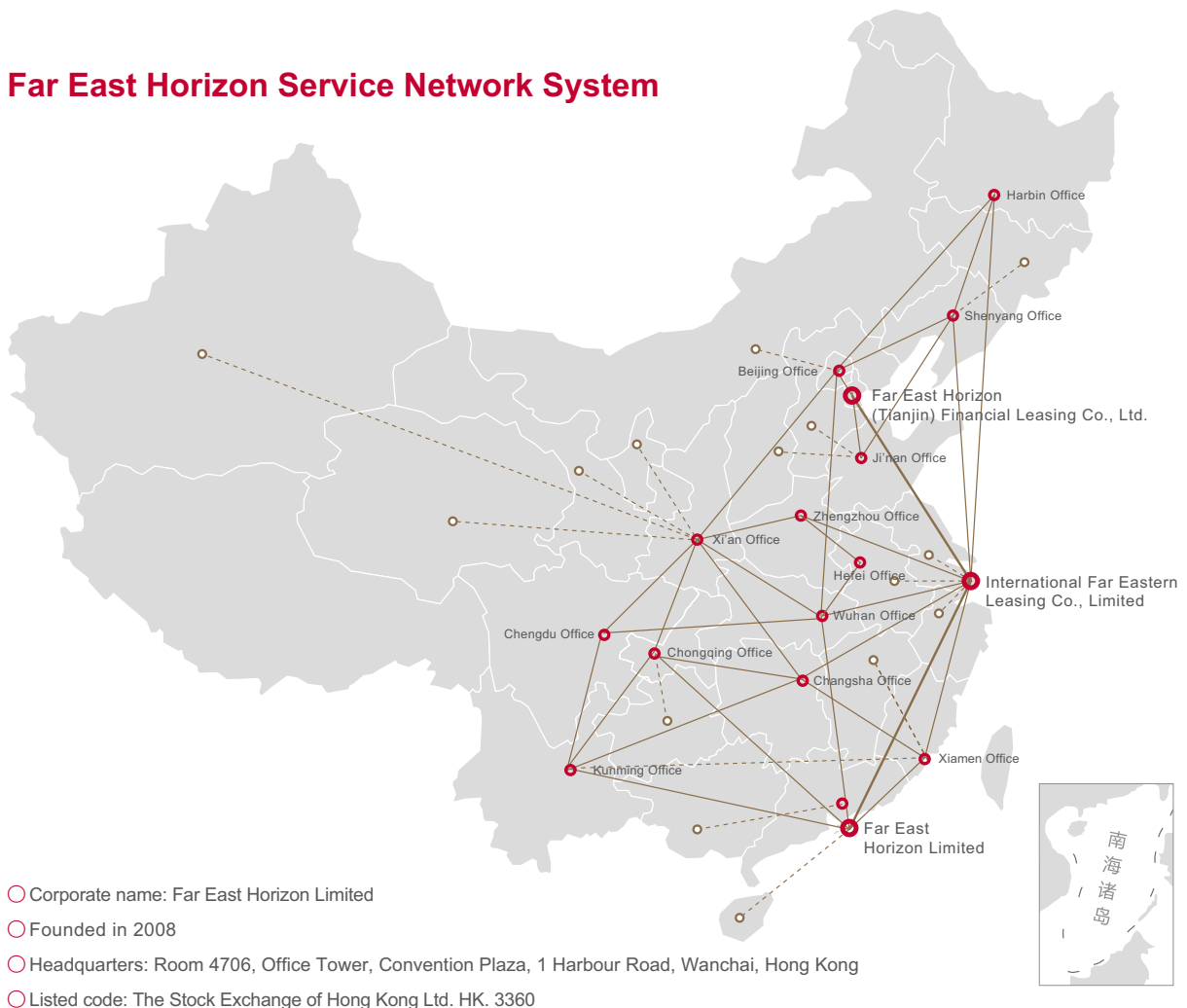
2.1 Brief Introduction

Far East Horizon Limited is China's leading innovative financial services organization. With a business philosophy of "combining finance and industry", Far East Horizon is devoted to providing its customers with customized industrial integrated operation services through continual innovation of products and services, making efforts to achieve the corporate mission of "integrating global resources and promoting China's industries".

In March 2011, Far Eastern Horizon Limited was listed on the main board of the Hong Kong Stock Exchange with the stock code 3360.HK, becoming the first innovative finance company in Mainland China to list in the Hong Kong capital market with the principal business of financial leasing. Far East Horizon develops industry integrated operation services such as financial services, industrial investment, engineering services, trade brokering, and management consulting for multiple fields including health, construction, education, industrial equipment, electronic information, public utilities, packaging, transportation and textiles. By matching up the organizational operation of financial resources with the discovery and cultivation of industrial resources, Far East Horizon creates an operational advantage with the characteristics of the joint development of finance and industry. The financial leasing service provided by the Group is in the leading position of the industry.

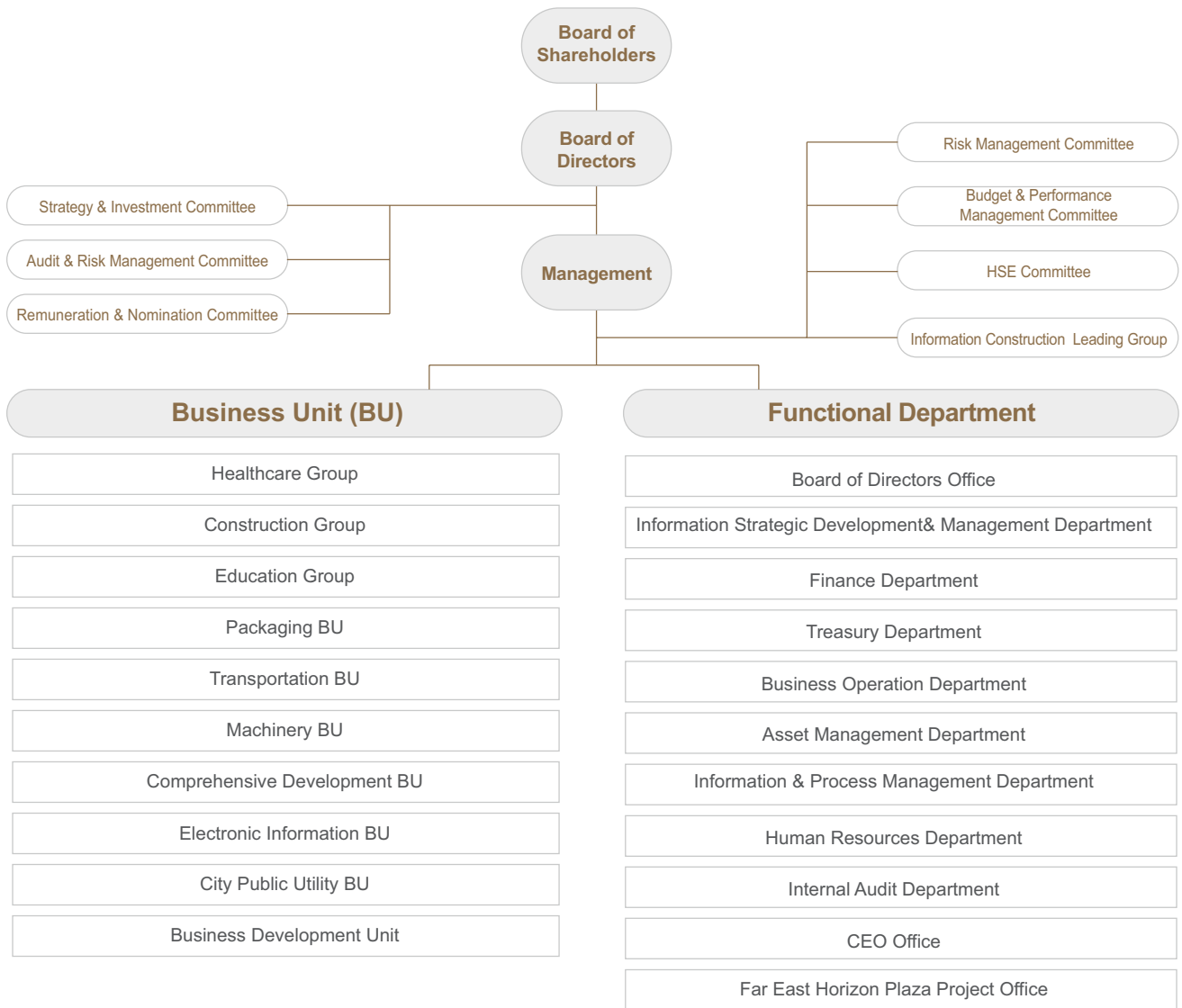
The headquarters of the company is located in Hong Kong, the business operations centre is in Shanghai and a North Regional centre has been established in Tianjin. Offices are located in many central cities such as Beijing, Shenyang, Jinan, Zhengzhou, Wuhan, Chengdu, Chongqing, Changsha, Shenzhen, Xi'an, Harbin, Xiamen, Kunming and Hefei, forming a customer service network that extends throughout the whole country. In addition, Far Eastern Horizon has been actively expanding international resources, establishing multi-specialized operation platforms for financial services, industrial investment and operation, engineering services, trade brokering and management consulting both domestically and internationally.

Far East Horizon Service Network System



2.2 Corporate Governance

Organizational Structure



Core Members

1. International Far Eastern Leasing Co., Ltd.
2. Far East Horizon (Tianjin) Financial Leasing Co., Ltd
3. Grand Flight Investment Management. Ltd
4. Shanghai Horizon Equipment & Engineering Co., Ltd.
5. Shanghai HongJin Equipment & Engineering Co., Ltd.
6. Horizon Healthcare Investment Holding (Shanghai) Co., Ltd
7. Horizon Healthcare Management (Shanghai) Co., Ltd.
8. Shanghai Domin Medical Engineering Co., Ltd.
9. Shanghai Horizon Education & Investment Holdings Co., Ltd.

Governance Mechanism Improvements

Far East Horizon believes that excellent corporate governance is essential to the success and sustainable development of the Corporation. Over the years, the Corporation has always kept high levels of governance, whilst devoting itself to providing support and service for corporate governance by consistently improving the rules and regulations, in order to ensure the improvement of decision-making mechanisms under the framework of listed company, and thus safeguard the long-term interests of all shareholders.

The Board of Directors of Far East Horizon consists of 12 directors, including 2 executive directors, 6 non-executive directors and 4 independent non-executive directors. All the directors provide extensive business experience, rich knowledge high levels of professionalism aiding the efficient functioning of the Board of Directors. Meanwhile, the Board of Directors has set up Audit and Risk Management Committee, Remuneration & Nomination Committee and Strategy & Investment Committee, which actively fulfill their respective roles in order to significantly safeguard the interests of the Corporation and the extensive minority shareholders. In 2015, the Board of Directors held a total of 4 meetings, the Audit Committee 3 meetings and Remuneration & Nomination Committee 2 meetings.

More diversified shareholding structure

One of the important ways to improve corporate governance is to have a diversified shareholding structure. In order to better implement the development strategy “Finance+Industry” of Far East Horizon, the Board of Directors consists of members with accounting or financial expertise, legal qualification, financial investment background and investment experience in relevant industries. In 2015, China Minsheng Investment Group (CMIG), the leader of the Chinese private economy, became the principal shareholder of the Corporation with 1 directorship, increasing the number of directors to 12. The joining of CMIG has made our directorship structure richer and shareholding structure more diverse. Moreover, CMIG will take advantage of its extensive resources in finance and industry fields to facilitate the industrial investment of Far East Horizon.

Investor relations

The Corporation has always kept effective communications with its investors. In 2015, the Board of Directors office actively got close to the capital market, innovated the investor relations management policy and achieved a good result.



Frequent daily communication. In 2015, the Corporation conducted nearly 760 institution communications in various forms, which enhanced the investor’s recognition of the Corporation and promoted the exposure of the Corporation in the capital market.



Intensified participation in investor summits. In 2015, the Corporation participated in 14 summits organized by domestic and overseas investment banks and conducted communications with over 200 institutions, effectively improving Far East Horizon’s presence in the capital market.



Innovative investor relations management policy. In 2015, the Corporation invited major shareholders for a reverse roadshow in the healthcare sector, which effectively increased the understanding of the capital market on the industry operation of the Corporation and achieved a good effect.



Held large investor results presentation. In 2015, the Corporation held 2 large investor results presentations, which attracted nearly 200 institutions and fully presented the annual and semi-annual results of the Corporation.



Conducted global roadshow. In 2015, the Corporation conducted 2 global results roadshows in major developed capital markets such as Hong Kong, Singapore, the US and the UK, achieving sufficient one-to-one and one-to-many communications with nearly 150 institutions.



Monitoring the capital market and industry developments. In 2015, the Corporation issued nearly 400 regular and irregular news monitoring and summary reports, effectively acquiring the capital market conditions and properly communicating them to the management and directors of the Corporation.



Far East Horizon Results Presentation

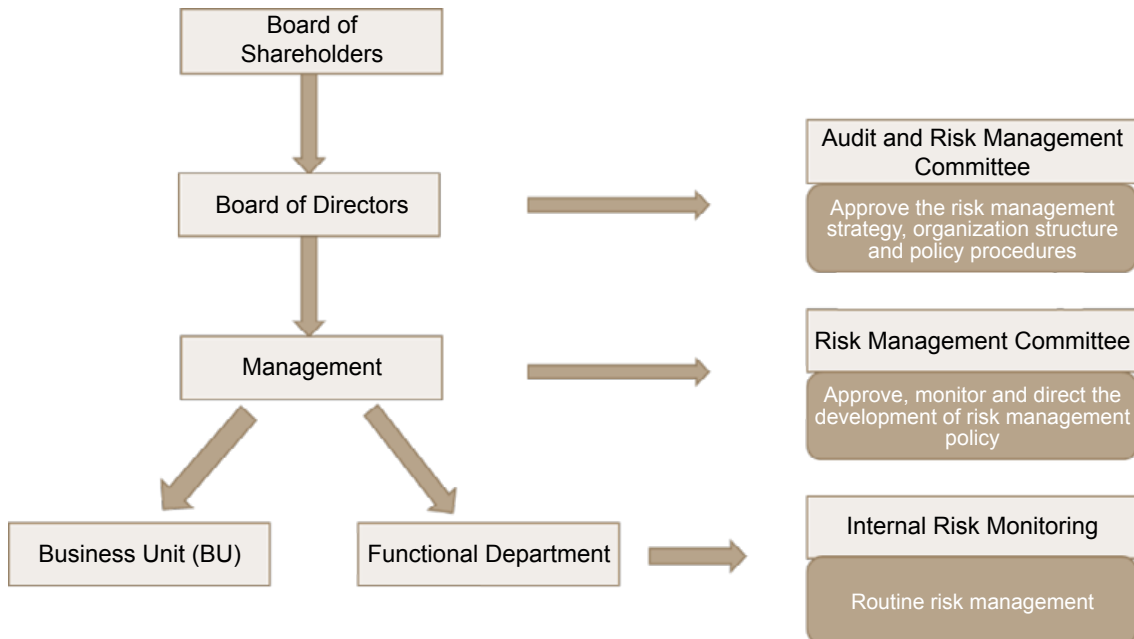


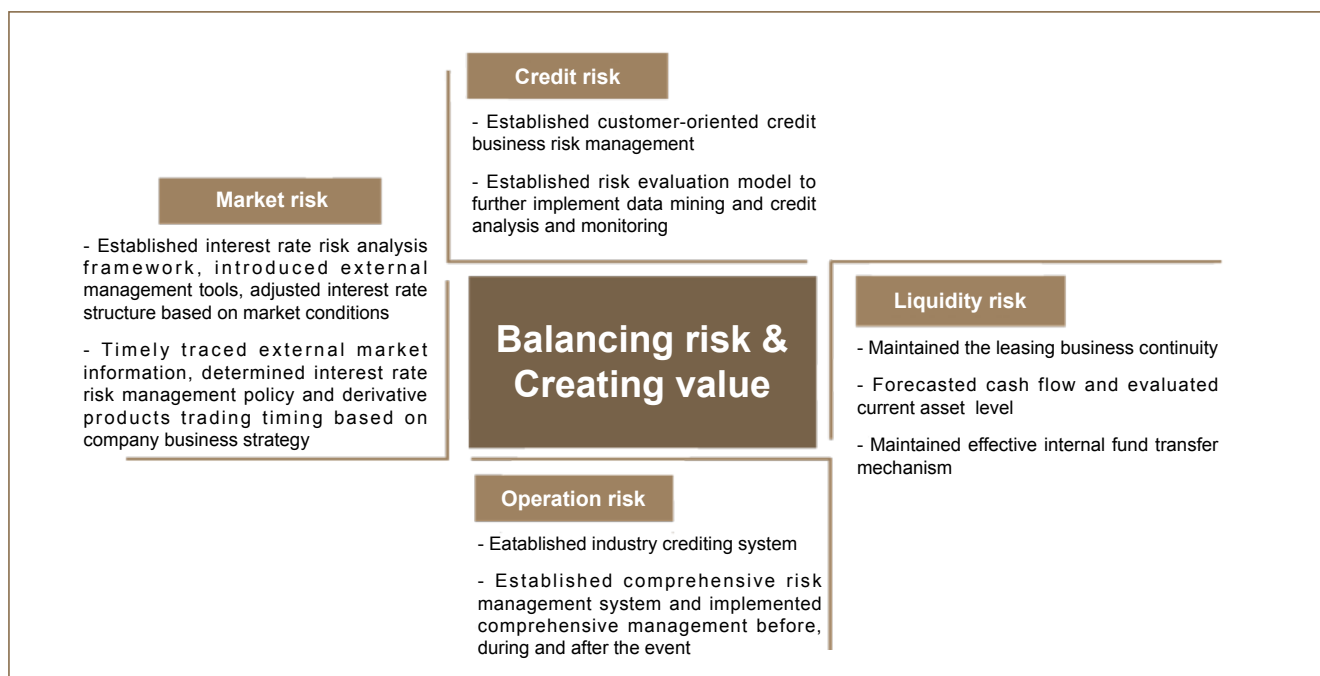
Reverse Roadshow

2.3 Risk Management

Risk management organization improvement

In the context of the new normal of China's economic development and the numerous challenges of decreased market requirements and increased business risks, Far East Horizon is devoted to improving its comprehensive risk management system based on operation management and entire business scope. In 2015, in order to actively respond to the amended internal financial risk management provision in the listed securities rules issued by HKEx and further improve our risk management framework, the Audit Committee under the Board of Directors was reorganized into the Audit & Risk Management Committee with amended responsibilities and management documents. Furthermore, a Risk Management Committee was also established under the Corporation management, consisting of the director, an executive deputy director, standing members and non-standing members.





2.4 Compliant Operation

Improved internal and external institutional constraints

Under the guidance of the “Listing Rules”, “Securities and Futures Ordinance” and the “Companies Ordinance” released by the Stock Exchange of Hong Kong Limited, Far East Horizon has established a perfect compliance management system with the Board of Directors as the supreme decision-making body. The Corporation issued rules and regulations as “Capital Market Compliance Management Rules”, “Related Party Transaction Rules”, “Information Disclosure Rules” and “Disclosure Guide for Transactions to Be Disclosed”.

Based on this, Far East Horizon constantly improved its systems and procedures. In 2015, the Corporation amended the “Related Party Transaction Rules” and relevant internal management process. In order to match the current strategy of “Finance+Industry”, the Corporation strengthened its management on related party transactions in the field of industry investment, and disclosed the relevant information in the annual report.

Strengthened internal audit

Far East Horizon established an internal audit assignment system. In addition to the Internal Audit Department of the headquarters, the Corporation assigned internal audit functions directly to all divisions and Bus for the handling of all relevant matters.

The Corporation set up email and a 400- hotline for reporting incidents, and made them visible on the new employee training platform, official website and employee cards to facilitate the reporting of violations by employees and external clients.

Meanwhile, with the gradual expansion of our industry scale, the Corporation and its branches also set up a two-level report system, employees or clients may report the violations to either headquarters or the branch. For the matters reported, the Corporation established letter report investigation guidance and a registration ledger to aid timely registration, investigation and feedback.

2013-2015 Compliance Management Results¹

Results	2013	2014	2015
Internal audit report (copies)	79	123	142
Audit reminder (copies)	11	33	45
Audit findings (pieces)	348	234	394
Management suggestions (pieces)	237	184	133

Note¹: The data of financial sector.

Deepened professional ethics education

Far East Horizon implements a policy of zero tolerance for violation of professional ethics. With the principle of “strictly enforcing discipline, strengthening professional ethics, punishing those who violate regulations and discipline, and ensuring development safety”. The Corporation promotes internal work of audit, disciplinary inspections and supervision in a step-by-step manner, and brings the construction of honest business to actual operations and management. This is in order to ensure integrity, systematic capacity, and compatibility with honest business.

Far East Horizon employees professional ethics promotion work overview

Issued “Far East Horizon Limited Anti-fraud work regulations”, clearly defining relevant regulations and procedures of anti-fraud work; timely investigated the violations found, punished in strict accordance with “Responsibility Identification and Punishment Management Regulations”, and dismissed those with serious violations, and there are no lawsuits throughout the year.

Leaders in the Corporation signed and announced the “Integrity Commitment” every year, receiving surveillance of all employees;

In 2015, the Corporation pushed 3 internal audit articles via WeChat;

In 2015, the Corporation amended the “Gifts and Cash Handover Rules”;

In 2015, the Corporation held 70 employee professional ethics and compliance trainings, with up to 2,199 person-times;

In 2015, the Corporation received 1 employee report and handled it according to the standard procedures.

2013-2015 Honest Business Results¹

Work Results	2013	2014	2015
Employee professional ethics and compliance training (times)	17	42	70
Employee professional ethics and compliance training (person-times)	767	1,663	2,199
Reports received from employees (times)	13	4	1
Handling illegal cases (items)	0	4	0
Handling discipline-violating cases (items)	5	13	6
Punished for violating laws and disciplines (persons)	5	24	6

Note¹: The data of the financial sector.

Supplier management

Far East Horizon established a sound supplier management system, defined the management principle of “separation of management and utilization, hierarchical classification, open and transparent and continual optimization”, set up the supplier management group, and drafted the “Far East Horizon Limited Supplier Management Policy”. The eligible supplier list only contains entities with complete legal and professional qualifications, legal operation, good service capacity and brand influence after going through official evaluation procedures. The current supplier list contains nearly 500 eligible suppliers, and all purchases must be completed with the suppliers in the list except for a few exceptional items.

The Supplier Management Group also regularly evaluated and constantly optimized the supplier list and exceptional items list, and made company-wide announcements of the results.

Main supplier category and impact¹

Category	Services/products purchased	Identified key social and environmental impact factors
Legal and other professional consulting services	Industry information, legal, audit and training, etc.	Compliance, operation practice
Electronics and communication, etc.	Hardware (computer and printer) and software, network communication and other technical services	Environment
Advertising/design/printing/exhibition, etc.	Event organization, printing materials and audio-visual materials	Environment, operation practice
Venue and facilities, etc.	Office supplies, furniture, office decoration, meals, cleaning, maintenance, transportation and express service, etc.	Environment, operation practice, employment & labor rules

Note¹: The data of the financial sector.

3. Philosophy of Responsibility

We believe that the essence of corporate social responsibility lies in achieving the sharing and mutual creation of value with all stakeholders, including investors, customers, partners, employees, government and society. By sharing and supplying value, we can realize a healthy, stable, sustainable and harmonious development of an industrial economy and society.

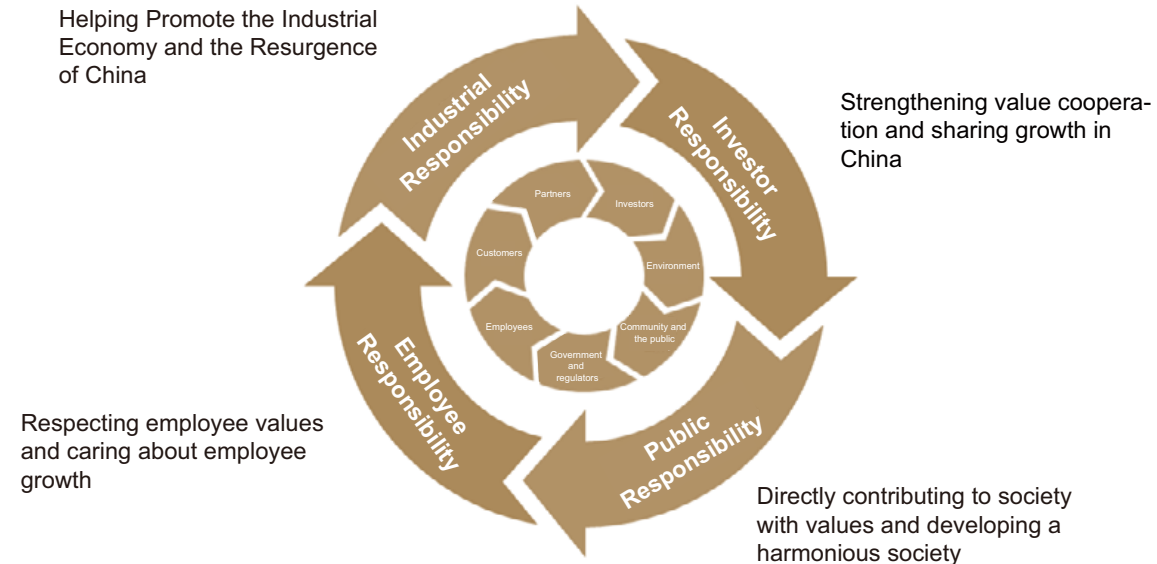
3.1 Corporate Responsibility Concept

Far East Horizon has now developed into a leading innovative financial service institution in China. At present, the Corporation adheres to the development strategy of “Finance+Industry”, it consistently serves the basic industries concerning the national economy, the people’s livelihoods, and supports the development of real economy and SMEs. We have always considered corporate social responsibility as an integral part of the overall operation, and incorporated it into our development strategy, consistently creating sustainable values for stakeholders, the industry, clients, investors, employees and society, in order to realize the sharing of values and win-win results.

Mission and Vision	Integrating global resources and promoting China’s industries <ul style="list-style-type: none"> • We gather global resources, are dedicated to meeting the needs of our Clients and strive to meet their demand. • Driven by constant innovation, we continue to support our clients using all means. • We promote the development of key industries, in order to boost a national renaissance.
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As a corporate citizen of Chinese society, Far East Horizon has long been devoted to the four social responsibility fields of industry, investors, employees and the public, which support and influence each other, in order to achieve sustainable long-term performance.

Creating Value Sharing and Achieving Harmonious Development



3.2 Recognition and Communication of Key Stakeholders

Full communication is an important basis for Far East Horizon to understand its social impact and duly fulfill its social responsibilities. In 2015, the Corporation continued to maintain regular and close communications with the important stakeholders such as the investors, clients, employees, governments, regulators, partners, communities, the environment and the public.

Expectations and Responses of Stakeholders

Key Stakeholders	Importance	Concerned Issues	Communication and Responses	HKEx ESG Reporting Guidelines (2015)
Investors	We have to create value for our investors	<ul style="list-style-type: none"> • The corporate governance system • Business strategies • Business performance • Stable returns • Investment returns 	<ul style="list-style-type: none"> • Shareholder meetings • Financial reports • Performance reports • Roadshows and reverse roadshows 	<p>Environment</p> <p>Operation practices</p> <p>Community</p>
Customers	Our products are the necessities for our customers.	<ul style="list-style-type: none"> • Service quality • Service price • Customer information confidentiality 	<ul style="list-style-type: none"> • Customer research • After-sales service about customer requests or complaints • Customer satisfaction surveys • Customer activities 	<p>Environment</p> <p>Operation practices</p>
Employees	Employees are the most important cornerstone for corporate development.	<ul style="list-style-type: none"> • Employee rights and benefits • Compensation system • Training and development • The work environment • Physical and mental health • Care for families 	<ul style="list-style-type: none"> • Employee activities • Daily operation of the Union • Employee training • Employee service platform • Employee care program • Cultural construction 	<p>Employment and labor</p>
Governments and Supervisory institutions	Government maintains a supervisory role in our business operation.	<ul style="list-style-type: none"> • Compliant Operation • Regulatory transparency • Preventing tax fraud • Resource conservation 	<ul style="list-style-type: none"> • Institutional visits • Document correspondence • Policy implementation • Information disclosure 	<p>Environment</p> <p>Operation practices</p> <p>Employment and labor</p> <p>Community</p>
Partners	The partners need to share the same values as us on corporate social responsibility.	<ul style="list-style-type: none"> • Business ethics and credit • Fair competition • Compliant Operation • Mutually beneficial strategy alliances 	<ul style="list-style-type: none"> • Holding bidding conferences for the public • Strategic negotiations • Exchange visits 	<p>Environment</p> <p>Operation practices</p> <p>Employment and labor</p> <p>Community</p>

Environment	Our business operation may affect the eco-environment.	<ul style="list-style-type: none"> • Green finance • Responsible investment • Environmental protection • Resource conservation 	<ul style="list-style-type: none"> • Responsible investment guidelines • Environmental protection initiatives • Green operation initiatives 	Environment
Communities and the public	Our business operation may affect community development.	<ul style="list-style-type: none"> • Community development • Social welfare • Environmental protection • Business ethics 	<ul style="list-style-type: none"> • Community activities • Employee volunteer activities • Public activities • Social undertakings 	Environment Operation practices Employment and labor Community

3.3 Recognition and Analysis of Substantial Issues

In order to improve the substantiality and responsiveness of the report, we made reference to standards as “organization social responsibility standard guidelines”, ISO 26000, “Sustainability Reporting Guidelines” (GRI4) and Environmental, Social and Governance (ESG) Reporting Guide for the first time for the preparation of the Far East Horizon Corporate Social Responsibility Report 2015. We identified 23 economic, environmental and social issues by analyzing macropolicy orientation, best practices of domestic and overseas finance industries and hot topics of media public opinion, and added important issues as broadening financing channels.

We invited some representatives of stakeholders for the scoring of the substantiality of all the issues in way of internal interviews and questionnaire surveys. We sorted the issues by the evaluation score, selected issues with high substantiality as the focus of our actions and disclosure. According to the survey, compared with the previous report, the materiality of the issues of green finance and responsible investment increased and the issue of customer rights protection decreased.

In the future, we will regularly inspect the issues of social responsibility, broaden the survey scope and quantity of stakeholders in order to better respond to the expectations of the society on our sound development.



4. Economic value

Far East Horizon adheres to the innovative development model of “organic and effective integration of finance and industry”, optimizes the industry layout of traditional financial leasing business assets, and strengthens asset risk control to effectively safeguard asset safety. Meanwhile, we actively expand industry operation services, realize the organic integration and effective interaction of finance, business and industry operations in order to release the financial value of all businesses and create sustainable value growth for all our shareholders.

4.1 Value Creation

In 2015, Far East Horizon adhered to the strategy of “Finance + Industry”, earnestly implemented the business strategy of “promoting the solid growth of traditional financial business and accelerating the assets layout of industry operation business” determined early this year, made careful deployment and prudent progress, met all the established targets, and saw the annual business performance hit a record high. In 2015, we achieved asset scale of RMB 140 billion yuan and annual total profit of 3.6 billion yuan, with year-on-year growth rates of 26% and 11.49% respectively.

2013-2015 Economic Work Results Statistics

Work Results	2013	2014	2015
Total revenue of primary business (RMB 100 million)	78.68	100.61	117.96
Revenue growth (%)	21.31	27.87	17.24
Total profit (RMB 100 million)	26.01	32.11	35.80
Profit growth (%)	25.28	23.45	11.49
Total tax (RMB 100 million)	14	14	23
Total assets (RMB 100 million)	865.13	1107.26	1393.13
Total assets growth rate (%)	42.83	27.99	25.82
Total subsidies from government (RMB 100 million) ¹	0.78	3.26	1.311
Annual profits of common stockholders (RMB 100 million)	19.13	22.96	25.03

Note¹: the government subsidies mainly include special subsidies

Far East Horizon Honors

- In 2015, International Far Eastern Leasing Ltd. was selected as one of the “Top 100 taxpayers in Shanghai” for four consecutive years, ranking No. 27 in 2015 Shanghai third industry taxation.
- In 2015, International Far Eastern Leasing Co. Ltd. won the first place of “Top 10 Corporations of China Financial Leasing Industry”
- Far East Horizon won the “Investment Value Award of the Year” in the selection of “Top 100 Hong Kong Listed Companies”
- In 2015, International Far Eastern Leasing Ltd. won the award of emerging asset securitization of the year.

Industry position of Far East Horizon

Far East Horizon is the first innovative financial company in China to be listed in the Hong Kong Capital Market with the principal business of financial leasing; it is also the first company to carry out financial leasing business based on industry layout, with 10-year systematic development in the healthcare industry. At present, the net profit scale of the Corporation has been No.1 in the industry for many years, and this kept comprehensive leading position in performance indicators as a return on total assets and return on equity, becoming the only non-banking leasing company in China with the international rating institution investment grade of BBB-.

Far East Horizon promoted industry development

Far East Horizon and its subsidiaries actively participated in various exchange activities organized by governments and trade associations, standardized and developed the industry and strived to improve the overall financial environment in China. Below are our Memberships:

- Member of the China Association of Enterprises with the Foreign Investment Leasing Industry Committee
- Deputy Director of the China Service and Trade Association, Commercial Factoring Special Committee
- Vice President of the Shanghai Leasing Industry Association
- Deputy Director of the Commercial Factoring Committee in the Shanghai Pudong New Area

4.2 Financial Business

Widened financing channels

Far East Horizon is dedicated to innovating financial products, and organizing global financial resources on both domestic and overseas platforms to serve the Chinese market. Over the years, Far East is devoted to establishing long-term strategic partnerships with a number of financial institutions, including policy banks, state-owned banks, joint-stock banks, commercial banks, foreign banks, trust companies, securities companies, finance companies and investment banks; carrying out extensive cooperation in many areas. The Corporation achieved cooperation prospects of “optimizing financing channels and effective management of capital funds” through constant product innovation to create value for various financial partners.

In 2015, Far East Horizon actively adjusted its financing strategy in diverse financial environments at home and abroad. In the context of relatively easy monetary policy and decreasing financing costs in China, the Corporation increased its domestic financing rate. In the aspect of indirect financing, the Corporation actively expanded bank financing channels, acquired bank credit of over 110 billion yuan with a trend of reduced overall borrowing cost. In the aspect of direct financing, the Corporation took advantage of the favorable bond market environment in China to launch various direct financing products as medium term notes, non-public directed debt financing instruments, corporate bonds, short term financing bonds and assets securitization, etc., hitting a record low in financing costs.

Far East Horizon credit rating and financing results

In 2015, Far East Horizon maintained an overseas rating of BBB-; Far East Leasing acquired the unanimous AAA rating from three major credit rating institutions in China, namely CCXI, Shanghai Brilliance Rating and United Ratings; Far East Horizon (Tianjin) Financial Leasing Co., Ltd. won the AA+ rating for the first time.

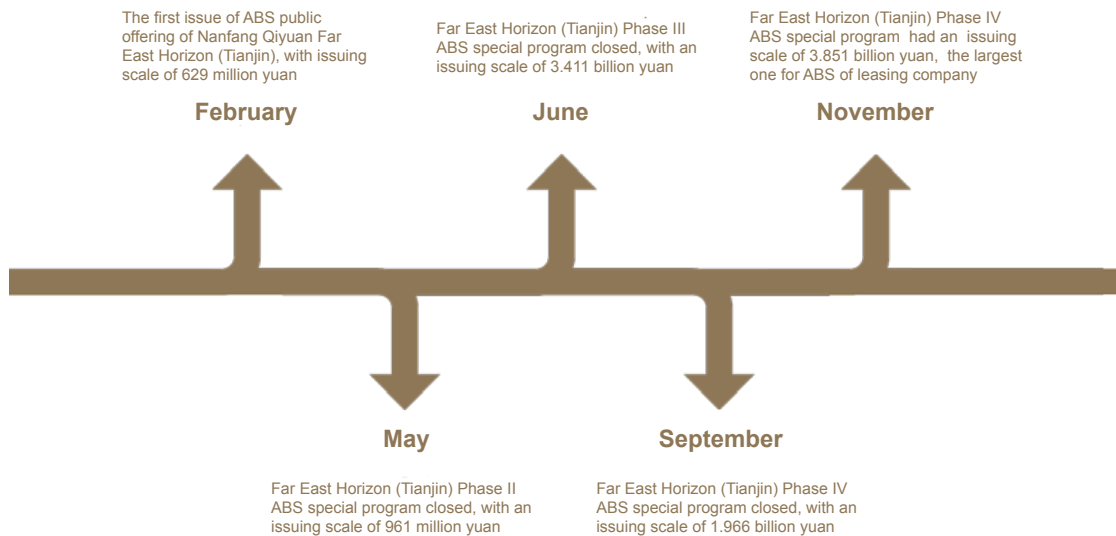
- The first leasing company in China to continuously issue securitization products;
- The first leasing company to join inter-bank dealer association and issue medium term notes;
- The first leasing company in China to issue perpetual capital securities on international market;
- The first leasing company in China to issue unsecured bonds overseas;
- The first financial institution in China to establish overseas MTN program;
- The first leasing company in China to issue dim sum bonds;
- The first leasing company in China to establish overseas consortium;
- The first leasing company in China to issue asset securitization product.

Far East Horizon successfully completed new issue of HKD 4.5 billion

In June 2015, Far East Horizon successfully concluded a private placing agreement to complete a new issue of HKD 4.5 billion, issued 658 million shares with price per share of HKD 6.90 and raised a total of approx. HKD 4.5 billion, making the general capital of the Corporation reach 3.9504 billion shares and total equity exceed RMB 20 billion. The successful placing marked that the Corporation gained high recognition for its strategy of "organic and effective integration of industry and finance". The acquired capital will provide strong support for the industry investment and operation business of the Corporation. Next, the Corporation will actively elevate the industry service capacity for financial innovation, provide more abundant innovative finance services for basic industries concerning National economy and the people's livelihoods, and constantly create more value for all our shareholders.

Widened financing channels

As a leader in the financial leasing industry, as early as 2006, Far East Leasing issued the initial special asset management program with leasing asset-backed earning, which was the first financial leasing asset securitization product of Far East Horizon and the first ABS product in the domestic financial leasing industry, with an issuing scale supply of 486 million yuan. In 2015, Far East Horizon issued 5 ABSs. By the end of 2015, the Corporation has become the leasing company with the biggest accumulative ABS issue in the market, with an accumulative issue amount of up to 15 billion, further widening financing channels and demonstrating our diversity and sustainable issuing capacity.



Reduced financing cost via innovation

Issued medium term notes in China again

After becoming the first leasing company to issue medium-term notes in the National Association of Financial Market Institutional Investors in China in 2014, Far East Horizon made persistent efforts to successfully issue 3-year medium-term notes of 1.5 billion yuan with the issue interest rate of 4.30% in May 2015, which set a new industry benchmark, marking the normalization of medium-term note issue of the Corporation.

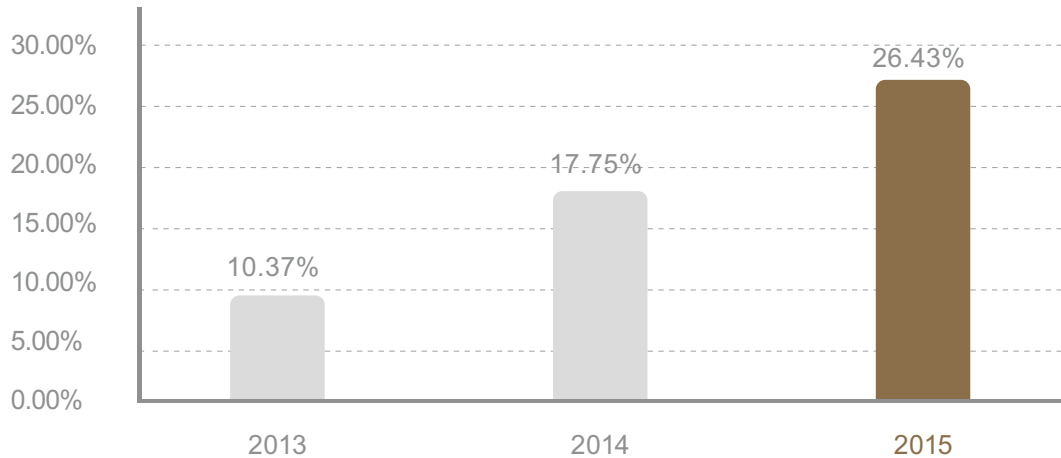
The Corporation issued short-term financing bonds in China for the first time

In 2015, Far East Horizon successfully issued 1-year short term financing bonds of 2 billion yuan with the issue interest rate of 3.40%, which hit a record low of credit debt financing cost in the leasing industry and established the Corporation's new layout in domestic short-term direct debt financing, ushering in the 3.0 Era of financing cost.

The Corporation issued corporate bonds in China for the first time

In November 2015, Far East Horizon successfully completed the issuing of 5-year 2 billion corporate bonds, with the option of increasing the contract rate by the issuer at the end of the third year and the option of put-back by investors, with both the debt and subject rating of AAA, the final contract rate was set at 3.85%. The corporate bonds were the issuing quota acquired by Far East Horizon from CSRC, and also the benchmark for the debentures' access to exchange market for the first time.

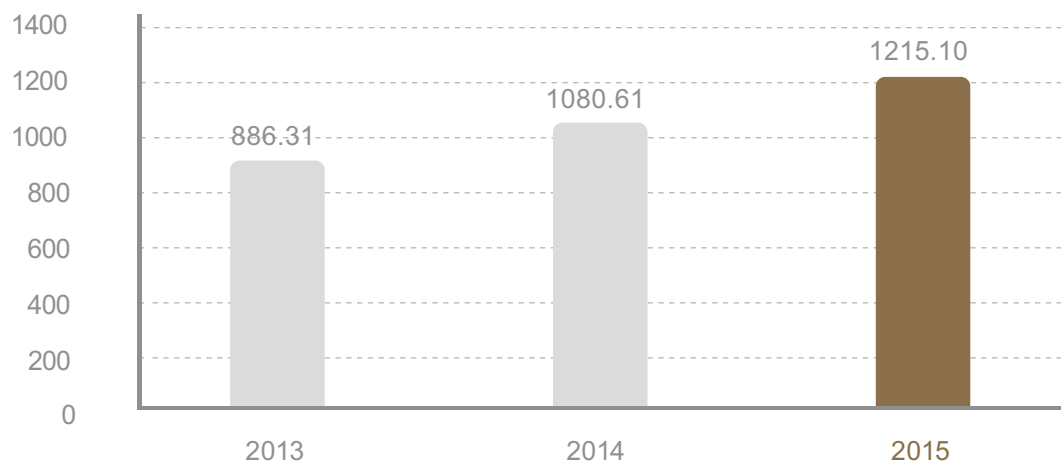
Proportion of direct financing



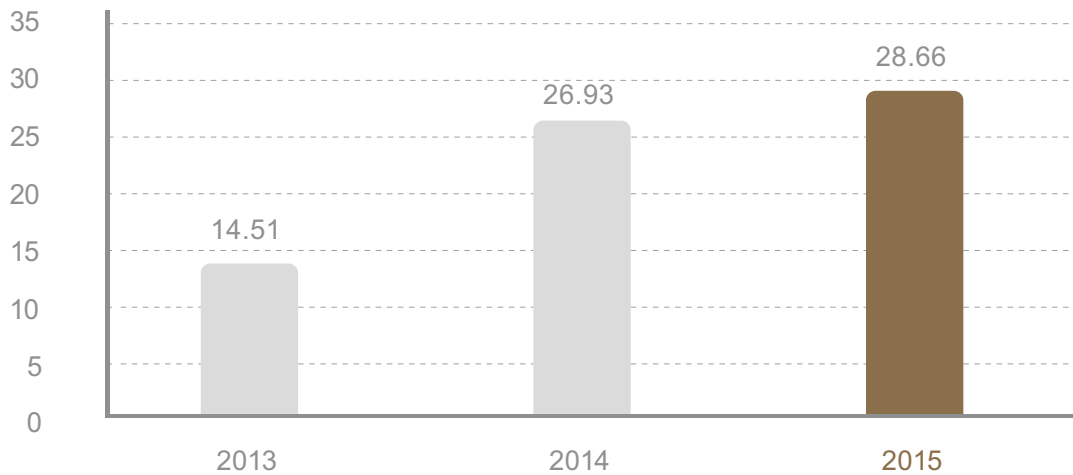
Optimized financial service

Far East Horizon provides customers with integrated financial solutions with financial leasing as the core, including direct leasing, leaseback, factoring and investment products, to help customers solve finance and fund problems during development. Since obtaining approval from the Ministry of Commerce in 2012, International Far Eastern Leasing Co., Ltd. expanded its business scope by adding the item of "commerce factoring and relevant consulting services" to meet the liquidity demand of customers in short-term operation, form effective complementation of financing term and fund purpose of the current financial leasing products of the Corporation and create more value for all stakeholders. In 2015, our assets remained steady, non-performing asset ratio was less than 1%, provision coverage continued to maintain a sound level of over 200%, guaranteeing the Corporation's risk tolerance capacity.

Financial leasing receivable (100 million yuan)

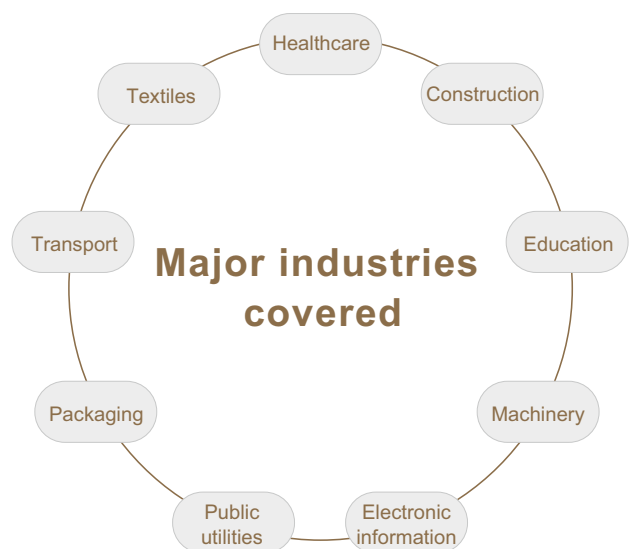


Factoring receivable



4.3 Integration of industry and finance

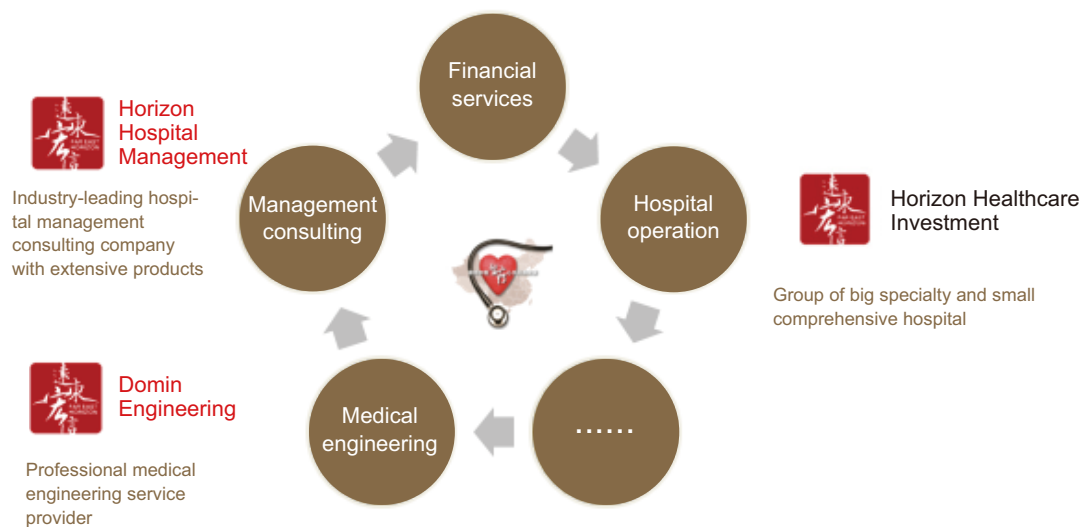
Far East Horizon has been focusing on the basic industries in the domestic economy: healthcare, construction, education, machinery, electronic information, public utilities, packaging, transportation and textiles, and established professional operation management and security systems which match industry characteristics. Far East can focus on customer needs, providing customized professional financial services and products, and also providing comprehensive services such as industrial investment, engineering services, commission trade and management consulting etc.



Far East Healthcare's comprehensive management model of "Finance+Industry"

Far East Healthcare established an organic and synergic management system of "finance + industry" externally and formed a unique value creation model and differentiated marketability.

The major business of Far East Healthcare includes 4 parts. Firstly, taking financial leasing as its core, it carries out specific financial services by its department. Secondly, taking Horizon Medical Investment as a platform, it carries out industrial investment services on healthcare institutions. Thirdly, in technical business, taking Domin Engineering as its core services. Fourthly, taking Horizon Medical Management as a platform, it carries out professional management consulting services which cover aspects such as: hospital project operation, management consulting, special subject training, visits and learning.



4.4 Industry Responsibility

Concern for people's livelihood

Over the past 15 years, Far East Horizon has accumulated a wide customer base and diverse industry experience. In recent years, the Corporation defined the development strategy of "organic and effective integration of finance and industry", gathered resources to focus on industry operation business concerning National economy and the people's livelihoods. In 2015, the Corporation actively promoted exploration and innovation of industry operation models in fields of healthcare, construction and education, etc. and has achieved initial success.

Creating health industry ecosystem

In the healthcare field, Far East Horizon adheres to the value of "serving Chinese healthcare industry and concerning national health", and after many years of development, the Corporation has already preliminarily formed an organic operation system with four synergic fields, funding, technology, investment and management: Far East Horizon is striving to create a large health industry ecosystem with openness as concept, innovation as drivers, coordination as support and win-win as objective, in order to ultimately make more quality healthcare services available to the public.

Far East Healthcare serves domestic medical institutions, manufacturers, circulation enterprises and public health institutions, etc. with its various mature business systems. By the end of 2015, it has accumulatively served over 2,000 medical institutions with the investment of nearly 72 billion yuan; meanwhile, it has successfully invested in holding or equity

participation in 8 hospitals such as: Huizhou Huakang Hospital, Siping Cancer Institute & Hospital, Weihai Haida Hospital, New Binhai Renci Hospital, Yunnan Kidney Hospital, Yunnan Boya Hospital, Anda Jiren Hospital and Zhoushan Dinghai District Guanghua Hospital.



Weihai Haida Hospital



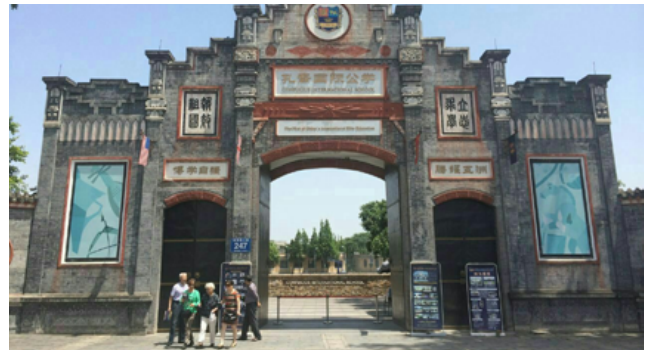
Far East Horizon and Weihai Haida Hospital
Equity Cooperation Signing Ceremony

Promoting the development of education

In 2015 we achieved big breakthroughs throughout the Education Industry. Adhering to the management concept of "people first, integration of Chinese and western ideas and shaping management", we focused on the development of high-end International Kindergartens and Senior High Schools. By the end of 2015, the Corporation held and operated three high-end International Kindergartens and one high-end International Senior High School, basically forming the management capacity for high-end educational institutions.



Montessori Academy



Confucius International School

Improving urban public environment

In the field of urban transport, the Corporation provided funds for public transport and passenger transport enterprises to help them upgrade operational vehicles, improve vehicle emission standards, and spent 1.7 billion yuan for the replacement of over 1,000 new energy passenger transport vehicles like LNG, LPG, CNG and hybrid power, etc. In the field of urban environmental protection, the Corporation provided a 900 million fund for sewage treatment enterprises and drainage enterprises to help them improve urban sewage collection systems, sewage treatment capacity and standards.



Sewage treatment plant

Promoting industry development

While putting funds into industries and helping the industry to achieve hardware upgrades, we constantly help customers improve their competitiveness and enhance development levels and competitiveness for the entire industry, in order to promote the sound development of the National economy.

In 2007, we founded the Mingliu Club and Top Alliance to actively create mutual trust and a win-win industry exchange atmosphere. In industry fields such as healthcare and machinery, based on the concept of "work together to promote industry development", we worked with mainstream manufacturers at home and abroad to build manufacturer alliance platforms and promote the transformation of China from manufacturing power to a creation power.

Since 2008, we have organized multiple Far East high-level Ship Financing Forums each year to invite leading experts and scholars in shipping and financial sectors from both home and abroad to give serial lectures, contributing to the training of high-end financial talents for the Chinese shipping and shipbuilding industries. Meanwhile, we held multiple construction enterprises summit forums, gathered construction enterprises in the fields of municipal, transport and industrial construction to build a cooperation platform for strategic cooperation and information exchange and promote the process of China's urbanization.

In 2009, we launched the Far East Printing Elite Program and regularly organized training events for printing enterprises in the aspects of finance, management and printing technology, etc., in order to help them upgrade operation capacities.

In 2009, we founded the Far East Healthcare Managers Institute, which aims to help hospitals enhance their management advantages and improve talent competitiveness by building a high-end exchange platform and introducing advanced hospital management concepts and experience. Thus helping hospital managers open up their minds, quickly enhance comprehensive management levels and further promote the development of hospitals and the entire healthcare industry in China. So far, the trainees reached nearly 500 person-times.

In 2010, the Corporation founded the Far East Educational Alliance. Since then, we held alliance meetings and forums each year to actively build a bridge among members for advantage complementation and resource sharing, and build a bridge between alliance and government to make suggestions for the development of National education, in order to ultimately promote the constant progress of education in China.

In 2015, we continued to hold the Far East Finance Summit Forum, covering industries such as: construction, public transport, passenger transport, thermal supply and textiles, etc. We have successfully hosted 4 textile industry summit forums, attracting several thousand participants. The Construction Summit Forum 2015 invited famous experts to conduct an in-depth exchange with nearly 230 executives from over 20 provinces and regions on investment opportunity and PPP, etc. during the adjustment period of the Chinese economy.



Far East Horizon Construction Summit Forum



The 4th Industry Finance Summit Forum

5. Customer Service

Far East Horizon constantly realized innovative breakthroughs, provided high quality and diverse one-stop services to meet customer demands, continued to develop professional customer services and created more value for customers.

5.1 Innovative Products

Over the years, the Corporation has accumulated a large amount of data on industrial customers and therefore summarized the common needs of clients. Moreover, we design products and services, improve customer support, recognition and ultimately establish a diversified business structure. We have become a leader in financial innovation and a world-class service provider of comprehensive operations.

Innovative financial products

Under the guidance of the strategy of Organic and Effective Integration of Finance and Industry, all the industry groups actively carried out financial product innovation, widened asset income channels and gathered various resources to lay a solid foundation for our industry operation.



Far East Healthcare financial product innovation

Far East Healthcare formed an integrated management model of funding, technology, investment and management, that fully considered customer demands in the innovation of financial products, and served customers via innovative financial products such as: Baodaitong, Shangdaitong, offset rent by notes and Jixintong, etc.

Quality industrial products

In the aspect of industry operation, all the groups and BUs of the Corporation developed several quality products based on customer demands and years of industrial operation experience, gaining a leading position in the industry. In 2015, Far East Construction systematically promoted its engineering services as whole machinery leasing, engineering supporting service and equipment comprehensive management. On the one hand, Horizon Machinery ranked first in the pavement and industrial machinery fields and third in the revolving materials and power equipment fields. On the other hand, Horizon Machinery constantly optimized disc scaffold production process, promoted base construction and constantly developed new products.

Horizon Machinery: Steel support axial force servo system

With its technical advantages, Horizon Machinery won the honor of "Shanghai High-tech Enterprise 2015". The steel support axial force servo system is a complete set of foundation pit support safety solutions. The system can monitor the stress of support systems in a real-time manner, realize the purpose of guaranteeing foundation pit safety and preventing foundation pit deformation by adjusting the axial force of a foundation pit support system. In case of below the design value, the system will automatically compensate; in case of above the design value, the system will give the alarm and implement unloading according to instructions.

Steel support axial force servo system was independently developed by Horizon Machinery, and applied 30 patents, including 15 patents of invention (7 approved) and 15 patents of utility model (15 approved).

Horizon Machinery steel support axial force servo system has been applied to multiple projects such as: the Shanghai Hongkou District Hainan Road No.10 plot project, Shanghai Vanke No.53 plot project, Shanghai Hong Kong New World garden project, Shanghai Expo Zone A Greenvalley Phase II project, Shanghai metro No.17 Section 4 project, Tianjin Teemall project and Hefei metro No.2 Section TJ05, etc. the system successfully controlled the deformation of foundation pit support structure and guaranteed deep foundation pit construction quality and safety, as well as the regular service of adjacent operational metro and surrounding buildings, etc.



Shanghai Hongkou District Hainan Road No.10 plot project

Horizon Machinery: disc type scaffold

As the upgraded alternative of traditional steel pipe fastening scaffold and bowl coupler scaffold, disc coupler type scaffold features high safety, labor saving, convenient assembly and disassembly, consumption saving, artistic performance and effect, and can be widely applied to various projects such as: high formwork, building construction, viaduct and railway bridges, etc.

2015 marked the rapid development of Horizon Machinery, which participated in a total of 54 construction projects, including 21 fastener scaffold projects, 19 disc coupler scaffold projects, 12 disc and fastener integrated projects and 2 aluminium alloy formwork projects. The simultaneous construction of dozens of projects marked the new development phase of Horizon Machinery. Within only one year, there were several historic benchmark projects under construction nationwide, including the Hangzhou Xiaoshan Airport expressway reconstruction project, Nanjing Niushoushan cultural tourism area construction project, Wuxi Wanda, Taizhou Wanda, Nanchang Wanda, Nantong Wanda, Nanjing Xianlin Wanda construction projects, Chengdu BOE and Hefei BOE plant construction projects.



Serial Wanda Projects

5.2 Quality Service

Over the years, the Corporation has accumulated a large amount of data on industrial customers and therefore summarized the common needs of clients. Moreover, we design products and services, improve customer support and recognition and ultimately establish a diversified business structure. We have become a leader in financial innovation and a world-class service provider of comprehensive operations.

Customer service system

Clients are the most important partner of Far East Horizon. The Corporation created a client relationship management system to realize three functions including daily client maintenance, customer satisfaction surveys and client service activities, in order to listen to their voices and understand their needs.

Daily Client Maintenance	Client Satisfaction Surveys	Client Service Activities
<ul style="list-style-type: none"> Send the publications of Far East WeChat public accounts of the corporation and its industries: Far East Horizon official WeChat; Horizon; Medical Vision World; Horizon Assembly; Horizon Hongwenguan 	<ul style="list-style-type: none"> Regularly pay clients return visits using the phone Pay cross-visits to clients making deals with the corporation on a regular basis Questionnaires on market activity participation 	<ul style="list-style-type: none"> Create industry clubs Offer individually tailored courses Hold the industry summit forum Go on academic visits to model enterprises

Customer Service Goals

- Quality service: we promise to be responsible and responsive, and provide efficient and convenient one-stop services for our clients at any time;
- Credibility first: we honor our promises and treat every client in an honest and cooperative manner;
- Probity & self-discipline: we conform to work ethics, refuse giving or asking for bribes, and refuse any activities which disobey the law or rules.

Far East Healthcare customer service

Service network

Far East Healthcare based its business operation center in Shanghai, and deployed professional marketing service personnel in 13 branches or offices nationwide; meanwhile, with its organization structure of 18 operation units, it fully covers all the provinces, municipalities and autonomous regions in Mainland China, effectively providing funds, investment, technology, management and other industry integrated services for various medical institutions, manufacturers, circulation enterprises and public health institutions.

Customer activity

In order to better publicize the industry's positive energy and build a constructive industry platform to provide customers with more comprehensive care and services, Far East Healthcare actively organized various customer activities, including Healthcare Horizon, Finance and Wisdom Club, Wing Program, Management Workshop and Industry Development Summit Forum, etc. In 2015, 700 person-times in the healthcare industry participated in various activities held by Far East Healthcare with high recognition.

Knowledge spread

Far East Healthcare provides knowledge related to the healthcare field via its online and offline channels such as: quarterly issue of "Healthcare+" and its WeChat official account "Far East Healthcare Horizon", carried out peer exchange with an open mind, in order to jointly promote the development and improvement of industry knowledge system.

Service hotline and platform

Our service and supervision hotline 400-681-8368 is available throughout the year, welcoming the public to raise valuable opinions and suggestions; meanwhile, the Far East Healthcare WeChat official account "Far East Healthcare Horizon" made timely response to various correspondences, actively received questions and gave answers.

Far East Construction customer service department

On January 1, 2015, Far East Construction customer service department was officially established. In addition to efficient and convenient one-stop services, we also provided customers with comprehensive industry, political and economic information, as well as various value added services.

Service supervision hotline:

Customer service hotline: 021-50490099-5328/6723

Customer service email: js-service@fehorizon.com

Supervision and complaint hotline: 4006818368-3

Supervision & complaint email: jiandu@fehorizon.com

WeChat official account:



青·热点:

- 经济·政策——国内最新经济、政策资讯解析
- 行业热点——建筑业前沿、热点信息跟踪
- 权威声音——专家、学者、政府官员的报告、讲话等
- 公司新闻——远东（建设）大事记发布

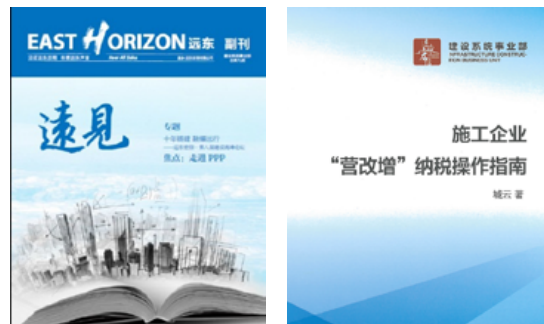
青·解析:

- 远东内刊
- 专题·案例
- 资金类平台
- 资产类平台
- 资本类平台

青·Club:

- 关于远见菁英俱乐部
- 远见菁英俱乐部客户活动

Industry publications:



Value-added services:

- Horizon elite club
- Industry elite EMBA classic courses

Client Information Protection

Far East Horizon tries its best to protect the information of clients aiming to uphold the good reputation of excellent enterprise management and establish long-term business relationships based upon mutual trust. The Corporation constantly improves its information management system, stipulates and strictly carries out the Confidential Information Management Regulations. With integrated management from the Departments of Operations Center, Human Resources, Audit and the General Managers Office, the responsibility and punishment for divulgement, and the knowledge, scope and clearance of confidential information by the staff is clarified. Moreover, we make sure that staff sign the Post Confidential Undertaking, and that department managers sign the Secret-keeping Responsibility Undertaking. This strengthens staff awareness of keeping information confidential to ensure the safety of client information.

The Corporation used its Customer Marketing Management System (CMM) to divide all clients into different layers and categories, restricting those customer managers and managers of every department, who can only see the client information, within their own jurisdiction and help managers to strictly manage the registration, query and change of client information.

6. Employees Care

Employees are fundamental to the infinite development power of Far East Horizon. Over the years, we earnestly listen to their voices, provide diverse, inclusive, open, equal and vigorous work environments and a broad stage for their career fulfillment. Furthermore, Far East Horizon has tirelessly worked towards alleviating their worries, whilst nurturing trust, respect and encouraging greater employee cooperation and collaboration.

6.1 Employee Rights

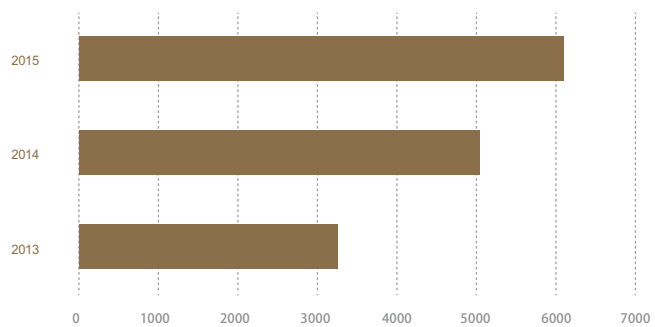
Protecting Employee Rights

Far East Horizon is devoted to providing fair development opportunities for employees and abiding by current national laws and regulations. The Corporation duly pays the five social insurances and one housing fund for employees on time and in full. We adopt multivariate policies and ensure that employees are not discriminated against because of their gender, age, background, ethnicity, race or religion. All employees are under the same career growth mechanism and their salary and benefits are consistent across different offices in the country. Male and female employees in the same post enjoy the same salaries and starting salaries are significantly higher than the local minimum wage.

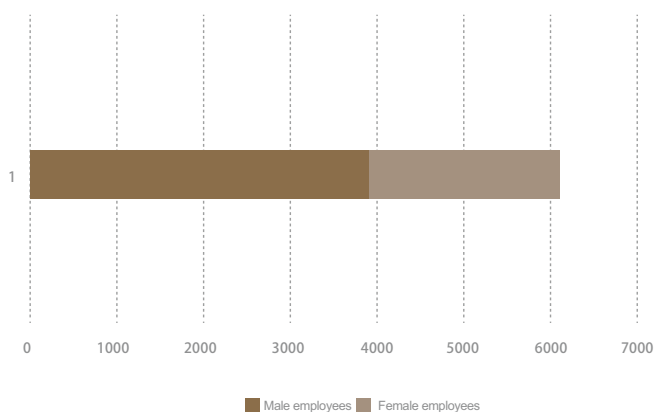
By the end of 2015, there were 6,084 regular employees in the Corporation and its branches, and the rate of signed labor contracts was up to 100%. In 2015, there were no instances of discrimination, child labor, forced labor or violations of employees' interests.

To further sustain the harmonious and stable labor relations between all of our employees and the company, we have signed contracts with the labor union including a "Collective Contract of International Far Eastern Leasing (Draft)" and a "Wage Collective Negotiation Agreement of International Far Eastern Leasing (Draft)". Meanwhile, to protect female employees' rights and interests, we have also signed a "Special Contract of Protecting Female Employees' Special Rights and Interests (Draft)" and the Union has also set up a Female Employee Committee. Based on employee demands, the Corporation provides safe, steady and harmonious working environment for employees, and achieves harmonious growth with employees by supporting employee career development and carrying out employee care, etc.

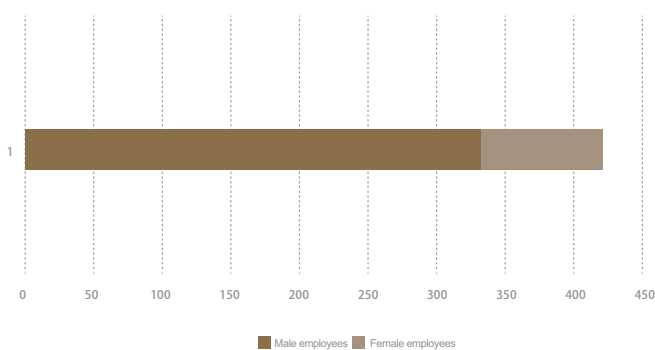
Total number of employees during 2013-2015

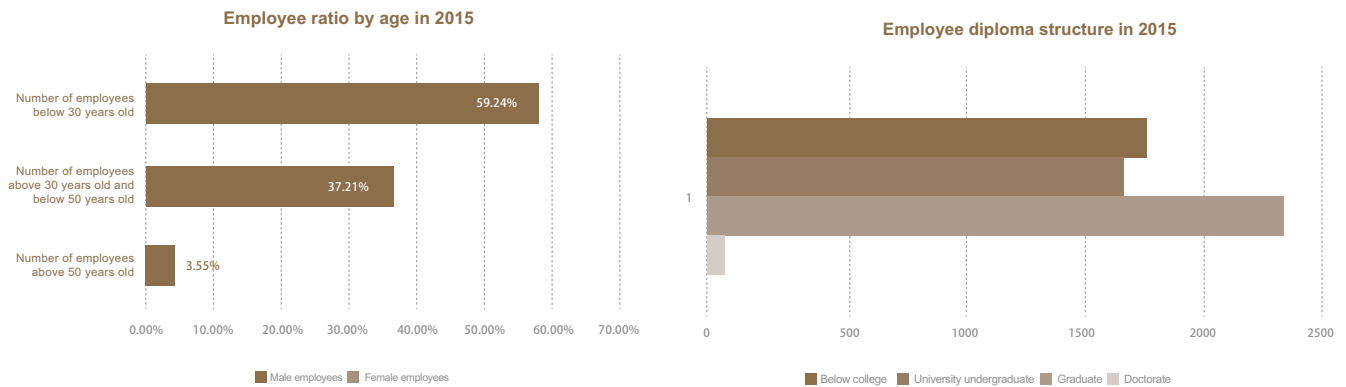


Employee sex ratio in 2015



Management sex ratio in 2015





Democratic participation

The Corporation calls on all employees to take ownership and encourages employees to participate in enterprise management. Meanwhile, the Corporation sets up multiple channels such as president mailbox and rationalization proposal platform, etc. to safeguard the employee representatives' rights to make suggestions, participate in and supervise democratic management. According to the "Worker's Congress System", the Corporation should hold at least one worker's congress each year to deliberate various rules and regulations and matters related to employees. In 2015, the Corporation held 3 worker's congresses and deliberated 9 rules and regulations closely related to employee benefits, in order to safeguard employees' vital interests.

The Corporation continued to improve the work of rationalization proposals and the construction of a real-time platform for OA rational proposals. Therefore, the electronic management platform is formed for the collection, categorization and analysis, solving and feedback evaluation of problems; a long-term mechanism is established for closed-loop operations. In 2015, The Corporation received 411 suggestions via its OA platform, covering fields such as strategy, operation, finance and informatization, etc., over 70% have been properly handled.

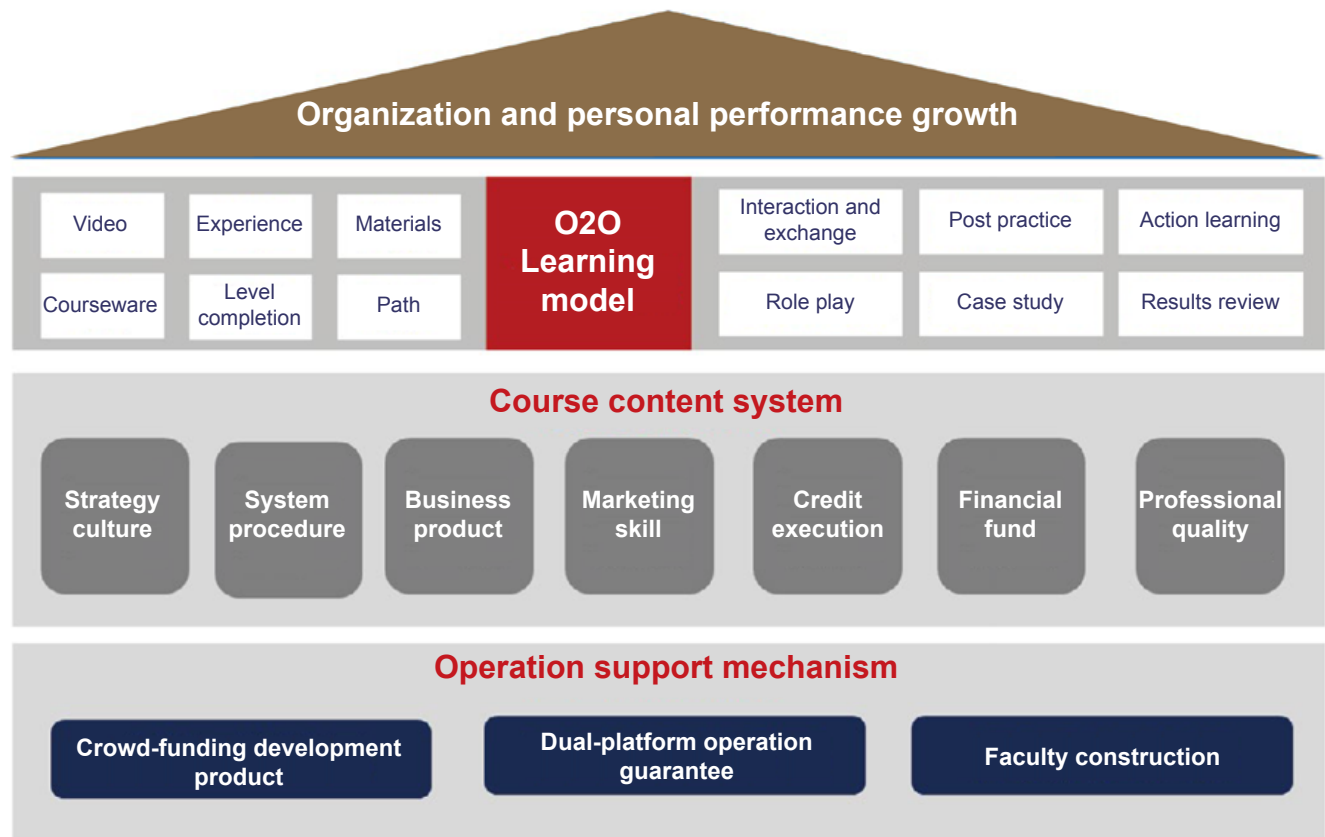
Far East Horizon labor union won Shanghai May 1st Labor Medal

In 2015, the Far East Horizon labor union was awarded the annual Shanghai May 1st Labor Medal by the Shanghai Federation of Trade Union, which recognized the company union's results in safeguarding employee benefits, participation rights and welfare.

6.2 Employee Development

Employee training

Far East Horizon believes that personal growth depends on constant learning, escape from the comfort zone of knowledge and experience accumulation, therefore we only welcome talents who are constantly pursuing self-development. We actively encourage employees to fully explore their advantages and interests based on company development requirements in order to realize individual values. The Corporation established various promotion channels for employees to meet the development requirements of professional talents and management talents. Within the Far East Institute and its learning platforms, the Corporation attracts and encourages managers and employees to participate in training, seminars, subject workshops, courseware development, sharing and other learning activities, creating a learning organization with self-checks, self-driven and self-improvement, thus creating a team atmosphere of total learning and life-long learning. Since it went live in 2015, the Far East E-learning platform has been providing employees with abundant course resources, including 350 courses in 16 categories and nearly 300 materials and documents, which cover fields including finance, law, management, office administration, internal audit, HR, marketing, credit, execution, assets, investment and occupational skills, etc. Meanwhile, we are gradually accumulating training resources in fields such as healthcare, education and construction, etc.



Far East Institute course system

In 2015, The Corporation launched the Far East E-learning platform on its WeChat client. From its launch in May 2015 to the end of the year, a total of 23,764 person-times learning and 11,636 learning hours were achieved.

Computer user



Mobile phone user



OA portal access

**Scan QR-code to access to WeChat
Far East Horizon E-learning**

Far East E-learning platform



Employee training

Employee career development

For employees, we implemented the position promotion channel composed of two parts: a professional development channel and an administrative promotion channel, to foster the technical specialists and management personnel. For the career development of employees, the Corporation actively manages the one-to-one communication between the directors and employees and draw ups detailed plans, whose measures would be followed and examined closely.

6.3 Occupational Health and Safety

With the gradual implementation of industry strategy of the Corporation, real industry platforms such as construction, healthcare and public education, etc. were launched in Far East Horizon; the Corporation holds and manages over 13 enterprises in the real industry with over 3,000 employees. Therefore, HSE risk has been listed as one of the major risks of the company operation. In 2011, the Corporation established the HSE management system to safeguard secure operations, and constantly carried out various activities including HSE training, emergency drilling and safety knowledge contest, etc. In order to increase employee's commitment to HSE awareness, capacity and consistency, the Corporation took actions to constantly improve HSE performance.

Employee occupational health and safety management

Far East Horizon Plaza project construction safety

In order to guarantee the normal implementation of the project safety work, Far East Horizon established and implemented a project safety organization, system and responsibility system. for the purpose of realizing project total safety management, defining safety responsibility and addressing complicated operating environments, the Corporation implemented a safety grid management system, which adopts construction line location management, safety line linear supervision and management and relevant assessment and incentive policy to facilitate the project safety management.



Far East Horizon Plaza construction safety total training

Work safety major inspection - industry front-line visit

In order to earnestly implement responsible investment and actively publicize the HSE concept of "risk control and prevention first", in June 2015, led by Senior Vice President Cao Jian, Vice-President Wang Ruisheng, Vice-President Wu Zhijun, Assistant President Wang Jiayin, Chief Information Officer Cai Jianjun, Educational System BU General Manager Zhu Guojie, 8 inspection teams consisting of staff from Far East Construction, business operation center, HR department and Internal Audit department carried out a comprehensive Major Safety inspection of all the key construction sites of subsidiaries in a way of cross inspection.

Through the inspection, the Corporation reached a consensus: increased industry health and safety risk was a new challenge for the operation; all the subsidiaries will earnestly implement various HSE management requirements in the construction and operation of sites.



Safety inspection of aerial lift vehicle and scaffold project

Relevant industry safety training

The Corporation held the first session of job safety analysis training

On the afternoon of August 25, 2015, the Corporation Business Operation Center held the job safety analysis (JSA) training at the Horizon Machinery Jinshan plant, with 26 first-line managers from major industry platform companies participating in the training.

JSA is an advanced tool for risk identification and control, and a process to systematically identify, evaluate existing hazards, formulate and implement control measures. As an important part of the implementation of the Corporation's special activity of "100-day work safety major rectification", the training aimed to further systematically improve the risk control capacity of first-line managers at the job site, and comprehensively promote the effective implementation of various risk control measures.

The first Far East Horizon safety skills contest

On May 21, 2015, the first Far East Horizon safety skills contest was officially held at the Horizon Machinery Shanghai Fengxi site, which also marked the official launch of several activities of the Far East Horizon Work Safety Month.

The safety skills contest was jointly held by the Business Operation Center and the labor union, a total of 19 contestants stood out from nearly 1,000 first-line operators to take part in three items, a HSE knowledge contest, forklift driving skill test and hazards check. Throughout the contest, first-line employees demonstrated a comprehensive understanding of the safety management requirements, post occupational health hazard protection, safety protection, environmental protection and emergency escape knowledge.

The contest promoted the consolidation and improvement of safety skills of first-line employees, and the Corporation will make unremitting efforts to build a team of industrial workers with outstanding quality and skills.



Safety skills contest site

6.4 Employee Care

Employee Care

In terms of employee assistance, the labor union spends more money on the love funds of the “Milk Bottle” project and the “Supported Beloved Ones” project, including employee families and newly-hired graduating students under the special care program. In 2015, the Corporation provided 1.048 million yuan to graduating students and 0.195 million yuan to employees suffering from accidents.

The Corporation also launched the “Far East Horizon ‘Health Station’” the EPA Program”, created a comprehensive and interactive employee physical and mental health guarantee platform for regular employee physical examination and various physical and mental health lectures for female employees, parent-child and health, etc., in order to promote and effectively identify employee physical and mental health risks, mitigate their work and life stress and meet their health requirements.

Balance Between Work and Personal Life

Based on guaranteeing employee basic benefits and creating good development opportunity, Far East Horizon pays attention to reasonable performance and remuneration incentive mechanisms, respects and recognizes employees' individual values and contribution, and helps employees in balancing their life. The Corporation advocates a balanced work and life, and uses a mechanism to guarantee reasonable rest and leave for employees, with an extra bonus of at least a 5-day holiday in addition to the legal holidays. Moreover, the Corporation uses club activities to encourage employees to take an active part in various exercises.

Female employee care

In order to further care for Far East female employees and benefit those from platform companies, in 2015, the Corporation launched the activity of "Care for First-line Female Employees", aiming to protect the physical and mental health of Far East female employees and create good professional female image. To this end, the Corporation provides five courses exploring female physical health, mental health, career beauty, skin care and occupational clothes matching, covering all the female employees of headquarters and platform companies. In 2015, the Corporation also launched the initiative of "5 m2 Care for Nursing Mothers", established nursery rooms for nursing mothers, providing care and convenience for them.





Dine with the Corporation's management

Over the years, "Star of the Month" has been an important part of the Corporation's appraisal and recognition system. With the development of the Corporation and increase in staff size, the reward and appraisal mechanism is under constant perfection and optimization.

In 2015, in order to constantly carry forward the spirit of the pursuit of excellence, honor outstanding employees and bring the company management closer to first-line employees, the Corporation rewarded outstanding employees with the opportunity to dine with company management, becoming an important platform for their close contact and exchange.



"Who Is the Person with Far East Horizon Spirit?"

In order to further publicize and implement the core value "good conducts" of Far East Horizon and inspire the employees, in 2015, platform companies of Far East Horizon launched the appraisal event "Finding the Outstanding Far East First-line Employee", aiming to recognize outstanding first-line production, operation and management employees with the spirits of enthusiasm, passion, dedication, aggression and responsibility, taking advantage of role models to inspire positive energy and further promote the rapid and sound development of the Corporation.





Colorful sports activities

7. Environment and Safety

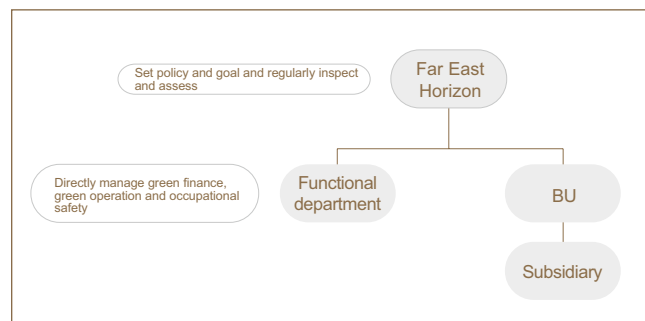
Environment, Health and Safety (EHS) is an indispensable pillar for business continuity. Far East Horizon adheres to green industry investment, responsible operation, and makes unified planning on EHS in the industry sectors with rapid development, considering the environment and safety work improvement as an important part of industry value increase.

7.1 Environmental Safety Policy and Management

Management philosophy

Environment and safety has always been a major part of our focus on sustainable development. We earnestly fulfill work safety responsibility, pay close attention to and guarantee employee occupational health and safety, constantly implement the ecological civilization concept, reduce the impact of our operation on the environment, promote green solutions and encourage the public to participate in environmental protection. As an innovative finance service institution, we explore this new field, investing in green industry, development green business and promoting the development of a green economy.

Management structure



Environmental and safety management

In 2015, in terms of environment and safety system construction, the Corporation rapidly developed the supervision team and basically realized HSE classified management. All the industry groups and BUs assigned their vice presidents responsible for HSE, high-risk industry enterprises set up full-time HSE management departments and personnel, and other industry companies also defined HSE management department and personnel. Meanwhile, the Corporation further refined its HSE accident report system and promoted all subsidiaries to focus on guaranteeing the effective prevention and control of mid- and high risk. In addition, the Corporation specifically issued "HSE Accident Responsibility Investigation Rules", which further defined HSE authority and responsibility; for the delay and poor rectification of major accident hazards and repeated occurrence of similar accidents and dangers, the Corporation adopted accountability interviews, risk warning letters, hazard notifications and special supervision to constantly intensify supervisory management.

7.2 Green Finance

Since its inception in the 1990s, Far East Horizon has now developed into a leading innovative finance service institution in China. Currently, the Corporation adheres to the development strategy of "Financial + Industry", consistently serving basic industries concerning the National economy and people's livelihoods, and supports the development of real economy and SMEs. We always consider social responsibility as an integral part of overall business operation, incorporating it into our enterprise development strategy, constantly creating sustainable value for stakeholders as customers, investors, employees and the society, in order to achieve value sharing and a win-win environment.

In 2015, The CCP Central Committee and State Council circulated "General planning on ecological civilization system reform", proposing to establish a green finance system. Under the guidance, Far East Horizon defined its environmental responsibility, considered potential environmental impact as an important factor for investment and financing decisions; meanwhile, we strived to promote the sustainable development of society via economic resources guidance. Far East Horizon mainly invests in sectors concerning the National economy and people's livelihoods, and ignores enterprises with high environmental risk, outdated technology and safety risks.

Adjusting industry credit system based on environmental performance

In 2015, by a resolution of the Corporation's Risk Management Committee, Far East Horizon launched the construction of industry risk control total flow model and issued the industry control and investment policy to adjust authorization standards. The Corporation regularly issued industry risk classifications and risk control guidance. Defined annual industry risk classification as encouragement, maintenance, restriction and exit, and presented the annual assets allocation and development speed proposal, made timely adjustments based on internal and external conditions to provide guidance for BUs.

Besides, Far East Horizon listed engineering machinery, smelting and mining machinery, petroleum equipment, ferrous metal smelting as well as chemical engineering as II-category industries, restricting and compressing their credits, whilst listing railway, rail transit and energy-saving & environmental protection equipment as I-category industries, encouraging and maintaining their credits.

Management classification \ Industry category	Encouragement	Maintenance	Restriction	Compression
Systematic layout industry	No control on upper limit of annual new investment rate of the industry	Keep the annual industry new investment rate below 15% (inclusive); or maintain the annual industry assets proportion in the assets scale of BU (proportion increase below 5%)	Keep the annual industry new investment rate at 0% or negative growth; or reduce the annual industry assets proportion in the assets scale of corresponding BU	No new annual investment on the industry allowed
Trial order industry	Keep the annual industry assets proportion in the assets scale of corresponding BU between 5% (inclusive) - 10% (inclusive), or adopt the approval document			

Notes:

- (1) The above industry generality refers to secondary industry, in case of special management requirement on tertiary sub-industry, clear guidance will be given via credit policy;
- (2) New investment and assets scale are subject to statistics of minimum annual amount;
- (3) For systematic layout industry, the Corporation conducted industry investment management by giving priority to new investment rate; for trial order industry, the Corporation conducted industry investment management by adopting assets scale proportion.

With the greatly changing external environment, internal operation fields and industry management model, the Corporation will carry out continuous amendments to industry risk management rules and credit risk assessment rules, in order to facilitate the financial leverage and promote industry sustainable development.

Facilitating urban upgrading

In April 2015, Far East Horizon established its Public Utilities Business Unit with a vision of "facilitating urban upgrading and beautiful home construction". The BU facilitates the urban upgrading by comprehensive financial and industry service innovation, and provides one-stop integrated finance service and industry operation services for enterprises within the fields of urban environmental protection, urban transport and urban energy, facilitating the development of new urbanization and the overall upgrading of urban utilities in China. At present, it has accumulatively assisted nearly 200 public transport, passenger transport, thermal supply, water supply and gas supply enterprises in 25 provinces, municipalities and autonomous regions by providing funding support in terms of equipment purchase, yard construction, upgrading and reconstruction, pipework construction and M&A, etc., with an accumulative investment amount of 11.8 billion yuan.

Far East Horizon•Green Public Transport Special Support Program

On October 29, 2015, the 2nd Far East Horizon Urban Public Transport Financial Summit Forum was officially held in Shanghai, attended by Yao Mingde, Honorary Chairman of China Road Transport Association, Cao Jian, Senior Vice President of Far East Horizon, Yang Yongjun, General Manager of Far East Horizon Public Utilities BU and executives of 50 public transport enterprises nationwide. At the forum, Far East Horizon officially released the "Far East Horizon Green Public Transport Special Support Program" for public transport enterprises, and signed strategic cooperation agreements with the first batch of program participants such as Kunming Bus Group, Hangzhou Bus Group, Harbin Transport Group and Qingdao Transport Group.

Far East Horizon Green Public Transport Special Support Program was a long-term support program launched by Far East Horizon catering to policy trends and the upgrading and green development of the public transport sector, which covers the whole public transport industry chain and meets comprehensive requirements of public transport enterprises.

The program involves innovative financial services and supporting industry services for urban public transport segments, aiming to increase urban public transport carrying capacity, improve the public transport conditions, reduce urban pollution and energy consumption, and promote the sound and sustainable development of urban public transport in China, in order to achieve win-win enterprise benefits and social benefits.



Release ceremony of Far East Horizon Green Public Transport Special Support Program

7.3 Green Operation

Green office

As an innovative financial service institution, Far East Horizon actively promotes office space energy-saving reconstruction and video conferencing in order to reduce the environmental impact of the office environment and travelling. With unremitting efforts, the Corporation achieved remarkable results in green office development: in 2015, the total consumption of office paper, toner cartridges and electricity were reduced by 5.5%, 41.1% and 36.7% respectively compared with 2014. Meanwhile, thanks to the roll-out of teleconferencing and video conferencing, the total flight mileage was reduced by 10%.

2014-2015 Green Office Performance Table¹

Indicator	Unit	2014	2015
Consumption of office paper	Kg	26,811	25,330
Office waste - toner cartridge	Ton	982	577
Office waste - computer	Set	—	165
Office waste - paper	Ton	—	5
Teleconference times	Time	357	1,215
Video conference times	Time	4,015	4,084
Flight mileage	Km	36,938,355	33,154,970

Note¹: the data only refers to the financial sector

Ecological farm construction

In order to meet employees' requirements for organic food such as fruit and vegetables and poultry products, Far East Horizon Plaza project's requirements for food supply and greening in the future, provide employees and customers with life leisure and other support services. Far East Horizon has begun the planning and construction of the Gaoze Xiangyuan Farm since 2014. At present, the farm has been under construction in Chongming Jianshe Township adjacent to Dongping National Forest Park on Chongming Island, about a 90-min journey from Jinmao Tower. The Farm will become an ecological farm integrating six functions including garden leisure, green vegetable planting, ecological farming, premium rice planting, production & processing as well as office space, meeting the diverse requirements of all Far East Horizon people.



Gaoze Xiangyuan Farm

8. Community Contribution

As a responsible corporate citizen, we believe that we can promote the harmonious development of society by actively fulfilling our responsibility to improving people's livelihoods. One important way to make social contributions is through community investment. In this regard, we help improve people's livelihoods by engaging with education, poverty alleviation and healthcare via Horizon Charity Foundations; we encourage employees to participate in volunteer and donation activities to contribute to their communities.

8.1 Community Charity

Establishing Shanghai Horizon Charity Foundation

In addition to directly driving the development of China's economy via industry services, Far East Horizon directly contributes to the community in multiple ways. In 2015, the Corporation established the Shanghai Horizon Charity Foundation in Shanghai, which forms a more extensive public service system together with the Beijing Horizon Charity Foundation established in 2014, marking a leap forward for Far East Horizon in fulfilling its social responsibilities.

Aim of the Foundation

Promote social health, stability, harmony and sustainability.

Philosophy of the Foundation

The foundation pursues the long-term, stable and healthy philosophy for the public. When offering recipients long-term subsidies and quality services as well as passing cares and positive energies all the time, the foundation also guides them to take the love baton from the foundation, to always be with grateful hearts and work for charities after they have received help.

Charity project summary 2015

Since its establishment, the Foundation has actively fulfilled its social responsibility, implemented a series of charity activities in the fields of education sponsorship, poverty alleviation, medical assistance and volunteer service, etc., helped the disadvantaged groups and made contributions to improve people's livelihoods and the harmonious development of society. Throughout 2015, Horizon Charity Foundation carried out 18 charity projects (with 9 new projects), invested about 3.5 million yuan and benefited 4,500 person-times.

In 2015, the Foundation invested about 2.4 million yuan in projects such as the Horizon Scholarship, Horizon Stipend and Qianlicao Education Assistance in the field of education, etc., 0.73 million yuan on projects such as the Henan Yongcheng Poverty Alleviation and Love Library, etc. in the field of poverty alleviation, and 0.43 million yuan on projects as Love Ward and the Healthcare Companion, etc. in healthcare field.



Horizon Charity Foundation Project Overview 2015

Education sponsorship

- Horizon Scholarship & Stipend: offering scholarships & stipends to over 300 excellent students from 21 famous universities in China, encouraging them to be diligent, innovative, friendly and helpful and aggressive.
- Qiaolicao Education Assistance: organizing nearly 50 university student volunteers nationwide to carry out charity education assistance activities in the Gansu Longyuan region, benefiting over 400 pupils and middle school students.
- Love Library: assisted the construction of 3 Love Libraries in poorer areas, helping left-behind children and children of single parent families and the disabled to ignite their dreams and hopes.

Poverty alleviation

- Henan Yongcheng Poverty Alleviation project: providing nearly 400 poor elders and students with edible oil, rice, flour and other daily supplies and subsidy for consecutive 4 years.
- Igniting Hope project: working with the Shanghai Disabled Persons' Federation to provide subsidies for 20 children from disabled families, encouraging them to ignite their futures with courage and struggle.

Medical assistance

- Healthcare Companion project: working with the Shanghai Children's Medical Center to launch the first charity project aimed at surgeon training nationwide, helping medical institutions in poor and remote regions to improve diagnosis and treatment levels and bringing better medical resources to more sick children.
- Kashi Hearing Aid project: working with the Communist Youth League Shanghai Municipal Committee to provide hearing aids for poor hear-impaired children and carry out hearing rehabilitation training, benefiting hear-impaired children.
- Love Ward Project: Working with the Huizhou Huakang Hospital, New Binhai Renci Hospital, Siping Cancer Institute & Hospital, Anda Jiren Hospital and Zhoushan Dinghai District Guanghua Hospital to carry out love ward project, providing poor critical patients with assistance.

Horizon Foundation and Far East Horizon charity honors 2015

No.1 in Foundation Transparency Index
Nationwide 2015 China Charity Spread Award
Shanghai Volunteer Service Excellent Collective
Shanghai Intelligence Assistance Excellent Collective
Lujiazui Subdistrict Charity Award



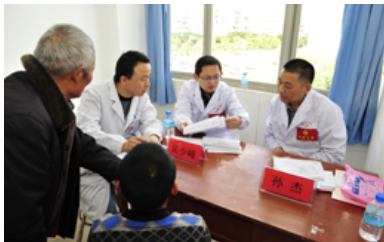
Xinjiang Kashi Hearing Aid Project

In 2015, in response to the call of the Shanghai Municipal Government to aid Kashi and Xinjiang, the foundation has cooperated with the Shanghai Municipal Committee of the Communist Youth League to launch “hearing aid for the poor and disabled children project”. The foundation helps local hearing-impaired children to install hearing aids and receive hearing rehabilitation training, investing 800,000 yuan and benefiting 68 hearing-impaired children.



Healthcare Companion

In 2015, the Horizon Charity Foundation worked with the Shanghai Children's Medical Center to launch the first charity project aiming at child surgeon training nationwide. By organizing children surgeon teams to carry out volunteer medical services and surgery in Chengdu and Jianshui, helping local surgeons improve clinical techniques and improve diagnosis and treatment levels.



8.2 Community Service

As a corporate citizen, Far East Horizon believes that one important way to fulfill its citizenship responsibility is community service. In 2015, the Corporation carried out various community service activities at its locations.

Zoo Adventure Day

Horizon Foundation worked with the Shanghai Zoo to establish the Horizon Volunteer Service Base to expand volunteer service coverage, organize Horizon volunteers to bring their own children to accompany Chongming left-behind children to participate in colorful and interesting garden visit activities and the Feel Wonderful Animal World. The volunteers' children spread warmth and made friends with the left-behind children.

Welfare institution children care volunteer activities

On the occasion of the Mid-Autumn Day Festival, we organized Horizon volunteer teams to send moon cakes, diapers, powdered milk, jam and other love supplies to children at Shanghai Children's Home. Volunteers then accompanied them throughout the day, spending time and helping them to experience a warm, kind, meaningful and heart-felt festival by showing them, through their loving hearts, words and actions, care and affection.



9. Far East Healthcare Social Responsibility Report

As a core strategic segment of Far East Horizon Limited, Far East Horizon Healthcare Group adheres to the value of "serving Chinese healthcare industry and concerning national health". Over the years, it has earnestly developed the industry, improved mechanisms, intensified capacity and gathered resources to gradually form an integrated operation system with synergistic effect and supply capacity. The Group is devoted to creating a healthcare industry ecosystem with openness as its concept, innovation as its driver, coordination as its support and win-win as its objective, expecting to work with partners to promote industry upgrading and ultimately make more quality healthcare services available to the public.

In December 2003, Far East Horizon officially established its healthcare system BU. The BU constantly provides healthcare customers with diversified fund integrated solutions with financial leasing at its core, and has now become a leader in the healthcare financial service sector in China.

In 2006, according to the business strategy of Finance+Industry, Far East Healthcare expanded its financial industries into the comprehensive service field, engineering trade, management consulting, investment & operation industry service segments.

In March 2010, Far East Healthcare set up Shanghai Domin Medical Engineering Co., Ltd., which is a professional technology provider engaged in medical engineering service and equipment trade.

In December 2012, Far East Healthcare and Taiwan Changhua Christian Hospital co-founded Horizon Healthcare Management (Shanghai) Co., Ltd., which provides medical institutions with leading management consulting, project operation, special training and learning services.

In April 2013, Far East Healthcare established Horizon Healthcare Investment & Holding (Shanghai) Co., Ltd., which carries out investment portfolio with the medical institutions as the core in ways of investment M&A, restructuring, planning and new project construction.

In 2014, Far East Healthcare completed its full shape with two drives of finance and industry and diversified and collectivized industry layout.

In January 2015, Far East Horizon healthcare system BU was officially upgraded into Far East Horizon Healthcare Group, which further promotes the building of healthcare industry ecosystems.

9.1 Economic Performance

By the end of 2015, Far East Horizon had successfully held or participated in the equity of 8 hospitals including the Huizhou Huakang Hospital, Siping Cancer Institute & Hospital, Weihai Haida Hospital, New Binhai Renci Hospital, Yunnan Kidney Hospital, Yunnan Boya Hospital, Anda Jiren Hospital and Zhoushan Dinghai District Guanghua Hospital, with over 3,000 beds. Meanwhile, the Corporation actively participated in important industry events such as the 3rd Chinese County Hospital Summit Forum, the 16th National Hospital Construction Conference and China Private Hospital Development Annual Conference 2015, forming its initial healthcare ecosystem.



The 3rd Chinese County Hospital Summit Forum



China Private Hospital Development Annual Conference 2015

9.2 Environmental Performance

Far East Healthcare pays attention to environmental protection and established healthcare waste disposal mechanisms. Take Zhoushan Dinghai District Guanghua Hospital for example. The hospital signed a healthcare waste disposal contract with the local authorized environmental protection entity, which collects waste every 2 days, and carries out harmless disposal after transport. The hospital sewage treatment station is entrusted to Zhoushan Zhuoyue Environmental Protection Engineering Co., Ltd. for operation, with assigned qualified employee responsible for site routine management. The station uses the product, chlorine dioxide, of the reaction between both sodium chlorate and hydrochloric acid to disinfect the sewage, and monitors indicators such as pH, CODcr and residual chlorine in order to guarantee standard sewage discharge.



检测项目	检测方法	检测标准	检测结果	结果评价
pH	酚酞法	7	6.5	达标 <input checked="" type="checkbox"/>
CODcr	重铬酸钾法	1000	100	达标 <input checked="" type="checkbox"/>
氨氮	纳氏试剂比色法	15	0.5	达标 <input checked="" type="checkbox"/>
总磷	钼钼蓝分光光度法	0.5	0.1	达标 <input checked="" type="checkbox"/>
总氮	纳氏试剂比色法	15	1.5	达标 <input checked="" type="checkbox"/>
氯离子	汞盐法	250	10	达标 <input checked="" type="checkbox"/>
硫酸根	钡盐法	1000	100	达标 <input checked="" type="checkbox"/>
溶解性总固体	重量法	1000	100	达标 <input checked="" type="checkbox"/>
总溶解性固体	重量法	1000	100	达标 <input checked="" type="checkbox"/>
电导率	电导率法	1000	100	达标 <input checked="" type="checkbox"/>

Zhoushan Dinghai District Water Quality Test Report
Guanghua Hospital
sewage treatment station

9.3 Safety Performance

Safety management

Fire safety management - Four capacities construction

The Healthcare Group and the held hospitals focused on hospital fire safety management, launching a household registration management system for social entity fire safety, carrying out daily fire inspections, monthly fire inspections, building fire fighting device maintenance, reporting inspections and maintenance results to fire brigade on schedule, and actively receiving inspections from recognized fire authorities. The hospitals organized several activities, such as fire safety education training and evacuation drilling, etc. to enhance the four capacities construction - enhance capacity to inspect and eliminate fire hazard, enhance capacity to organize putting out initial fire, enhance capacity to organize evacuation and enhance capacity for fire protection propaganda and education, training. In 2015, all the held hospitals had controlled fire safety and zero fires.



Employee fire safety education & training

Elevator safety management - special equipment liability insurance

Huizhou Huakang Hospital has 9 elevators, which are subject to strict semi-monthly maintenance and annual major inspection. On May 19, 2015, the hospital entrusted Guangdong Institute of Special Equipment Inspection and Research to implement periodic inspections, and replaced new elevator service markings after the inspection was passed. Equally, the hospital actively purchased special equipment liability insurance, with an annual accumulative limit of liability of 3 million yuan per elevator, in order to guarantee personal or property safety of third party, employee, inspection personnel or maintenance personnel in case of elevator malfunction.

9.4 Responsible Operation

Safety management

In 2015, there were individual dispute cases occurring in the held hospitals. In accordance with the group emergency response mechanism, the hospital involved immediately took response measures after the incident, reporting the incident to the group and local health authority and medical dispute mediation committee via the administration and specialty channels respectively, and successfully solved the individual case with multi-party active negotiation. After the incident, relevant leaders of the hospital led the root cause analysis of the incident, drew profound lessons, strengthened professional learning and enhance responsibility & safety awareness and further improved diagnosis and treatment systems at all levels for future reference. Meanwhile, the group required all the hospitals to strictly implement relevant systems and conduct proper safety and risk control in order to avoid the repeated occurrence.

10. Far East Construction Social Responsibility Report

Far East Horizon Construction Group adheres to the vision of "supporting infrastructure & guaranteeing the people's livelihood", taking the industry operation comprehensive service strategy as its core development idea, catering to infrastructure industry demand, relying on its own strong resource advantage and integration capacity to provide industry comprehensive operation services along the entire infrastructure industry chain.

Supported by Shanghai Horizon Equipment & Engineering Co., Ltd. and Shanghai Hongjin Equipment & Engineering Co., Ltd., Far East Construction has increasingly mature equipment & engineering service business, topped the assets scale in the segments of engineering equipment and scaffold nationwide, and has become an industry-leading player relying on its advanced technology and quality management experience.

10.1 Economic Performance

In 2015, the group systematically promoted engineering services as packaged equipment leasing, engineering supporting services and equipment comprehensive management, etc., effectively linking with the financial business that preliminarily took the shape of an industrial group. Horizon Equipment and Hongjin Equipment achieved operating revenue increases by 25.05% and 119.69% respectively on a year-on-year basis, showing good performance.

10.2 Environmental Performance

Horizon Equipment actively promotes waste classified disposal, motivating first-line employees to carry out recycling to greatly reduce waste emissions, for example, uncontaminated metal articles recycling and use of wood packaging box as storage box on the site.

In the total energy consumption, building energy consumption occupies a large proportion, while lighting and air conditioning (especially air conditioning) take up 30%-40% of the building energy consumption. GSHP is a kind of efficient energy saving device for both heating and cooling via underground superficial geothermal resources. In the construction of the Shanghai Jiading Maintenance Center and Tianjin Wuqing Maintenance Center projects, Horizon Equipment fully considered energy-saving and environmental protection and selected GSHP air-conditioning systems. As a closed loop, the system only conducts energy exchange within its environment without any media exchange, and it uses clean and eco-friendly geothermal energy, causing no environmental pollution.



Asia International Leasing Summit 2015



Anhui Hefei Metro No.2 TJ5 section



Wenzhou Zhengda Leqing project



Shanghai formwork scaffold exhibition

10.3 Work Safety

In 2015, Hongjin Equipment carried out 178 safety training events and 2 emergency drillings with 67 participants. Horizon Equipment has a systematic employee training system, a prepared post HSE training matrix based on different post nature and potential risks, and implemented proper HSE training via shift construction morning/afternoon meetings, bi-weekly safety regular meetings and project HSE inspection, achieving 100% new employee orientation training, post skill training and promotion training. In 2015, Horizon Equipment implemented 568 person-time orientation training, 466 person-time special training and 895 other HSE training, with accumulative training of over 1,900 person-times.



Work shift morning meeting



HSE training

Horizon Equipment focuses on sustainable HSE development and employee health protection. In 2015, its health & safety protection budget reached 1.764 million yuan, fully guaranteeing employee occupational health physical examination and PPE allocation. Meanwhile, it catered to Horizon Equipment's strategy development to develop over 25 cooperative hospitals with occupational health physical examination qualifications nationwide, with 400 person-time occupational health monitoring, a 100% health monitoring rate and a physical examination pass percentage rate, which greatly guarantees the occupational health monitoring work and employees' physical and mental health.

In order to guarantee employee safety and health during work, it is necessary to reduce various occupational diseases and realize effective management regarding occupational health. Hongjin Equipment formulated "Shanghai Hongjin Equipment & Engineering Co., Ltd. Occupational Health Rules" according to relevant laws and regulations and standards. It arranges physical examinations (including common physical examination and occupational disease examination) before official employment, conducts unified reimbursement of the physical examination expenses after serving for half a year, arranges in-service and out-of-service physical examinations, distributes labor protection supplies, guarantees proper protective measures before work, adopts remuneration system of "equal pay for equal work" for contract employees and regular employees, follows the principle of distribution according to work, and regularly checks the social security payments of the labor service agency.

The labor Union mobilized employee participation

Horizon Equipment has a sound labor union organization, whose issues fully demonstrate total participation and democratic supervision. In 2015, the labor union's major issues included skill contests, high temperature allowance and rationalization proposals. Through these activities, the Horizon Equipment management visited 21 outlets, 17 first-line project departments with accumulative 307 person-time sympathy, and broadly collected 121 feedback and suggestions involving foreground business units as well as mid- and background functional departments.

Key Performance Indicators of Social Responsibility 2015

1. Economic Performance Indicators

Indicator	Unit	2013	2014	2015
Main business revenue	100 million Yuan	78.68	100.61	117.96
Total profits	100 million Yuan	26.01	32.11	35.80
Total taxes paid	100 million Yuan	14	14	23
Total assets	100 million Yuan	865.13	1,107.26	1,393.13
Government subsidies	100 million Yuan	0.78	3.26	1.31
Employee salaries and benefits	10 thousand Yuan	133,154.80	161,152.00	182,371.00
Employee training expenses	10 thousand Yuan	684	790	846
Donations by Far East Horizon	10 thousand Yuan	200	400	450
Donations by Horizon Foundation	10 thousand Yuan	346.45	313.10	361.95

2. Labor Practice and Fair Work

Employees Hired

Indicator	Unit	2013	2014	2015
Total number of employees	Persons	3,250	5,016	6,084
Total number of new employees ¹	Persons	911	525	541
Total number of former employees ²	Persons	328	280	564
Number of employees at the management level (male/female)	%	81.32/18.68	81.41/18.59	78.82/21.18
Grouped by age				
- Over 50	Persons	54	86	216
- 30-50	Persons	926	1,826	2,264
- Under 30	Persons	1,420	3,104	3,604
Grouped by educational background				
- Doctorates	Persons	11	14	9
- Masters	Persons	999	1,714	2,444
- University Undergraduate	Persons	759	1,482	1,765
- College and below	Persons	631	1,806	1,866
Grouped by location³				
- Shanghai	Persons	1,278	1,428	1,809
- Shenzhen	Persons	77	138	119
- Beijing	Persons	78	106	110
- Hong Kong	Persons	3	11	12

Note^{1,2,3}: The data only refers to the financial sector.

Employee Rights

Indicator ¹	Unit	2013	2014	2015
Labor contract coverage	%	100	100	100
Social insurance coverage	%	100	100	100
Percentage of employees protected by collective negotiation agreements	%	100	100	100
Percentage of employees participated in collective negotiation agreements	%	100s	100	100
Number of labor discrimination incidents	Pieces	0	0	0

Note¹: the data only refers to the financial sector.

Training and Career Development

Indicator ¹	Unit	2013	2014	2015
Person-times of employee training	Person-times	27,659	35,872	47,236
Employee training coverage	%	97	98	99
Regular performance and career development evaluation coverage	%	100	100	100
Average training hours per employee per year	Hours	32.60	33.20	33.90
Average training hours per year (male/female)	Hours	31/34	32/36	33/36

Note¹: the data only refers to the financial sector

3. Environment, Health, Safety Performance Indicators

Indicator ¹	Unit	2013	2014	2015
Total office electricity used	10 thousand kwh	66.31	166.68	105.59
Travel expense	10 thousand yuan	14,398.00	17,491.00	16,736.00
Airline travel mileage	Km	5,120,471	36,938,355	33,154,970
Total amount of office paper used	Kg	—	26,810.75	25,329.56
Number of teleconference	Number	—	357	1,215
Number of video conference	Number	—	4,015	4,084

Note¹: the data only refers to the financial sector

Safety Indicators

Indicator ¹	Unit	2013	2014	2015
Number of safety investigations	Number	57	76	49
Number of emergency drills	Number	8	25	57
Number of employees participating in the emergence drills	Persons	763	470	2,251
Person-numbers of safety training	Person-numbers	1,721	2,300	6,626
Number of safety training sessions	Number	53	115	335
Safety management regulations stipulated and modified	Article	23	91	111

Note¹: The data only involves related industry workers

Occupational Health

Indicator ¹	Unit	2013	2014	2015
Coverage for employee physical exams	%	100	100	100
Occurrences of employee occupational diseases	%	0	0	0

Note¹: The data only involves related industry workers

4. Risk and Compliance Management

Risk Management

Indicator ¹	Unit	2013	2014	2015
Major risk factor identified	Number	3	4	10
Number of risk management training sessions	Number/ person-times	13/357	31/1,099	18/450
Number and person-times of internal control training sessions	Number/ person-times	3/100	0/0	0/0
Number and person-times of business integrity training sessions	Number/ person-times	17/767	42/1,663	70/2,199
Number of reports from employees	Number	0	4	1

Note¹: the data only refers to the financial sector

Compliance Management

- During 2013-2015, no violation of safety regulations
- During 2013-2015, no violation of product and service regulations
- During 2013-2015, no violation of market promotion regulations
- During 2013-2015, no violation of client privacy, no complaints regarding losing client documents

Standards Index

1. The Index adopted the HKEx ESG Reporting Guide 2015, including partial disclosure and complete disclosure.

Aspect, general disclosure and KPI	Description	Correlation and section
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental safety policy and management
KPI A1.1	The types of emissions and respective emissions data.	Not disclosed
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not disclosed
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green operation
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green operation
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Green operation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Green operation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental safety policy and management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	KPI
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Not disclosed
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Green operation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Not disclosed
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not disclosed
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental safety policy and management Green finance
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental safety policy and management Green finance

Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee rights
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	KPI Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	KPI Table
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational health and safety
KPI B2.1	Number and rate of work-related fatalities.	Not disclosed
KPI B2.2	Lost days due to work injury.	Not disclosed
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational health and safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	KPI Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	KPI Table
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employee rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee rights
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Compliant operation
KPI B5.1	Number of suppliers by geographical region.	Not disclosed
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Compliant operation

Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Product innovation Quality service
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not disclosed
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not disclosed
KPI B6.4	Description of quality assurance process and recall procedures.	Not disclosed
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Quality service
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliant operation
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliant operation
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Compliant operation
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community charity
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community charity Community service
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community charity Community service KPI Table

2. The Index selects the core program of Global Reporting Initiative (GRI) “Sustainability Reporting Guidelines” (G4).

Sustainability Reporting Guidelines Index		Correlation and Section	
Strategy and analysis			
No.	Content	Correlation	Section
G4-1	Provide a statement from the most senior decision-maker of the organization.	High	Speech from the President
G4-2	Provide a description of key impacts, risks, and opportunities.	High	Speech from the President
Organizational Profile			
No.	Content	Correlation	Section
G4-3	Report the name of the organization.	High	Speech from the President
G4-4	Report the primary brands, products, and services	High	Speech from the President
G4-5	Report the location of the organization’s headquarters.	High	
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	High	Corporation Introduction
G4-7	Report the nature of ownership and legal form.	High	Corporation Introduction
G4-8	Report the markets served.	High	Corporation Introduction
G4-9	Report the scale of the organization.	High	Corporation Introduction
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization’s work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	High	Employee Rights; Key Performance Form
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	High	Key Performance Form
G4-12	Describe the organization’s supply chain.	Medium	Compliance Operation Green Operation
G4-13	Report any significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain.	High	Corporation Introduction; Organizational Structure

Commitments to External Initiatives			
No.	Content	Correlation	Section
G4-14	a. Report whether and how the precautionary approach or principle is addressed by the organization.	High	Corporate Governance; Compliance Operation
G4-15	a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	High	Corporate Governance; Value creation
G4-16	a. List memberships of associations (such as industry associations) and national or international advocacy organization.	High	Value creation Industry responsibility
Identified Material Aspects and Boundaries			
No.	Content	Correlation	Section
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	High	About the report
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	High	About the report; Recognition and Analysis of Substantial Issues
G4-19	a. List all the material Aspects identified in the process for defining report content.	High	Recognition and Analysis of Substantial Issues
G4-20	a. For each material Aspect, report the Aspect Boundary within the organization.	High	About Far East Horizon
G4-21	a. For each material Aspect, report the Aspect Boundary outside the organization.	Medium	—
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Low	—
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Low	—
Stakeholder Engagement			
No.	Content	Correlation	Section
G4-24	Provide a list of stakeholder groups engaged by the organization.	High	Recognition and Communication of Key Stakeholders
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	High	Recognition and Communication of Key Stakeholders
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	High	Recognition and Communication of Key Stakeholders

G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	High	Recognition and Communication of Key Stakeholders
Report in General			
No.	Content	Correlation	Section
G4-28	Reporting period.	High	About the report
G4-29	Date of most recent previous report (if any).	Low	About the report
G4-30	Reporting cycle.	High	About the report
G4-31	Provide the contact point for questions regarding the report or its contents.	High	About the report Back cover
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	High	Standards Index
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	High	—
Governance			
No.	Content	Correlation	Section
G4-34 ~ G4-55	Governance	High	Corporate Governance
Ethics and Integrity			
No.	Content	Correlation	Section
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	High	Corporate Responsibility
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	High	Compliant Operation
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines.	High	Compliant Operation
Economic Performance			
No.	Content	Correlation	Section
G4-DMA		High	Value creation;

G4-EC1	Direct economic value generated and distributed.	High	Key Performance Form
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Low	—
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Medium	—
G4-EC4	Financial assistance received from government.	High	Key Performance Form
Market Presence			
No.	Content	Correlation	Section
G4-DMA		High	Employee Rights
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	High	Employee Rights
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	High	—
Indirect Economic Impacts			
No.	Content	Correlation	Section
G4-DMA		High	Industry and Finance Integration Industry responsibility
G4-EC7	Development and impact of infrastructure investments and services supported.	High	Industry and Finance Integration Industry responsibility
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	High	Industry and Finance Integration Industry responsibility
Procurement Practices			
No.	Content	Correlation	Section
G4-DMA		Medium	Compliant Operation Green Operation
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	Medium	—
Environmental			
Materials			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-EN1	Materials used by weight or volume.	Low	—
G4-EN2	Percentage of materials used that are recycled input materials.	Low	—
Energy			
No.	Content	Correlation	Section
G4-DMA		Medium	Environmental safety policy and management Green Operation

G4-EN3	Energy consumption within the organization.	High	Green Operation Key Performance Form
G4-EN4	Energy consumption outside of the organization.	Medium	—
G4-EN5	Energy intensity.	Medium	—
G4-EN6	Reduction of energy consumption.	High	—
G4-EN7	Reductions in energy requirements of products and services.	Medium	—
Water			
No.	Content	Correlation	Section
G4-DMA		Medium	Environmental safety policy and management Green Operation
G4-EN8	Total water withdrawal by source.	Medium	Key Performance Form
G4-EN9	Water sources significantly affected by withdrawal of water.	Low	—
G4-EN10	Percentage and total volume of water recycled and reused.	Medium	—
Biodiversity			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Low	—
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Low	—
G4-EN13	Habitats protected or restored.	Low	—
G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Low	—
Emissions			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1).	Low	—
G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2).	Low	—
G4-EN17	Other indirect greenhouse gas (ghg) emissions (scope 3).	Low	—
G4-EN18	Greenhouse gas (ghg) emissions intensity.	Low	—
G4-EN19	Reduction of greenhouse gas (ghg) emissions.	Low	—
G4-EN20	Emissions of ozone-depleting substances (ODS).	Low	—
G4-EN21	NO _x , SO _x , and other significant air emissions.	Low	—
Effluents and Waste			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-EN22	Total water discharge by quality and destination.	Low	—
G4-EN23	Total weight of waste by type and disposal method.	Low	—
G4-EN24	Total number and volume of significant spills.	Low	—

G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex i, ii, iii, and viii, and percentage of transported waste shipped internationally.	Low	—
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected.	Low	—

Products and Services

No.	Content	Correlation	Section
G4-DMA		High	Innovative product Quality service
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	High	Green Finance
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	Low	—

Compliance

No.	Content	Correlation	Section
G4-DMA		Medium	Compliant Operation
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	High	Key Performance Form Environmental safety policy and management

Transport

No.	Content	Correlation	Section
G4-DMA		Low	—
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	Low	—

Overall

No.	Content	Correlation	Section
G4-DMA		Medium	—
G4-EN31	Total environmental protection expenditures and investments by type.	Medium	—

Supplier Environmental Assessment

No.	Content	Correlation	Section
G4-DMA		Medium	Compliance management
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Medium	—
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Medium	Compliance management Green Operation

Environmental Grievance Mechanisms

No.	Content	Correlation	Section
G4-DMA		Low	—
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	Low	Environmental safety policy and management

Social			
Labor Practices and Decent Work			
Employment			
No.	Content	Correlation	Section
G4-DMA		High	Employee Rights
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	High	Employee Rights; Key Performance Form
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time, employees, by significant locations of operation.	High	Employee Rights
G4-LA3	Return to work and retention rates after parental leave, by gender.	High	—
Labor/Management Relations			
No.	Content	Correlation	Section
G4-DMA		Medium	—
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	Medium	—
Occupational Health and Safety			
No.	Content	Correlation	Section
G4-DMA		High	Health and Safety
G4-LA5	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advice on occupational health and safety programs.	Low	—
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	High	Health and Safety; Key Performance Form
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	Medium	Key Performance Form
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	High	Employee Care; Health and Safety
Training and Education			
No.	Content	Correlation	Section
G4-DMA		High	Employee Development
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	High	Key Performance Form
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	High	Employee Development
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	High	Key Performance Form
Diversity and Equal Opportunity			
No.	Content	Correlation	Section
G4-DMA		High	Employee Rights

G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	High	Employee Rights; Key Performance Form
Equal Remuneration for Women and Men			
No.	Content	Correlation	Section
G4-DMA		High	Employee Rights
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	High	Employee Rights
Supplier Assessment for Labor Practices			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Low	—
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Low	—
Labor Practices Grievance Mechanisms			
No.	Content	Correlation	Section
G4-DMA		High	Employee Rights
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	High	Key Performance Form
Human Rights			
Investment			
No.	Content	Correlation	Section
G4-DMA		Low	Employee Rights
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Low	—
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Low	—
Non-discrimination			
No.	Content	Correlation	Section
G4-DMA		High	Employee Rights
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	High	Key Performance Form
Freedom of Association and Collective Bargaining			
No.	Content	Correlation	Section
G4-DMA		Low	Employee Rights
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	Low	Employee Rights
Child Labor			
No.	Content	Correlation	Section
G4-DMA		Low	Employee Rights

G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Low	—
Forced or Compulsory Labor			
No.	Content	Correlation	Section
G4-DMA		Low	Employee Rights
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Low	Employee Rights
Security Practices			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	Low	—
Indigenous Rights			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	Low	—
Assessment			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Low	—
Supplier Human Rights Assessment			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Low	—
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Low	—
Human Rights Grievance Mechanism			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	Low	—
Society			
Local Communities			
No.	Content	Correlation	Section
G4-DMA		High	Community charity Community service
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Low	—

G4-SO2	Operations with significant actual and potential negative impacts on local communities.	Medium	—
Anti-corruption			
No.	Content	Correlation	Section
G4-DMA		High	Compliance management
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	High	Compliance management
G4-SO4	Communication and training on anti-corruption policies and procedures.	High	Compliance management; Key Performance Form
G4-SO5	Confirmed incidents of corruption and actions taken.	High	Compliance management
Public Policy			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Low	—
Anti-competitive Behavior			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Low	—
Compliance			
No.	Content	Correlation	Section
G4-DMA		High	Compliance management
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	High	Key Performance Form
Supplier Assessment for Impacts on Society			
No.	Content	Correlation	Section
G4-DMA		Low	Compliance management
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	Low	—
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Low	—
Grievance Mechanisms for Impacts on Society			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	Low	—

Product Responsibility			
Customer Health and Safety			
No.	Content	Correlation	Section
G4-DMA		Low	—
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Low	—
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Low	—
Product and Service Labeling			
No.	Content	Correlation	Section
G4-DMA		High	Financial Business; Innovative product
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	High	Financial Business; Innovative product
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Medium	Key Performance Form
G4-PR5	Results of surveys measuring customer satisfaction.	High	Quality Service
Marketing Communications			
No.	Content	Correlation	Section
G4-DMA		High	Compliance management
G4-PR6	Sale of banned or disputed products.	High	Key Performance Form
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	High	Key Performance Form
Customer Privacy			
No.	Content	Correlation	Section
G4-DMA		High	Quality Service
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	High	Key Performance Form
Compliance			
No.	Content	Correlation	Section
G4-DMA		High	Compliance management
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	High	Key Performance Form



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